# UNIVERSITY OF SWAZILAND

## INSTITUTE OF DISTANCE EDUCATION

## BACHELOR OF EDUCATION (ADULT EDUCATION) YEAR V

## SECOND SEMESTER EXAMINATION, MAY 2014

TITLE:     SMALL SCALE BUSINESS MANAGEMENT II

COURSE CODE: IDE-BAE527

TIME     3 Hrs


INSTRUCTIONS:     ANSWER QUESTION 1 AND THREE OTHER QUESTIONS; AT LEAST TWO QUESTIONS MUST BE FROM SECTION B

# SECTION A

**Answer question 1 and any other question in this section**

## QUESTION 1

a) Define the following concepts as they apply to the financial management of small scale business
    i.    Income statement
    ii.   Trading account
    iii.  Profit
    iv.   Gross profit
    v.    Gross loss
    vi.   Net profit
    vii.  Net loss
    viii. Balance sheet
    ix.   Inventory
    x.    Liability
    **[10 x 2 marks]**

b) Calculate the gross profit or loss of each of the following businesses

|   | Cost of goods purchased E | Sales E | Gross profit (Gross loss E |
|---|---|---|---|
| A | 9,820 | 10,676 | |
| B | 7,530 | 14,307 | |
| C | 10,500 | 19,370 | |
| D | 9,580 | 9,350 | |
| E | 8,760 | 17,200 | |

**[10 marks]**

c) Using the answers you got in a) above complete the following table

|   | Other revenue E | Expenses E | Net profit (Net loss) E |
|---|---|---|---|
| A | - | 2,622 | |
| B | 4,280 | 2,800 | |
| C | 500 | 2,500 | |
| D | - | 1,780 | |
| E | 3,260 | 2,440 | |

**[10 marks]**

## QUESTION 2

Highlight and discuss the elements of a valid contract. **[20 marks]**

## QUESTION 3

With the aid of examples; discuss the process of hiring personnel in a small scale business. **[20 marks]**

## SECTION B

**Answer two (2) questions from this section**

## QUESTION 4

Women owned businesses face various challenges; identify and discuss at least four (4) of these using examples in the context of Swaziland.

**[20 marks]**

## QUESTION 5

You have been engaged by SEDCO to train small scale business owners in your constituency. Write short notes on the following highlighting their importance in running a business. **[20 marks]**

  i.    Licensing
 ii.    Forecasting
iii.    Income statement
 iv.    Balance sheet

## QUESTION 6

a) What is ratio analysis? **[2 marks]**
b) Identify and discuss at least five (5) ratios that a small scale business owner can use to financially assess his business.
   **[18 marks]**