

139

UNIVERSITY OF SWAZILAND

FACULTY OF EDUCATION

DIPLOMA IN ADULT EDUCATION III

FINAL EXAMINATION, DECEMBER 2017

COURSE CODE: AED307

**PAPER TITLE: INTRODUCTION TO SMALL-SCALE BUSINESS
MANAGEMENT**

WEIGHT: 100 MARKS

TIME ALLOWED: THREE (3) HOURS

**INSTRUCTIONS: ANSWER ALL QUESTIONS IN SECTION A AND THREE (3)
QUESTIONS IN SECTION B**

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TO DO SO**

Section A

For the questions below, choose the letter that corresponds with your response

1. To be successful, a business must:
 - A. Produce goods instead of services.
 - B. produce goods or services with a high price.
 - C. Produce goods or services that consumers want.
 - D. Produce goods or services using, mostly, capital resources.
2. Research on 'entrepreneurs' has shown them to be:
 - A. ambitious
 - B. willing to take risks
 - C. passionate
 - D. all of the above
3. Which of the following is a reason a person might prefer to buy a franchise (e.g. KFY) rather than open a completely new business?
 - A. High failure rate
 - B. increased independence
 - C. ability to benefit from previous experience
 - D. reduced royalty fees
4. A person within a firm who takes a leadership role is positioned to help make sure there is success of an idea is often referred to as a:
 - A. Leader
 - B. supporter
 - C. champion
 - D. evangelist
5. Small businesses are able to succeed because:
 - A. They provide great satisfaction for their owners
 - B. Large corporations continue to fail at very high rates
 - C. The world-wide-web (www) has been a main 'failure'
 - D. Sales do not represent an important element in the success of entrepreneurs
5. Seed money is
 - A. Money available to launch undertaking
 - B. prohibitive cost of entry
 - C. A guarantee that the firm will be successful
 - D. Options (A) and (B) only
6. Jose and Carlos pass out flyers to advertise their lawn-mowing business. By advertising, they are hoping to increase the _____ for their mowing services
 - A. Supply
 - B. demand
 - C. popularity
 - D. opportunity costs
7. By being committed, entrepreneurs are said to be able to:
 - A. Spot trends
 - B. Be competitive
 - C. Act in a decisive manner & have faith in their ability to resolve problems
 - D. Make personal sacrifices to achieve their goals
8. What tells us how scarce a good or service is compared to other goods and services?
 - A. Prohibitive cost
 - B. popularity
 - C. price
 - D. supply
 - E. opportunity cost
9. The first step in starting a business is:
 - A. Self-assessment
 - B. linking with business federation
 - C. conceiving the idea
 - D. Selecting the form of business organisation
 - E. business planning
 - F. day-dreaming
10. Which of the following management functions is most important:

- A. Leading B. organising C. controlling D. planning

11 Entrepreneurs:

- A. have less personal drive than small business owners B. have more time to take vacations
C. succeed based upon having a great concept for a product or service D. are the company

12. What things could you change to adjust your profit?

- A. Price B. number C. local government D. options (A) and (B) only

13 The written document that details the idea for a new business is known as a(n):

- A. Self-assessment B. organisation form C. idea & problem diary D. self-assessment

14. Making a purchase you had not planned for is called:

- A. Consumer shopping B. warranty C. bumper pay thrill D. none of the above

15. A business plan is a(n):

- | | |
|---|---|
| A. Power-Point (PPT) presentation that entrepreneurs give to sponsors in order to raise money | C. document that business owners look at before they acquire a new franchise |
| B. Written document that describes a new business and how it will operate | D. description of the business to be distributed to marketing companies for product promotion |

Completion: Fill in the blanks

16. A delivery van is an example of
17. The output of production divided by the inputs used in production is called
18. When a person makes an economic decision as a producer or consumer, s/he should compare both the costs and the.....
19. The amount left over after a business subtracts all costs from total sales/revenue is called
20. ----- is an example of a (professional) service business undertaking

[20 x 2 = 40 marks]

Section B

Question 2

Identify and discuss four (4) criteria for classifying enterprises as micro, small or medium-sized business

[4 x 5 = 20 marks]

Question 3

Several sources exist by which to finance business start-ups. Discuss four (4) such sources