



ENTREPRENEURSHIP

Paper 1 Multiple Choice

5923/01

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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 <input type="radio"/>	B <input checked="" type="radio"/>	C <input type="radio"/>	D <input type="radio"/>
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For Examiner's Use	
Marks	

This document consists of **8** printed pages.

- 1 What is the process of creating something new with the hope of making profit?
 - A entrepreneurship
 - B franchising
 - C intrapreneurship
 - D production

- 2 What is the definition of social gains?
 - A entrepreneurs' aim at improving human existence
 - B entrepreneurs' aim at satisfying employees
 - C entrepreneurs' growth in factors of production
 - D entrepreneurs' growth in work force and productivity

- 3 Which word describes the characteristic of working until the job is done?
 - A the entrepreneur comes with new ideas
 - B the entrepreneur focuses in the future
 - C the entrepreneur is hard working
 - D the entrepreneur takes a risk

- 4 Which term describes a way of generating an enterprise idea?
 - A brainstorming
 - B marketing
 - C planning
 - D profitability

- 5 Which describes a viable enterprise?
 - A feasibility analysis
 - B financial analysis
 - C market feasibility
 - D product feasibility

- 6 Which statement describes social responsibility?
 - A binding rules that relate on how to conduct the business
 - B businesses have a duty to act in the best interest of society
 - C businesses should be concerned with what is right or wrong
 - D the natural environment should be the main focus of the business

- 7 Which is a legal procedure when establishing an enterprise in a Swazi nation land?
 - A Approach the chief and inner council and present your idea.
 - B Approach the king and the king's council and present your idea.
 - C Approach the municipality in charge of the land and present your idea.
 - D Approach the people of the local area and present your idea.

8 Peter is rejected for a job because of his age.

Which labour law will protect Peter in this case?

- A discrimination law
- B leave law
- C pay law
- D working conditions law

9 Which action illustrates ethical behaviour in enterprise?

- A discussing the health status of the employee privately
- B discussing the health status of the employee publicly
- C dismissing the employee because of their health status
- D giving favours to the employee because of their health status

10 Which answer contains a social cost?

- A raw materials plus depreciation
- B raw materials plus rent
- C salaries plus insurance
- D wages plus pollution

11 Which is most likely to influence decisions made by consumers in the market?

- A factor prices
- B government policies
- C taste and preferences
- D technological changes

12 Which management function involves assessing fulfilment of organisational goals?

- A leading by example
- B organising resources
- C seeking planned results
- D setting of goals

13 Which answer contains a function of managers in a supermarket?

- A collecting cash and deciding finance methods
- B collecting cash from the tills and serving customers
- C helping customers and organising staffing
- D helping customers and stocking shelves

- 14 Which is an advantage of a democratic leadership style?
- A It leads to control of the enterprise by the leader.
 - B It leads to decisions made quickly without consulting.
 - C It leads to higher productivity among group members.
 - D It leads to more contributions from managers.
- 15 Which is an example of an external stakeholder?
- A Employees
 - B Managers
 - C Shareholders
 - D Suppliers
- 16 Zakhe needs to communicate to employees using a machine of the safe way to operate it.
- Which method of communication would be most suitable for this?
- A email to all staff
 - B face to face reminders
 - C letter near machine
 - D poster near machine
- 17 What is the purpose of a job application?
- A To allow the applicants to assess the culture of the organisation.
 - B To allow the applicants to understand the demand for the job.
 - C To allow the employer to identify the personality of the applicant.
 - D To allow the employer to screen a highly qualified person for a job.
- 18 How is gross earning defined?
- A total amount deducted by an employee voluntarily
 - B total amount deducted from employees' paychecks as required by law
 - C total amount of income earned before taxes and other deductions
 - D total amount of money received after all taxes and other deductions
- 19 What is the first stage of a negotiation process?
- A agreement
 - B environment
 - C negotiation
 - D preparation

