



SMALL, MEDIUM AND MICRO ENTERPRISES: SMME4

INSTRUCTIONS AND INFORMATION

This assessment task consists of **TWO QUESTIONS**

2. Answer all the questions
3. Write in Blue or Black pen only

CASE STUDY 2

QUESTION 1

Read through the case study carefully and answer the question below

DIDINTLE'S VEGETABLE GARDEN

There is a land next to Didintle's house, which is used as a dumping area. Didintle cleaned the area and started her own vegetable garden. She realised that she can use that space to plough vegetable. She also realize that she can start selling fresh vegetables to households in her community at a reasonable price. She also planned to donate some to the local schools for feeding scheme.

Currently, there are three hawkers in her community who buys vegetables from the market in town. She believes that these hawkers would be interested in getting fresh vegetables from her garden. Didintle advertises her business by erecting big signboard and distributing pamphlets to local business and community.

Didintle employed two people from the community on a 12 months contract. She registered them with Department of Labour for UIF. Due to covid-19, her business downsized, because most of the community receive the Government food parcels.

(Own creation)

1. Name the form of ownership that is suitable for Didintle's business. (1)
2. Give a short description of what the business is all about. (2)
3. Name TWO target market of the vegetable garden business (2)
4. Quote TWO methods used by Didintle to market her business idea (2)
5. Identify the social responsibility that Didintle's business will provide to the local community. (2)
6. Give the legal requirements that the business will be adhering to. (2)
7. Why did she decided to downsize the business? (3)
8. Analyse Didintle's business by doing the following SWOT analysis



- 8.1 Threats (2)
8.2 Opportunities (2)
9. Discuss possible ways in which Covid -19 pandemic may affect her business negatively (4)
10. In a tabular form give TWO advantages and disadvantages of the form of ownership mentioned in question 1 (4)

Total for question 1: (26)

QUESTION 2

Calculate the missing amounts in the Cash Flow statement for March – April 2018. Write only the answer next to the question number (2.1- 2.7)

CASH COMING INTO THE BUSINESS	MARCH	APRIL	MAY
Balance at the beginning of the month	R8 000	2.1	R3 000
Sales	R6 500	2.2	2.4
Rent Income	R1 500	R1 500	R1 500
Total Income	R16 000	R14 500	R15 500
CASH GOING OUT OF THE BUSINESS	MARCH	APRIL	MAY
Fixed cost	R5 000	R5 000	2.5
Variable cost	R7 000	2.3	R5 000
Total cash outflow	R12 000	R11 500	2.6
Balance at the end of the month	R4 000	R3 000	2.7

Total for question 2: (14)

GRAND TOTAL: [40]



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