



Small Medium and Micro Enterprises: SMME4

Self - Evaluation: Exam Preparatory: 2

INSTRUCTIONS AND INFORMATION

1. This assessment task consists of **TWO QUESTIONS**
2. Answer all the questions in the spaces provided
3. Write in Blue or Black pen only

QUESTION 1

1. Read the case study below and answer the questions that follow.

Tom and Jerry worked for 10 years at a well-known fashion designer factory. They both decided to open a business in their community and name it T&J boutique. They took advantage of the Global COVID -19 pandemic by producing Personal Protective Equipments. T&J boutique is located at the mall on the main road. They employed ten people and trained them on how to manufacture masks. They targeted people who goes to the mall and the community at large.

T&J designs different masks using good quality materials as per the governmental guidelines of three layers. They are selling them at a reasonable price. Their business is making enough profit because they have too many customers. As everybody is required to wear a mask when going to the malls, they are expanding their business to other areas. They marketed their products by using pamphlets and billboards.

T&J have too many competitors around the community. They decided to vary their products by adding the, screening items and sanitisers. They got a tender of disinfecting the schools. The business is registered with Department of Labour. Their employees are adhering to safety measures as spelled out by the Department of Health. They also complied with the 2m spacing in their business. Employees are encouraged to follow hygiene protocols and sanitise customers.

1.1 What type of business is T&J boutique?
_____ (1)

1.2 Identify the form of ownership of T&J boutique.
_____ (2)

1.3 Describe business idea of T&J boutique.
_____ (2)

1.4 Explain the following roles of an entrepreneur in the social development of T&J boutique

1.4.1 Job creation (2)

1.4.2 Empowerment
_____ (2)

1.5 How T&J generated the business idea of masks?
_____ (1)

1.6 Which screening methods did they use?

_____ (4)

1.7 Identify **TWO** marketing methods used by T&J boutique
_____ (2)

1.8 Identify **TWO** strengths and **ONE** threats of T&J boutique

(6)

1.9 Indicate in **TWO** ways how T&J adhered to legal business requirements.

(4)

1.10 How will T&J overcome the natural disasters

(2)

Total Mark Question 1 : (28)

QUESTION 2

2. Use information below and complete ONE-month income statement. Show all the calculations

T&J design 50 outfits at R500.00 each and 50 masks at R50.00 each. It pays rent R1500.00, material R2500.00, threads and needle R100.00, salaries of employees R3500.00 each and Tom and Jerry salaries of R5000.00 each per month.

Total income	Calculations	Total
Outfit		
Masks		
Total expense		
Profit/loss		

(12)

Total Mark Question 2 (12)

GRAND TOTAL: [40]

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