

**MAIN EXAMINATION PAPER**

**MAY, 2018**

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**TITLE OF PAPER : FOUNDATION OF ENTREPRENEURSHIP AND SMALL BUSINESS MANAGEMENT**

**COURSE CODE : BA 00I**

**TIME ALLOWED : THREE (3) HOURS**

- INSTRUCTIONS :**
- (1) TOTAL NUMBER OF QUESTIONS IN THIS PAPER IS SIX (6)**
  - (2) THE PAPER CONSISTS OF SECTION A AND SECTION B.**
  - (3) ANSWER THE QUESTION IN SECTION A WHICH IS COMPULSORY AND ANY THREE (3) QUESTIONS IN SECTION B.**
  - (4) THE MARKS ALLOTTED FOR A QUESTION /PART OF A QUESTION ARE INDICATED AT THE END OF EACH QUESTION / PART OF QUESTION.**
  - (5) WHERE APPLICABLE, ALL WORKINGS / CALCULATIONS MUST BE CLEARLY SHOWN.**

**NOTE: MAXIMUM MARKS WILL BE AWARDED FOR GOOD QUALITY LAYOUT, ACCURACY, AND PRESENTATION OF WORK.**

**THIS PAPER MUST NOT BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.**

## CASE STUDY: RECRUITMENT

Judy Bond manufactures leather sandals. She sells the sandals from a shop in the town centre of Knysna. Her workshop is at the back of her shop. She sells her sandals to tourists and other interested customers.

Recently, a businessman from Cape Town visited her shop. He was very impressed with the craftsmanship and uniqueness of the sandals. He negotiated a deal with Judy to manufacture and deliver 1000 pairs of sandals to his Exclusive Shoe Boutique at the V&A Waterfront by the end of the month. When Judy asked him if he would like to place orders for sandals in the future, he answered that he first wanted to examine the fashion trends before deciding.

The sandals that Judy supplied to the businessman from Cape Town were very popular and he contacted her with a proposition that she should produce not only sandals but also other exclusive leather shoes for his boutique. She is very excited about the idea but realizes that she can't continue doing everything herself. To cope with the added demand in her own shop as well as producing other products for the boutique in Cape Town, she will have to employ more workers to help her increase production. She decides to employ an operations manager and four additional leather workers to help her.

### Questions:

- 1 Before appointing the new operations manager and leather workers, Judy needs to draw up a detailed job description and job specification. Explain to Judy the differences between a job description and a job specification. [10 marks]
- 2 Judy advertises the position for operations manager in the Sunday Times. She receives 200 applications with detailed CVs. Explain the selection procedure she should use to choose the best candidate. [20 marks]
- 3 Should Judy recruit internally or externally? Explain the advantages between the two. [10 marks]

[Total marks 40]

**Answer any three (3) questions from this section.**

**QUESTION 2**

The aim or ultimate objective of pricing is to ensure that the small business generates the sales needed to achieve its overall objectives. Discuss the seven major types of objectives on pricing. **[20 marks]**

**QUESTION 3**

Distribution is about finding the best outlet(s) for customers to receive the product or service that you offer. Illustrate and explain the various distribution channels you would use for your consumer products. **[20 marks]**

**QUESTION 4**

All businesses will have some form of promotion plan that consists of **several distinct steps**. Using practical examples, discuss the steps you would follow in developing your business Promotion Plan. **[20 marks]**

**QUESTION 5**

You may have the best designed advertisement, but if placed in the wrong media it would be a waste of effort and money. Discuss the factors influencing the selection of media. **[20 marks]**

**QUESTION 6**

Discuss the **factors** an entrepreneur should consider in deciding on a promotional mix for his/her business . Use examples. **[20 marks]**