- 20 Which describes an organisational structure where a manager has few subordinates?
- A decentralised organisation
 - B narrow span of control
 - C tall organisational structure
 - D wide span of control
- 21 What is the function of human resource department?
- A marketing of goods produced
 - B purchasing of raw materials
 - C recruiting of employees
 - D researching new ideas
- 22 Mzilikazi is starting his first enterprise and does not have any enterprise experience. He needs a low cost source of finance to build a large production facility.
- Which source of finance would be the most suitable to use?
- A equity capital
 - B loan
 - C overdraft
 - D venture capital
- 23 What factor is considered by banks when granting a loan to its customers?
- A action plan
 - B country's risk
 - C enterprise plan
 - D inflation rate
- 24 Which is an example of providers of financial and technical support to a Small and Medium enterprise in the Kingdom of Eswatini?
- A NERCHA
 - B UNDP
 - C UNESCO
 - D WHO
- 25 Which document is issued by a supplier when reminding the customer about the amount due?
- A invoice
 - B order
 - C receipt
 - D statement

26 Which is the correct definition of a deficit?

- A excess of expenditure over income
- B excess of expenses over gross profit
- C excess of gross profit over expenses
- D excess of income over expenditure

27 Which is an example of an overhead cost?

- A carriage inwards
- B direct labour
- C insurance
- D raw materials

28 What term defines a reduction in the amount paid by a customer for buying in bulk?

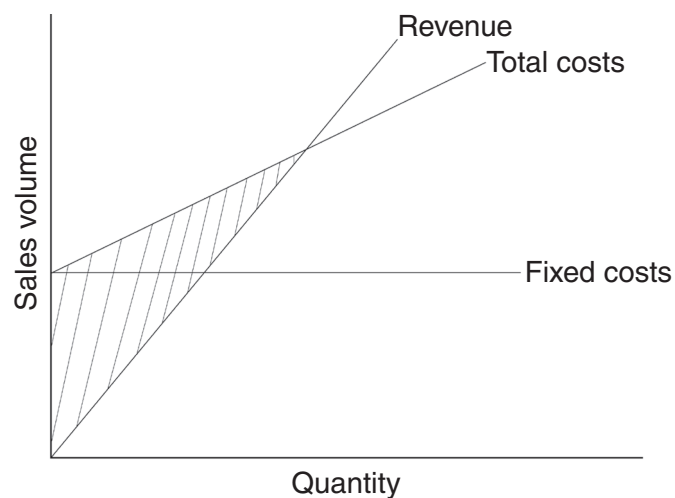
- A cash discount
- B discount allowed
- C discount received
- D trade discount

29 Nathi borrowed E50 000 for 3 years at the rate of 10% per annum.

How much simple interest will Nathi pay in total?

- A E 1 667
- B E 5 000
- C E 15 000
- D E150 000

30 What is indicated by the shaded area in the diagram below?



- A break-even point
- B break-even quantity
- C loss
- D profit

31 Which is a current asset of an enterprise?

- A cash at bank
- B owner's equity
- C premises and buildings
- D profit for the year

32 Which is used to pay day to day expenses?

- A capital employed
- B fixed assets
- C net assets
- D working capital

33 Letho's business had the following information:

Cost of sales	E 9 820
Sales	E12 000
Expenses	E1 000
Discount received	E800

Calculate the gross profit?

- A E 1 180
- B E 1 980
- C E 2 180
- D E 10 820

34 A trader provided the following information:

Cost of sales	E240 000
Gross profit	E320 000
Sales	E600 000

Calculate the gross profit margin for the year?

- A 40%
- B 53%
- C 75%
- D 93%

35 Which ratio measures liquidity in a business?

- A asset ratio
- B current ratio
- C gross profit margin
- D return on capital employed

- 36 Which pricing strategy involves adding a mark-up to the cost of the goods and services to get selling price?
- A competitive pricing
 - B cost-plus pricing
 - C penetration pricing
 - D skimming pricing
- 37 Which intermediaries only promote and sell the products?
- A Agents
 - B Manufacturers
 - C Retailers
 - D Wholesalers
- 38 Which channel of distribution is not usually used to sell perishable goods?
- A producer → agent → retailer → consumer
 - B producer → consumer
 - C producer → retailer → consumer
 - D producer → wholesaler → retailer → consumer
- 39 Which is a disadvantage for this channel of distribution: producer → wholesaler → retailer → consumer
- A The consumers find it easy to return faulty goods to the firm.
 - B The producer holds high stocks of the finished goods.
 - C The producer loses control over how the product is marketed.
 - D The profits taken by the middlemen helps to keep prices low.
- 40 Which of the following is the main reason why customer care is important to an organisation?
- A It helps businesses to expand their product line.
 - B It helps businesses to expand work load.
 - C It helps businesses to improve their products.
 - D It helps businesses to maintain a strong clientele.