

**BOTSWANA COLLEGE OF DISTANCE**  
**AND OPEN LEARNING**

**Certificate in Small Scale Business Management**

**SSBM**

**Sessional Examination**

**Marks: 100**

**3 HOURS**

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**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

**SECTION A –Multiple Choice Questions**

**[10 marks]**

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

**Choose the best alternative answer**

1. The following are qualities of an entrepreneur except \_\_\_\_\_.
  - A Creative
  - B Innovative
  - C Risk averse
  - D Determination
  
2. Money spent on the day to day running of the business is called \_\_\_\_\_.
  - A Daily expenditure
  - B Capital expenditure
  - C Capital gains
  - D Revenue expenditure
  
3. \_\_\_\_\_ buyers will do repeat business with you if they like your customer service.
  - A Social
  - B Nervous
  - C Cautious
  - D Augmentative
  
4. Recording, classifying and analysing of financial statements is called \_\_\_\_\_.
  - A Bookkeeping
  - B Accounting
  - C Income statement
  - D Balance sheet

5. Which of the following best describes the process of employee recruitment?
- A Advertise, interview, induction
  - B Advertise, induction, interview
  - C Induction, advertise, interview
  - D Induction, interview, advertise
6. \_\_\_\_\_ is a good example of downward communication.
- A Cleaner communicating to a supervisor
  - B Nurse communicating to a Doctor
  - C Head teacher communicating to a student
  - D Labourer communicating to a Foreman
7. Performance appraisal means \_\_\_\_\_.
- A Measuring the job done by employees
  - B Training employees
  - C Identifying the right skills for a job
  - D Firing employees
8. Steps taken to solve problems are called \_\_\_\_\_.
- A Conflict prevention
  - B Conflict concealer
  - C Conflict resolution
  - D Conflict appraisal
9. Giving incentives to encourage employees to work hard is one way of \_\_\_\_\_.
- A Job rotation
  - B Specialisation
  - C Job enrichment
  - D Motivation



10. The body that can come up with laws that regulate labour practices in your community is referred to as \_\_\_\_\_.

- A High court
- B Parliament
- C Local Authority
- D Attorney General's Chamber

**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. The sole reason why people start business is because they want to make money.
2. The SWOT analysis is useful to people starting new businesses only.
3. Personal pride is one of the reasons why people buy goods and services.
4. An employee should be trained first before being oriented into the company.
5. Tiles for sale are an example of Builders' Warehouse's stock.
6. The marketing mix refers to a set of marketing tools that the firm blends to produce the response it wants in the target market.
7. Variable costs related to producing 10 desks are P900, when production increases to 20, the variable costs do not change.
8.  $\text{Gross Profit} = \text{Sales} - \text{Cost of goods sold}$ .
9. Social buyers are people who buy after thorough comparison of prices.
10. Needs cannot be created or destroyed, all a salesperson can do is to make the person aware that s/he has a need.



**SECTION C – SHORT ANSWER QUESTIONS**

**[30 marks]**

**Answer all questions in this Section.**

1. Discuss any five factors that entrepreneurs consider when developing a business idea and how these factors affect their businesses. **(10 marks)**
2. Describe four qualities of a good and effective sales person. **(8 marks)**
3. Discuss the different possible ways of resolving conflict in a business. **(4 marks)**
4. Explain the four Ps of marketing mix. **(8 marks)**



SECTION D ESSAY-TYPE QUESTIONS

[50 marks]

There are three questions in this question. Answer any TWO questions from this Section.

QUESTION 1

(25 marks)

- a. Draw up a job description for a marketing manager. (10 marks)
- b. Differentiate a job description from a position description. (5 marks)
- c. Discuss at least five contents of a marketing plan. (10 marks)

Question 2

(25 marks)

Use the information below to prepare the trading and profit and loss account and balance sheet of Graceville Trading company for the year ended 31 December 2015.

Trial Balance as at 31 December 2015

	P	P
Sales		74,400
Purchases	46,224	
Opening stock	15,104	
Carriage inwards	936	
Carriage outwards	1,304	
Salaries & Wages	11,788	
Printing & Stationary	810	
Telephone	756	
Travel expenses	490	
Rent	1,824	
Rates	1,080	
Sundry expenses	2,808	
Computer equipment	9,600	
Fixtures & Fittings	2,400	
Debtors	18,308	
Creditors		12,180
Cash at bank	15,504	
Cash in hand	480	
Drawings	8,540	
Capital		51,376
	137,956	137,956
Closing stock	P19,992	

- a. Draw up the Income statement for the year ended 31 December 2014. **(12 marks)**
- b. Draw up the balance sheet as at 31 December 2014. **(13 marks)**

**Question 3** **(25 marks)**

- a. Discuss the advantages and disadvantages of downward and upward communication, (citing practical examples from your experience). **(10 marks)**
- b. With the use of examples, differentiate between capital expenditure, current expenditure and sundry expenses. **(5 marks)**
- c. Explain the marketing mix, with the aid of relevant examples. **(10 marks)**