

UNIVERSITY OF SWAZILAND
INSTITUTE OF DISTANCE EDUCATION
BACHELOR OF EDUCATION (ADULT EDUCATION) YEAR V
SECOND SEMESTER EXAMINATION, MAY 2016

TITLE: SMALL SCALE BUSINESS MANAGEMENT II

COURSE CODE: IDE-BAE527

TIME 3 Hrs.

**INSTRUCTIONS: ANSWER QUESTION 1 AND ANY OTHER QUESTION IN
SECTION A.**

ANSWER TWO (2) QUESTIONS 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 a 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 = 20 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

- a) List and briefly describe the elements of a properly drawn balance sheet [10 marks]
- b) Forecasting is of paramount importance for the success of any business; discuss with reference to small scale business. [10 marks]

QUESTION 3

- a) What is a contract? [2 marks]
- b) Identify and discuss elements of a valid contract [18 marks]

SECTION B

Answer two (2) questions from this section

QUESTION 4

- 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]

QUESTION 5

As an adult educator one of your roles is to facilitate the education of adult learners. You have been engaged by SWEET to train a group of women who are interested to operate small scale businesses. Write short notes on the following; highlighting their importance in the effective running of a business. [20 marks]

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

[5 x 4 = 20 marks]

QUESTION 6

Describe any four (4) intangible assets known to you and discuss the rationale for their protection. [20 marks]