

ENTREPRENEURSHIP

6146
Paper 1

GENERAL COMMENTS

- Candidates performed poorly compared to the previous years.
- Some candidates left many questions unanswered.
- Candidates had difficulty with questions assessing higher order thinking skills; they mostly gave knowledge without linking it to the case study.

Section A

- 1 Fairly well answered. Some candidates failed to define the term, ethics in general. Instead, they define business ethics.

Expected answers:

- Idea generation
- Research and market research
- Financing
- Legal requirement
- Running the enterprise

[4]

- 2 Well answered, although most candidates could not give the examples of discontinuity principle as a technique that enhances creativity.

Expected answers:

Sustainable use refers to utilising natural resources without destroying the ecological balance of an area (1) and taking into account the needs of future generations (1)

[2]

- 3 Well answered. Most candidates obtained full marks, however, a few candidates stated the characteristics of other forms of enterprises.

Expected answers:

- By not disclosing employee's HIV and AIDS status.
- By not discriminating against the employee because he/she HIV and AIDS positive.
- By giving them leave days with normal pay just like any other employee
- By giving them a fair salary like other employees
- By giving them medical aid benefits
- They should be provided with a safe working environment
- Offering counselling and support to employees who are HIV and AIDS positive

[5]

Marks awarded for 5 points and/or points with suitable developments

- 4 This question was fairly well answered. Most candidates misinterpreted the question; their answers referred to the disadvantages of e-commerce to customers rather than to the enterprise.

Expected answers:

- It requires certain skills and personal characteristics, which both males and females have and Sacky exhibits
- Females can be better equipped because they can multitask
- The vision/commitment/enthusiasm needed can relate to both a male and a female
- Advancement in technology
- Training and education create equal opportunities-all children accepted
- They dominate micro/small/medium enterprise sector

[4]

Candidates could use Sacky as an example. If correctly referred to, award relevant marks

- 5 (a) Fairly well answered. Some candidates failed to score full marks, because they could not define the term "unemployment" correctly.

Expected answers:

Unemployment refers to the percentage of the labour force, who do not have a job (1) and are actively seeking a job (1)

[2]

- (b) Poorly answered. Most of the candidates explained how entrepreneurs/people in general create job opportunities for the unemployed people and did not base their answers on how unemployed people created their own jobs.

Expected answers:

- Unemployment forces people to find income elsewhere to start their enterprises
- When unemployed, starting your own enterprise will, in turn, employ other unemployed people
- It is an opportunity for government to create more jobs, government can provide subsidies to help the unemployed start their own business
- It is also an opportunity for the government to attract foreign investors to come and set up manufacturing companies to create employment
- It leads to people obtaining entrepreneurial skills [4]

- 6 Poorly answered. Most candidates could not explain the role of the central procurement board.

Expected answer:

The role of the Central Procurement Board

- Regulate the buying or selling of government goods and services
- Come up with the Procurement Policy
- Regulate the buying or selling of government assets
- Evaluate the different bid applications that are submitted
- Formulates requirements for the intended purchase of goods and services
- Awards bids
- Notifies the successful bidders [4]

- 7 (a) Well answered by most candidates.

Expected answer:

Credit history is a record of repayment of debts (1) used as a guide for future financial transactions (1) [2]

- (b) Fairly well answered; most candidates managed to score good marks.

Expected answers:

Benefits of a good credit history

- It shows that you are trustworthy and able to pay back the loan, therefore, the bank can approve your loan application
- It shows that a person is reliable and can be trusted with a loan or credit as payment will always be done on time
- Increased credit card limits means your borrowing capacity can increase, since you have proved to creditors that you are responsible
- More negotiating power as you may be able to obtain a higher credit line, lower interest rates or an alternative repayment plan
- Attractive mortgage and refinancing rates as lenders are more likely to extend an attractive rate for your home loan [6]

- 8 Well answered, except some candidates listed the benefits of good customer care instead of examples of good customer care.

Expected answers:

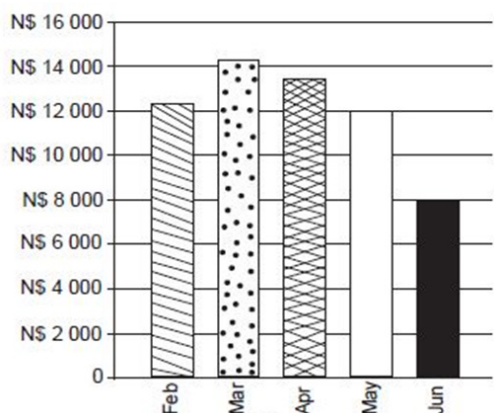
Examples of good customer care

- Treat your customers with respect
- Try to respond to their requests as quickly as possible
- Know the names of your regular customers
- Attend to customers' complaints! Do not ignore them
- Honour any promises you make with regard to any guarantee or warranty
- Take responsibility for your mistakes and try to rectify the problem as quickly as possible [3]

9 Fairly well answered; the labelling of the bar chart was done extremely well, but there were few short comings:

Expected answer:

- Drawing suitable bar chart
- Draw a line graph and pie chart instead of the bar chart
- They did not make use of the provided grid. Instead, they drew up their own graph beneath the provided one.



