



**ASSIGNMENT 1<sup>ST</sup> SEMESTER: ENTREPRENEURSHIP (ENT)  
ENTREPRENEURSHIP (ENT001)**

**CHAPTERS COVERED : 1, 5, 6 - 10, 19 and 23**

**DUE DATE : 3:00 p.m. 20 MARCH 2012**

**TOTAL MARKS : 100**

**INSTRUCTIONS TO CANDIDATES FOR COMPLETING AND SUBMITTING  
ASSIGNMENTS**

The complete 'Instructions to Students for Completing and Submitting Assignments' must be collected from any IMM GSM office, the relevant Student Support Centre or can be downloaded from the IMM GSM website. It is essential that the complete instructions be studied prior to commencing your assignment. The following points highlight only a few important notes.

1. You are required to submit ONE assignment per subject.
2. The assignment will contribute 20% towards the final examination mark, and the other 80% will be contributed by the examination. However, the examination papers will count out of 100%.
3. Although your assignment will contribute towards your final examination mark, you do not have to earn credits for admission to the examinations; you are automatically accepted on registering for the exam.
4. Number all the pages of your assignment (e.g. page 1 of 4) and write your name and surname, student number and subject at the top of **each** page.
5. The IMM GSM requires assignments to be presented in a typed format, on plain A4 paper. Unless otherwise specified, this assignment must be completed within a limit of 1500 words, excluding the bibliography. Students who exceed the word limit may find that only part of the submitted assignment will be marked.
6. A separate assignment cover, which is provided by the IMM GSM, must be attached to the front of each assignment.
7. Retain a copy of each assignment before submitting, in case the original does not reach the IMM GSM.
8. The assignment due date refers to the day up to which assignments will be accepted for marking purposes. The deadline is 3:00 p.m. on 20 March 2012. Late assignments will be accepted, but **25 marks** will be deducted from the maximum mark, if received after 3:00 p.m. on 20 March 2012 and up to 5:00 p.m. the following day, after which no assignments will be accepted.
9. If you fail to follow these instructions carefully, the IMM Graduate School of Marketing cannot accept responsibility for the return of the assignment. It may even result in your assignment not being marked.

Results will be available on the IMM GSM website: [www.immgsm.ac.za](http://www.immgsm.ac.za) on Friday, 4 May 2012.

**SPECIFIC INSTRUCTIONS:**

Answer all the questions in Section A and Section B  
Please answer questions in a structured manner.  
Clearly number your answers.  
Include examples and applications if requested.

**SECTION A (45 MARKS)****QUESTION 1 [45]**

1.1 As a small business manager, you would have to understand the following financial terms and know how to calculate the relevant calculations involved. Calculate the following amounts using the information listed below:

- |       |                          |            |
|-------|--------------------------|------------|
| 1.1.1 | Gross profit             | <b>(5)</b> |
| 1.1.2 | Total operating expenses | <b>(5)</b> |
| 1.1.3 | Operating income         | <b>(5)</b> |
| 1.1.4 | Net income               | <b>(5)</b> |

Financial information:

- Units sold for the year	250 000
- Inventory	R1 500 000,00
- Interest	15 % per annum
- Company tax	32% per annum
- Depreciation: Vehicles	25 % per annum
- Salaries paid	R1 300 000,00
- Bank loan	R2 000 000,00
- Marketing expenses	R300 000,00
- Equity	R500 000,00
- Accounts payable	R216 000,00
- Vehicles	R1 600 000,00
- Cash	R400 000,00
- Accounts receivable	R600 000,00
- Building & Land	R1 400 000,00
- Cost of sales	R750 000,00
- Price per unit sold	R25,00 p.u.

1.2 You have decided to start your own marketing organisation in your local country. You are granted a R5-million contract for marketing visitor accommodation for the upcoming 2012 global golf event in southern Africa. Identify and apply the eleven sub-components of a business plan. Apply these steps in terms of the R5-million contract you have received. **(15)**

- 1.3 Identify and analyse **five (5)** potential advantages that give a competitive edge to small entrepreneurial organisations. **(10)**

<b>SECTION B (45 MARKS)</b>
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**QUESTION 2 [45]**

- 2.1 Any entrepreneurial venture is exposed to risks on the road to success. Typical risks include new competition, floods, theft and even bankruptcy. You are the marketing manager for a large bank in southern Africa. Discuss and apply the **five (5)** steps in the process of risk management. **(10)**
- 2.2 Paul is planning on franchising his sports clothing retail store concept. His concept is based on a retail outlet where men, women and children can buy last season's active gear from international brands at highly discounted rates. His son, Marcus, always believed that being an entrepreneur is risky, and therefore constantly worries. Marcus completed his studies 3 years ago and worked at a large retail group since then. Eventually Marcus decides to join the business venture as he realised his father is growing older. Identify and explain the **five (5)** stages in the process of succession Marcus would have been exposed to as a child and will be exposed to in the future as an adult in this family business. **(15)**
- 2.3 For any small business to become a successful business in a growing and changing market locally and globally, it needs to develop effective managers who practice entrepreneurial leadership and managerial tasks. You are the owner-manager of a new group of dance clubs that has been rated the number 1 salsa and tango training facility in the Eastern Cape in 2011.

Identify and explain to us how you used the entrepreneurial leadership and the managerial tasks to ensure successful management in your small business which will one day be a big business. **(20)**

**PRESENTATION [10]****ASSIGNMENT TOTAL: 100**