



SMALL MEDIUM AND MICRO ENTERPRISES: SMME4

INSTRUCTIONS AND INFORMATION

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

CASE STUDY 1

Read the scenario and answer the questions below.

NELLY'S HYGIENIC PRODUCTS

Nelly worked at Masakeng hospital for 35 years and she retired at the end of March 2020. She wanted to start a business with her savings. Through observation, she then decided to start a business of manufacturing hygienic products. Her products are in line with the World Health Organisation recommendations. The products ranges from hand sanitising, thermometers, fumigation and masks. The business is operating in her garage. She bought a small bakkie that will help make deliveries fast to the clients

She employed five employees from the local community. Two of the employees have drivers licences .She trained her employees on a variety of skills such as manufacturing hand sanitizers, packaging and good communication skill. Nelly registered all her employees with Dept. of Labour and provided them with protective clothing .She complied with Occupational Health and Safety protocols. Her potential customers are all the schools around Gauteng, businesses and households in the community. The business used internet, business cards and put a big poster as medium of reaching the customers. The business does not have competitors. In the community, it is the only business that is insured against unforeseen risks.

(Own creation)

1.1 From the case study identify the type of business. (1)

1.2 Which form of ownership is this business? (2)



- 1.3 What is Nelly's business idea? (2)
- 1.4 Identify and explain the roles of an entrepreneur in her business. (6)
- 1.5 How did she generate her business idea? (1)
6. Identify a statement from the case study that supports each of the following screening techniques
- 6.1 Market size. (2)
- 6.2 No of jobs created. (2)
- 6.3 Empowerment (2)
- 1.7 Name **THREE** methods of advertising used in her business. (2)
- 1.8 Evaluate **TWO** ways in which the business adheres to legal requirement (2)
- Total for question 1 (1)**

2. Read the scenario below and calculate the following:

Show **ALL** the calculation

NELLY'S make deliveries of 25 litres hand sanitizer every Friday to 10 different schools in the community, 50 litres to the nearby mall, 100 litres to the major taxi rank and 100 litres to households. ONE litre of hand sanitizer is sold at R25.00. Her running costs are R13 500 and pays R3500 salaries for FIVE employees each.

(own creation)

- 2.1 Calculate ONE month income of NELLY'S Hygienic (5)
- 2.2 Calculate ONE month expenditure of NELLY'S Hygienic (6)
- 2.3 Calculate ONE month profit of NELLY'S Hygienic (4)
- 2.4 Do you think NELLY'S Hygienic will be sustainable? Support your answer (3)

Total for question 2: (18)

GRAND TOTAL: [40]



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