



NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY

FACULTY OF SCIENCE AND TECHNOLOGY EDUCATION

DEPARTMENT OF SCIENCE, MATHEMATICS AND TECHNOLOGY EDUCATION

BACHELOR OF SCIENCE EDUCATION (HONS) DEGREE IN ACCOUNTING AND BUSINESS STUDIES

PST1163

ENTREPRENUERSHIP AND FINANCIAL MANAGEMENT

NOV 2024

This Examination Paper consists of 2 pages

Time Allowed: 3 hours

Total Marks: 100

Special Requirements: Nil

Internal Examiner: Mr M Moyo

External Examiner: Dr B Dlamini

INSTRUCTIONS

1. Answer any four questions.
2. Questions may be written in any order but each question/sub-question must be clearly numbered.
3. Begin each question on a **fresh page** and keep all parts of the same question together.
4. Marks may be deducted for careless or untidy work.
5. This paper consists of **three** printed pages.

MARK ALLOCATION

QUESTION	MARKS
1.	25
2.	25
3.	25
4.	25
5	25
6	25
TOTAL	100

QUESTION ONE

Entrepreneurs are often described as risk takers. The following are underrated super powers possessed by entrepreneurs: Briefly explain the meaning of these terms.

- a) Telepathy
- b) magnetism
- c) silver surfing
- d) shape shifting
- e) super human strength

[25marks]

QUESTION TWO

A company undertakes a project with an initial investment of \$20000 and the following cash flows:

YEAR	Cash flows	Discounting factors
0		1
1	5000	0.909
2	5000	0.826
3	5000	0.751
4	5000	0.683
5	5000	0.621

The company has a cost of capital of 10%.

Required

Calculate

- a) Payback period (5marks)
- b) Net present value (10marks)
- c) Internal rate of return (10marks)

QUESTION THREE

The following information exists for the business of Mr. Moyo as at 31 December 2009:

Sales	48500
Purchases	29000
Rent	2400
Lighting expenses	1500
General expenses	600
Fixtures and fittings	5000
Trade receivables	6800
Trade payables	9100
Bank	15100
Cash	200
Drawings	7000
Capital	20000
Inventory on 1 jan 2009	10000

Additional information:

Closing inventory was valued at \$15000

REQUIRED

Prepare an income statement and statement of financial position (25)

QUESTION FOUR

Tshabangu High School is running a small project and the following information is available for the first quarter of 2023:

- Sales are expected to be \$100,000 in January, \$120,000 in February, and \$140,000 in March. 40% of sales are for cash and the rest are on credit collectable in the following month.

- Purchases are expected to be 60% of sales in each month. 20% of purchases are for cash and the rest are on credit. Credit purchases are paid in the month following the purchase.
- Wages and salaries are expected to be \$20,000 per month, paid in the same month.
- Rent is \$5,000 per month, paid at the beginning of each month.
- Other expenses are \$10,000 per month, paid one month in arrears.
- The cash balance at the end of December 2022 is \$15,000.

REQUIRED

- (a) Prepare a cash budget for ABC Ltd for the first quarter of 2023 **(20marks)**
- (b) Explain the importance of preparing a cashbook **(5marks)**

QUESTION FIVE

Discuss the five critical components of a business plan **[25marks]**

QUESTION SIX

A food company wants to open a new branch. Show how marketing mix can help the company to successfully open this new branch **[25marks]**

TOTAL [100MARKS]

END OF QUESTION PAPER