

UNIVERSITY OF SWAZILAND
INSTITUTE OF DISTANCE EDUCATION
BACHELOR OF EDUCATION YEAR V

FINAL EXAMINATION – MAY 2008

TITLE OF PAPER : SMALL-SCALE BUSINESS MANAGEMENT
COURSE CODE : IDE-BAE 411-1&2
TIME ALLOWED : THREE (3) HOURS
INSTRUCTIONS : ANSWER ALL QUESTIONS IN SECTION A
AND FOUR (4) QUESTIONS IN SECTION B

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

Section A

Question 1: Case study

Curtis Filly Originals

In 1984, when Anne Dobson began designing and sewing clothes for her grand-children, Catherine and Kevin, little did she realise what the consequences would be. She was doing what many grand-mothers do, producing garments with touch of effort and love. In Anne's words, she did not think of herself as a seamstress. However, she had the ability to design the garment and fit the fabric together.

The response was almost immediate. First, friends and then their friends, "Make me one", was followed by "Make me some". A friend talked her into carrying six dresses into an Mbabane store for the owner of the shop to see. This resulted in an order for dresses, the conversion of her laundry into a sewing room and the hiring of few women to help with the sewing. When she delivered the first order for twenty dresses to Mbabane this brought another order for twenty more.

On a trip out of the country to buy material, she received an order from another store in the same town for a hundred dresses. Anne said "I nearly dropped dead, with an order like that".

The success of the business had its accompanying problems. First, the city of Mbabane wanted Ann to move her operation out of the laundry room and out of her residence. She found a larger house in a run-down part of the neighbourhood. Anne was frequently short of money. "The Bank was my salvation", remarked Anne.

Questions:

- a) Was it by luck or skilful judgement that Ann gained a foothold (or grip) in the clothes market? [6 marks]
 - b) How much effort did Ms Dobson expend (use up) on the business? [7 marks]
 - c) What sort of case did Ms Dobson make to the Bank to gain support? [7 marks]
- [Total marks = 20]

Section B

Answer four (4) questions from this section

Question 1

- a) In regard to small business, explain what you understand by the term 'capital' [5 marks]
 - b) Identify and describe three (3) forms of capital [3 x 5 = 15 marks]
- [Total marks = 20]

Question 2

From the following list of balances, prepare a Balance Sheet of Dee Bee as at 31 Dec., 2005.

Shop equipment	R15 000	
Furniture & fittings	R 4 100	
Motor vehicle	R30 000	
Stock on Hand	R 550	
Accounts payable	R 1 400	
Cash at Bank	R 200	
Drawings	R 1 600	
Cash in Hand	R 100	
Net profit	R 4 600	
Accounts receivable	R 1 450	
Capital	R20 000	
Mortgage Loan (SBS)	R27 000	[20 marks]

Question 3

Identify and discuss four (4) problems associated with women-owned business in Swaziland or a country of your choice in the region [4 x 5 = 20 marks]

Question 4

Argue for and against the hiring of highly professional and/or technical staff (including managers) by a small business firm [2 x 10 = 20 marks]

Question 5

a) Examine benefits for a business to remain small [6 marks]

b) Identify and discuss two (2) problems that expansion might introduce for the business

[2 x 7 = 14 marks]

End of Question Paper