



Botswana Open
University

CERTIFICATE
January – June

Sessional Examination
SSBM Small Scale Business Management

BOTSWANA OPEN UNIVERSITY

Certificate in Small Scale Business Management

SSBM

Sessional Examination

Marks: 100

Time: 3 Hours

Instructions

1. This examination consists of **Four** sections: A, B, C and D
2. Begin each answer to a new question on a new page.
3. Answer questions according to instructions given in each section
4. Write answers in the answer booklet provided
5. Write in grammatical English



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SECTION A –Multiple Choice Questions

[10 MARKS]

Answer ALL questions. Each question carries ONE (1) mark.

Choose the best alternative answer

1. Employees who work not more than 8.5 hours a day belong to which category?
 - A. Wholesale and retail trades
 - B. Manufacturing, services and repair trades
 - C. Garage, motor trades and road transport
 - D. Hotel, catering and entertainment trades

2. A business in Botswana is registered with _____.
 - A. Local council
 - B. Registrar of Companies
 - C. Ministry of Trade
 - D. The Parliament

3. When workers apply for a position in an organisation that was not advertised it is referred to as _____.
 - A. Private employment agencies
 - B. Recommendation by your workers
 - C. Press advertisement
 - D. Unsolicited applicants



4. What are fear appeals?
 - A. Reminders placed around the office of factory to serve to draw people's attention to safety requirements
 - B. Form of pictures or accident scenes, a talk from someone who actually suffered the injury
 - C. Having more specific impact that are more than posters and can be more explicit and detailed in their messages
 - D. People who have survived serious accidents because they have become skilled in their bad habits

5. Which of the following is not a sales promotion method/technique used to persuade customers to buy?
 - A. Buy one get one free
 - B. Good public relations
 - C. Discount on prices
 - D. Giving free samples

6. The following are all examples of borrowed capital except _____.
 - A. Bank loans
 - B. Bank overdraft
 - C. Debentures
 - D. Personal savings

7. Money used to acquire assets for use in the business not for resale is known as _____.
 - A. Sundry expenses
 - B. Revenue expenditure
 - C. Capital expenditure
 - D. Current expenditure



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8. Customer satisfaction deals with _____.
- A. Output of an employee based on their performance standards
 - B. Values the customer gains from owning and using a product
 - C. A product perceived performance matching its expectations
 - D. Anything offered to a market for attention, acquisition to be used
9. Which of the following is not a consideration when preparing the marketing plan of your business?
- A. Target market/segment
 - B. Management team
 - C. Pricing products/services
 - D. Advertising and promotion
10. Owner's equity in a business is also referred to as _____.
- A. Business capital
 - B. Working capital
 - C. Gross profit
 - D. Trading account



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SECTION B – TRUE/FALSE QUESTIONS

[10 MARKS]

Answer ALL questions. Each question carries ONE (1) mark.

State whether each of the following statements is TRUE or FALSE.

1. Argumentative buyers have knowledge about products and are easy to deal with.
2. Paid form of influencing the customer to buy from you is advertising.
3. Conflict is a difference of opinion or disagreement over a certain issue.
4. Status quo means 'don't change anything including prices'.
5. Shares are loans to a company.
6. A law refers to the rules established by the authority to regulate the behaviour of individuals.
7. An entrepreneur is a person with a business idea that they put into practice.
8. A false trade description is a registered name or sign used to distinguish goods of a certain business.
9. Development is a course of action designed to enable an individual to realise his/her potential for growth in an organisation.
10. Byelaws are regulations passed by the local authority.

SECTION C – SHORT ANSWER QUESTIONS

[30 MARKS]

Answer ALL questions in this Section.

1. Explain three disadvantages of internal recruitment. **(6 marks)**
2. Explain the following communication routes:
 - a. Downwards communication **(2 marks)**
 - b. Upwards communication **(2 marks)**
 - c. Lateral communication **(2 marks)**
3. State any five issues to avoid when promoting your business. **(5 marks)**



4. Match these manual records of stock with their use.

(5 marks)

Record	Use
1. Cash receipt book	Recording stock ordered
2. Stock register	Records stock sold on credit
3. Order book	Records stock received
4. Sales journal	Recording items in stock
5. Goods received note	Recording stock sold for cash

5. Outline five characteristics of a private limited company.

(5 marks)

6. Give any three disadvantages of operating a sole proprietorship type of business.

(3 marks)

SECTION D ESSAY-TYPE QUESTIONS

[50 MARKS]

There are three questions in this question. Question 1 is compulsory, Answer any additional question from question 2 and 3.

Question 1

(25 marks)

Use the information below to prepare the trading and profit and loss account and balance sheet of Mochudi Enterprises.

Trial Balance as at 31 December 2010

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Sales		25 000
Opening stock	8 000	
Purchases	16 000	
Returns inwards	500	
Carriage outwards	450	
Electricity	100	
Stationery	80	
Drawings	2500	
Cash at bank	6000	
Cash in hand	2000	
Debtors	1500	
Current Liabilities		8 000
Motor vehicles	15 000	
Building	30 000	
Furniture & fixtures	16 000	
Capital		35130
Long term liabilities		<u>30000</u>
	<u>98130</u>	<u>98130</u>
Closing stock		970

QUESTION 2

- As a Managing Director of your business, write a letter to another organisation appreciating the good service that they have accorded your business. **(15 marks)**
- With the aid of an example explain three ways in which a contract can be terminated. **(10 marks)**

QUESTION 3

- With the aid of an example describe five pricing strategies. **(15 marks)**
- Explain five reasons for changing jobs. **(10 marks)**