



EXAMINATIONS COUNCIL OF ESWATINI
Eswatini Prevocational Certificate of Secondary Education

ENTREPRENEURSHIP

Paper 1 Multiple Choice

5923/01

October/November 2022

1 hour

You answer on the Answer Grid.
You will need a multiple choice Answer Grid.

READ THESE INSTRUCTIONS FIRST

This Question Paper consists of 40 multiple choice questions.

Four possible answers are given for each question. Choose the **best** answer and shade your choice in the oval under the correct letter in soft pencil **HB** on the separate multiple choice Answer Grid provided.

Read all questions carefully.

Answer **all** questions.

EXAMPLE:

41 Which term represents the cost of borrowing money?

- A capital
- B interest
- C loan
- D price

41	A	B	C	D
	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

For Examiner's Use	
Marks	

This document consists of 9 printed pages and 3 blank pages.

- 1 Which role of entrepreneurs involves utilising human resources in a cost efficient manner?
 - A economic gains
 - B needs and wants
 - C production factor
 - D social gains

- 2 Which describes an innovator entrepreneur?
 - A one who constantly comes up with new ideas and inventions
 - B one who solves social problems with their products and services
 - C one who wants to do as much research as possible before offering a product
 - D one willing to work hard and put in constant effort to get what they want

- 3 Which term describes the variable in the 4 Ps model for the procedure followed by entrepreneurs when developing a product?
 - A person
 - B place
 - C process
 - D product

- 4 Which component of a feasibility study considers the amount of investment needed to start an enterprise and the return to be generated?
 - A finance
 - B legal
 - C market
 - D product

- 5 Which of these countries is known to be successful in entrepreneurship?
 - A Eswatini
 - B Nigeria
 - C Singapore
 - D South Africa

- 6 Which external factor has the ability to influence the decisions of a business?
 - A employees
 - B funds available in the firm
 - C management
 - D suppliers

- 7 Dudu's business had to close down because it could not comply with guidelines that were used to establish it.

Which factor led to Dudu's business closure?

- A cultural factor
 - B legal factor
 - C natural factor
 - D political factor
- 8 Chazile is an author of a book and she wants to protect the content from being published by other authors.

Which of the following will she use to protect her idea?

- A copyrights
 - B patents
 - C trade secrets
 - D trademarks
- 9 Which is a benefit of the law that governs the utilisation of natural resources in Eswatini?
- A allow cutting down of trees
 - B allow utilisation of resources
 - C increase negative externalities
 - D prevent extinction of resources

- 10 What kind of unethical behaviour is shown when an employer promotes his personal friend?

- A nepotism
- B swift justice
- C undue pressure
- D unfriendliness

- 11 Which is a major disadvantage of a sole trader?

- A low operating costs
- B low organisational costs
- C simplicity of decision making
- D unlimited liability to the owner

- 12 Which one of the following is an unincorporated business?

- A Close corporations
- B Partnership
- C Private limited company
- D Public limited company

- 13 Who is responsible for electing the board of directors of a company?
- A employees
 - B general public
 - C government bodies
 - D shareholders
- 14 Which is a characteristic of a cooperative society?
- A all members have one vote
 - B profits are shared according to capital contributed
 - C shareholders are the owners of the business
 - D shares are sold to family and friends
- 15 Which is a stage of a business cycle?
- A controlling
 - B negotiation
 - C preparation
 - D recession
- 16 Which is an element of delegation?
- A friendship
 - B giving power
 - C lack of confidence
 - D lack of trust
- 17 What is the official record of the proceedings of a meeting?
- A agenda
 - B minutes
 - C prospectus
 - D report
- 18 Which document in the recruitment process lists all the duties of a new employee?
- A application form
 - B curriculum vitae
 - C job description
 - D job specification
- 19 Which of the following defines a chain of command?
- A the line of authority in an organisation
 - B the grouping of jobs into working units
 - C the number of managers in an organisation
 - D the number of subordinates under a supervisor

20 Which one is a secondary research method?

- A interviews
- B observations
- C questionnaires
- D websites

21 Muzi, a manager, has been assigned to carry out a study on customers' behaviour.

What factor is Muzi studying?