Section B

10 (a) Well answered by most candidates.

Expected answer:

Entrepreneur is a person who sets up a new business/enterprise (1) taking on financial risks (1) [2]

(b) This question was poorly answered; most of the candidates did not link the answer to the case study. However, the example of a brand was correctly identified from the case study.

Expected answers:

- A brand is the unique name of a product that distinguishes it from other brands
- Branded products are perceived to have more quality than non-branded products
- It makes the product more easily identifiable
- It gives the product value
- It promotes trust among consumers

Examples – Real good
– Quality tested chicken
– Unbeatable unique taste

(1 example 2 explanations) [3]

(c) Fairly well answered. Most of the candidates listed the points but failed to develop them.

Expected answers:

Aims of standards:

- To ensure that the safety of consumers is not compromised. Sometimes businesses produce products that will endanger the safety of consumers. By checking if the product meets the set standards, it helps to eliminate any danger it might cause to consumers
- To make sure the products is of high quality, standards are one way of making sure that quality products are produced
- Consumers get value for their money. When a product is of high quality, consumers believe that they are getting value for their money
- To help companies to access new markets, using existing channels to markets
- For enterprises, it is a strategic tool to reduce costs by minimising waste and errors, therefore, increasing productivity [6]

(d) This question was poorly answered. Candidates failed to extract answers from the case study.

Expected answers:

Broiler industry

The broiler industry contributes with relative success to the Namibian economy (1) in that it contributes in the following ways (Res 1)

- Local broiler industry contributed about N\$ 888 million/0.71%
- Local consumption stands at 2 500 tonnes per month (67%)
- Employed 665 people
- In 2017 contributed N\$ 201 million
- For every N\$ 100 output, overall impact on the economy is N\$ 4.42 [4]

(e) The majority of candidates answered this question very well, except for the point of philanthropy, when candidates wrote them separately i.e donations, sponsorships, and scholarships which are all part of philanthropy/social responsibility.

Expected answers:

Benefits of entrepreneurship:

- Job creation: it employs 665 people
- Food security: Namibians are now consuming local chickens, not depending on imports
- Industrialisation: it will create more local broiler industrial activities
- The living standard of people in the society by improve working and earning an income, so entrepreneurs will be able to take care of their families
- Philanthropy: entrepreneurs become involved in social welfare programmes through which they give back to the community [6]

(f) (i) This question was well answered. Most of the candidates could score full marks.

Expected answers:

Agenda

- This is a document sent out before the meeting (1) to inform attendees what points the meeting will cover (1)
- It guides members in the discussion (1) and for them to prepare themselves well in advance (1)
- Place and time should be indicated so that participants can make adequate plans (1)
- It allows people to prepare for the meeting (1) so they can bring the correct documents/know what to say (1)
- It helps the meeting stay focused (1) and present participants from wandering off the topic under discussion (1)
- It ensures the meeting finishes on time (1) as timing is provided for each point (1) [2]

(ii) Most of the candidates could not evaluate. Instead, they answered this question in general and they could not link their answers to the case study.

Expected answers:

Effectiveness of meeting:

The meeting was in general perceived to be relatively successful (1)

- The aims and objectives of the meeting were met which is the removal of obstacles from the local broiler industry
- The ministry imposes import restrictions which are aimed at establishing the local market
- Important issues were discussed and decisions made which are import restrictions
- All parties (NPI) and the representatives from the Ministry of Industrialisation were involved
- The outcome of the meeting satisfied both parties. The ministry is happy that MPI contributes to the country's GDP and employs many people [7]

11 (a) (i) Most candidates misunderstood this question, because they referred to resources in general, without mentioning natural resources, as required.

Expected answers:

Sustainable use refers to the utilising of natural resources without destroying the ecological balance of an area (1) taking into account the needs of future generations (1) [2]

(ii) This question was poorly answered. Most candidates did not come up with correct examples of sustainable use e.g use water wisely by recycling or reusing it/ plant more/two trees after cutting one/ rehabilitate the land.

Expected answers:

Examples:

- Use water wisely by recycling/reusing it
- Plant more/two trees after cutting one
- Rehabilitate the land

Any viable/relevant example

[1]

- (b) Well answered. Please take note of the following: Ministry of Finance cannot be awarded a mark but the Directorate of Inland Revenue as per the syllabus can be awarded of marked.

