UNIVERSITY OF SWAZILAND INSTITUTE OF DISTANCE EUCATION 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 INAPPROPIATE 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

$[2^{\frac{1}{2}} \times 10 = 25 \text{ marks}]$

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	37 2	
General	85	

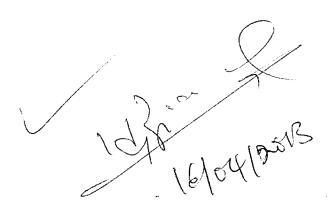
	E	E
Premises	95,420	
Motor vehicles	16,594	
Accounts receivable	26,740	
Accounts payable		16,524
Cash at bank	16,519	
Cash in hand	342	
Drawings	8,425	
Capital		<u>138,066</u>
	<u>345,166</u>	<u>345,166</u>

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/} marks]



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.

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]