

UNIVERSITY OF SWAZILAND
INSTITUTE OF DISTANCE EDUCATION

BACHELOR OF EDUCATION YEAR V
FINAL EXAMINATION – MAY 2010

TITLE OF PAPER : **SMALL-SCALE BUSINESS MANAGEMENT**
COURSE CODE : **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

- (a) What, in your words, is meant by 'smallscale business'? [5 marks]
- (b) Identify and discuss two (2) qualitative features of small business [2 x 5 = 10 marks]
- (c) Explain one main advantage of small over large-scale-business [5 marks]
- [Total = 20 marks]

Section B

Question 1

- (a) Compare and contrast *starting a business* from scratch and acquiring a *going concern* [2 x 5 = 10 marks]
- (b) Between these, which is a suitable way of going into business in Swaziland, and why? [2 x 5 = 10 marks]
- [Total = 20 marks]

Question 2

- (a) Why is planning important for small business in Swaziland? Explain two (2) reasons [2 x 5 = 10 marks]
- (b) Identify and describe the elements of a business plan [5 x 2 = 10 marks]
- [Total = 20 marks]

Question 3

- (a) From the information below, prepare an Income Statement for the year ended 31 March 2010

| | |
|-----------------------------|------------|
| Sales (net) | E/R 27 000 |
| Stock (01 April 2009) | 6 000 |
| Total purchases | 18 400 |
| Carriage on –do– | 500 |
| Stock (31 March 2010) | 7 900 |
| Discount received | 240 |

| | |
|---------------------------------|-------|
| Irrecoverable (bad) debts | 400 |
| Office salaries | 5 150 |
| Postage & stationery | 700 |
| Insurance premiums | 170 |
| Packing materials | 320 |

[12 marks]

(b) From the balances given below, prepare a Balance Sheet of J. F. Brown as at 31 December 2009

| | |
|---|------------|
| Capital (Balance at 01 January 2009)..... | E/R 12 350 |
| Net profit for the year | 3 80 |
| Drawings (J. F. Brown) | 1 200 |
| Leasehold Buildings | 20 000 |
| Furniture & fittings | 1 000 |
| Motor vehicles | 2 000 |
| Mortgage Loan (Swazi-Bank) | 12 000 |
| Stock-on-Hand | 2 430 |
| Accounts payable..... | 1 600 |
| Accounts receivable..... | 1 670 |
| Cash at Bank | 1 450 |
| Cash in Hand | 50 |

[8 marks]

[Total = 20 marks]

Question 4

(a) “All business contracts are agreements but not all agreements are contracts”. Explain this statement, using appropriate examples to illustrate your answer [2 x 7 = 14 marks]

(b) For a contract to exist, certain requirements must be met. Identify and describe two

(2) requirements for a valid contract

[2 x 3 = 6 marks]

[Total = 20 marks]

Question 5

(a) Describe in your words what 'hiring' means in a small business [4 marks]

(b) Identify and discuss four (4) roles performed by a small business manager in the management of a firm's/organisation's human resource [4 x 4 = 16 marks]

[Total = 20 marks]

End of Question Paper