

UNIVERSITY OF SWAZILAND
INSTITUTE OF DISTANCE EDUCATION
BACHELOR OF EDUCATION (ADULT EDUCATION) YEAR 5

MAIN EXAMINATION, MAY 2013

TITLE OF PAPER: SMALL SCALE BUSINESS MANAGEMENT

COURSE CODE: IDE-BAE411

TIME ALLOWED: THREE (3) HOURS

INSTRUCTIONS: A) SECTION 'A' IS COMPULSORY
B) ANSWER ANY THREE (3) QUESTIONS FROM SECTION 'B'.
C) MARKS WILL BE LOST FOR INAPPROPRIATE LANGUAGE AND NO-ANALYTICAL ANSWERS.

SECTION A

THIS SECTION IS COMPULSORY

Question 1

Define the following terms as used in small scale business accounting:

- i. Assets
- ii. Liabilities
- iii. Cash budget
- iv. Income statement
- v. Statement of cash flows
- vi. Balance sheet
- vii. Equity
- viii. Cash flow forecast
- ix. Ratio analysis

[2 ½ x 10=25 marks]

Question 2

- a) From the following trial balance of G. Sigwane, prepare an income statement for the year ending 31 December 2012.

	Dr	Cr
	E	E
Sales		190,576
Purchases	119,832	
Salaries	56,527	
Motor expenses	2,416	
Rent	1,894	
Insurance	372	
General	85	

	E	E
Premises	95,420	
Motor vehicles	16,594	
Accounts receivable	26,740	
Accounts payable		16,524
Cash at bank	16,519	
Cash in hand	342	
Drawings	8,425	
Capital	<u> </u>	<u>138,066</u>
	<u>345,166</u>	<u>345,166</u>

Inventory at 31 December 2012 was E12,408

[12^{1/2} marks]

b) From the income statement obtained in a) above prepare a balance sheet as at 31 December 2012.

[12^{1/2} marks]

✓
10/12/12
16/04/2013

SECTION B

ANSWER ANY Two (2) QUESTIONS FROM THIS SECTION

Question 3

- a) What is a contract? [5 marks]
- b) Outline and discuss elements of a valid contract [20 marks]

Question 4

- a) Define a small business and give examples in the context of Swaziland [5 marks]
- b) How can you advise policy makers on the promotion of small business in the country; discuss, highlighting the benefits of small scale business. [20 marks]

Question 5

For each of the following, state why it is critical to consider when buying an existing business. Illustrate your answers by using relevant examples. Each carries 5 marks.

1. Balance sheet
2. Income statements
3. Lease arrangements
4. Employees
5. Market place status

Question 6

- a) Describe the concept of entrepreneurship and state why it is critical for the success of small scale businesses. [10 marks]

b) Outline and discuss challenges faced by women businesses in Swaziland; use relevant examples to illustrate your answer

[15 marks]