- A macro environment
- B marketing environment
- C marketing mix
- D micro environment

22 Which source of finance is appropriate for short term day to day expenses of an enterprise?

- A debentures
- B hire purchase
- C leasing
- D overdraft

23 Which of the following is treated as revenue expenditure in an enterprise?

- A cost of installing a printer
- B computer speaker
- C laser printer
- D printing paper

24 Which of the following is an example of fixed costs?

- A direct material
- B insurance cost
- C production supplies
- D sales commission

25 Zama's enterprise financial data for 2021 was as follows:

	E
Rent	1 000
Electricity for production	200
Cost raw materials	1 800
Depreciation	400

Calculate the enterprise's variable costs.

- A E1 200
- B E2 000
- C E2 200
- D E2 400

26 Which of the following is a current asset of a bookshop enterprise?

- A creditors
- B debtors
- C furniture
- D motor vehicle

27 Gumbi's enterprise financial data for 2021 was as follows:

	E
sales	10 000
gross profit	2 000
wages	200
drawings	500

Calculate the enterprise's cost of sales.

- A E8 000
- B E9 800
- C E9 500
- D E12 500

28 Asambe Tennis Club financial data for 2021 was as follows:

	E
Collections at tennis games	2 000
Equipment	600
Rent for pitch	400

Calculate the surplus received by the organisation.

- A E1 000
- B E1 200
- C E1 600
- D E2 400

29 An organisation has current assets E7 000 and current liabilities E3 000.

What is the value of current ratio for this business?

- A 1:0.43
- B 1:2.33
- C 1:7
- D 2.33:1

30 Karl's enterprise financial data for 2021 was as follows:

	E
cash	15 000
accounts receivables	26 000
inventory	23 000
current liabilities	36 000

Calculate the enterprise's acid-test (quick) ratio.

- A 0.5:1
- B 1.14:1
- C 1.36:1
- D 1.97:1

31 How is return on capital employed calculated?

- A net profit divided by current assets
- B net profit divided by fixed assets plus current liabilities
- C net profit divided by total assets less current liabilities
- D net profit divided by working capital

32 Which of the following describes a net loss?

- A expenses are greater than income
- B expenses are less than income
- C expenses are equal to income
- D liabilities are greater than assets

33 Which is an example of a consumer good?

- A accountant
- B biscuits
- C equipment
- D hairdresser

- 34 Which of the following is represented by SWOT in marketing?
- A segment, weaknesses, opportunities, threats
 - B segment, weaknesses, opportunities, trends
 - C strengths, weaknesses, opportunities, threats
 - D strengths, weaknesses, opportunities, trends
- 35 Which of the following is a stage of product development?
- A idea screening
 - B idea preparation
 - C exploring needs
 - D negotiation plan
- 36 Which one of the following is an example of competitive pricing?
- A charging a price which is similar in all functional areas
 - B charging a price which is greater than that of competitors
 - C charging a price which is much lower than that of competitors
 - D charging a price which is similar with those of competitors
- 37 Which pricing would be most suitable for an entrepreneur entering a very competitive market such as the cell phone market?
- A cost plus pricing
 - B scheming
 - C psychological
 - D penetration
- 38 Which of the following is a benefit of marketing?
- A attracts high profit
 - B attracts more customers
 - C less need for planning
 - D pay less taxation
- 39 Mabandla bought machinery. The original price for the machinery was E500 but he was given a discount of 33%.
- What amount did Mabandla pay after the discount was removed from the price?
- A E165
 - B E335
 - C E500
 - D E665

40 Which of the following is a primary research method?

- A internet
- B newspaper
- C observation
- D specialist