Expected answers:

Institutions

- Ministry of Industrialisation, Trade and SME Development
- Local Authorities
- Social Security Commission
- Directorate of Inland Revenue
- Ministry of mines and energy

[3]

- (c) Poorly answered. Most candidates listed the Acts instead of giving the benefits of acts that govern the utilization of natural resources.

Expected answers:

Benefits of Acts:

- The acts promote the economy by protecting wildlife and preserving natural, open spaces that are vital to the tourism industry
- Promote equitable access to natural resources
- Ensures that renewable resources are used on a sustainable basis for the benefit of present and future generations
- They create sufficient economic and other benefits from the use of natural resources so that rural communities will view natural resources as an asset rather than a liability
- The act protects the intellectual property right of communities with regard to natural resources and the management of these resources

[3]

- (d) Poorly answered. Most candidates seemed not to understand the question. Candidates focused on the examples of social responsibilities for entrepreneurs in general and did not refer to the sand miners. Some candidates left out or did not attempt to answer this question.

Expected answers:

Social responsibility can be used by sand miners by:

- Creating a balance between economic growth and the social welfare of the society as well as the environment
- Creating awareness and educational campaigns that promote and encourage people to behave in an ethical manner
- Organising recreation programmes (1). When people spend time in nature and appreciate a clean and healthy environment (1), they are more motivated to take care of it. (1)
- Supporting community projects (1) encouraging community to start recycling and rehabilitation programmes (1) to promote the sustainable use of resources (1)
- Having funds available for community awareness campaigns (1) on land use (1)

[5]

- (e) Poorly answered. Most of the candidates did not realise that they were supposed to give the roles of support structures, such as NCCI and others. Instead, they copied statements from the case study about sand miners.

Expected answers:

NCCI as a support structure:

- Provides advice and mentors entrepreneurs in specific areas of business i.e. sand mining
- Arranges regular networking meetings
- Provides information on trade and investment opportunities
- Offers training programmes
- Offers opportunities for entrepreneurs to participate in business missions
- Acts as a go-between for Namibian and overseas businesses

[4]

- (f) Few candidates scored marks. Most candidates lack knowledge on leasing and hire purchase as funding options. Candidates could not compare the two and failed to apply them to the sand miners. Making a choice of the most suitable of the two terms to the sand miners was difficult for them.

Expected answers:

Leasing – hire-purchase:

- Leasing is a contract whereby one party the (lessor) grants the right to use particular goods for a period of time to the other party, (the lessee) who will pay for the transfer of the right to use a fixed amount
- Hire purchase is where a customer agrees to a contract to acquire an asset by paying an initial installment and repays the balance of the price of the asset plus interest over a period of time/Hire purchase, an enterprise can buy the asset and repay it over time (2 x 2)
- Ownership: when you lease an asset, the asset is still owned by the lessor, and you, the customer will not usually have the option to purchase the asset at the end of the lease. With hire purchase, however, the customer has the option to purchase the asset and so will become the owner of the asset after the last payment has been made.
- Duration: Hire purchase payments tend to be larger than lease payments, as they are spread over a shorter period of time.
- Maintenance and Repair – with both lease as well as hire and hire purchase, repair and maintenance is the responsibility of the customer. [4]

- (g) Fairly well answered. Most candidates could identify the three components in the triple bottom line. However, they could not apply them to the sand mining by indicating how the three components can be used to reduce illegal sand mining activities.

Expected answers:

Triple bottom line:

- Triple bottom line used when judging the overall performance of an enterprise with regard to environmental sustainability, social responsibility and financial profitability (1)
- Triple bottom line is intended to advance the goal of sustainability in business practices (1)
- The three measures include profit [the economic value created by the company] (1). People [fair and favourable business practices regarding labour and the community in which the company operates] (1). Planet [This refers to the use of sustainable environmental practices and the reduction of environmental impact] (1).
- An enterprises' sense of responsibility towards the community and environment in which it operates. Enterprises express this citizenship through their waste reduction, pollution reduction, rehabilitation of land (1) and by earning adequate returns on the employed resources (1)
- Conclusion/justification:
- When a triple bottom line is achieved it indicates that an enterprise has taken into account social responsibility (2) (P (3) + D (3) + J (2)) [8]

Positive Suggestion to teachers:

- Teachers are advised to guide candidates on how to answer section B questions. Candidates should be able to apply and link their answers to the case study to score marks.
- Candidates should read the questions carefully to determine the length of their answers and what the question is asking.
- Teachers should put more emphasis on assessment as well as set assessment activities as per the syllabus specification, using the assessment objectives and stick to the specification grid.