

**BOTSWANA COLLEGE OF DISTANCE
AND OPEN LEARNING**

Certificate in Small Scale Business Management

SSBM

Special Examination

Marks: 100

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

SECTION A –Multiple Choice Questions

[10 marks]

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

Choose the best alternative answer

1. _____ is a legal entity which can sue and/or can be sued?
 - A Cooperative
 - B Partnership
 - C Public limited company
 - D Sole proprietorship

2. Which of the following is not a source of debt capital?
 - A Current liability
 - B Bank loan
 - C Savings
 - D Debentures

3. Costs that change with level of production are called _____.
 - A. Variable costs
 - B. Fixed costs.
 - C. Semi - variable costs.
 - D. Constant costs

4. Resources taken by the business owner for own use is referred to as _____.
 - A. Credit
 - B. Drawings
 - C. Loan
 - D. Debt



5. What kind of buyers would move from one shop to another before they can eventually buy from your business?
- A Nervous buyer
 - B Cold buyer
 - C Social buyer
 - D Cautious buyer
6. 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
7. LEA stands for _____
- A Local Entrepreneurship Assembly
 - B Local Enterprise Assembly
 - C Local Enterprise Authority
 - D Low Entrepreneurs Academy
8. If an employee works overtime outside his normal working days, he is paid _____.
- A Double pay
 - B Time and a half
 - C Time and a third
 - D Time and a quarter
9. What is the advantage of telephone over fax?
- A Written evidence is provided
 - B Message reaches many people at once
 - C Response can be given promptly
 - D Telephone is a slower means of communication than fax



10. In Botswana a contract can be terminated through the following _____
- A Normally
 - B Without notice
 - C In special circumstances
 - D All of the above

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. Money is the only tool used to motivate employees.
2. Identifying critical success factors is important in gaining competitive advantage.
3. Advertising is a way of persuading customers to buy from you.
4. Socialisation comes after training.
5. The break-even point is the point at which total revenue greater than total costs.
6. Small businesses should also follow government regulations on minimum wages
7. Employers are now very powerful because of high unemployment and they can do whatever they want with employees without facing the wrath of the law.
8. You must always win an argument in conflict resolution.
9. Oral communication is not the only way of communication.
10. Upward communication is whereby managers also get ideas from subordinates

SECTION C – SHORT ANSWER QUESTIONS

[30 marks]

Answer all questions in this Section.

1. What are the goals of advertising? **(5 marks)**
2. Orientation is designed to provide new employees with the information needed to function comfortably and effectively in the organisation. This practice conveys which types of information? **(5 marks)**
3. Explain the following employee categories with examples. **(12 marks)**
 - i. Day worker
 - ii. Seasonal worker
 - iii. Shift worker
 - iv. Casual worker
4. Your business is growing and you have decided to hire a shop assistant. Design a contract of employment for that shop assistant. **(8 marks)**

SECTION D ESSAY-TYPE QUESTIONS

[50 marks]

There are three questions in this question. Question one is compulsory, answer any question from question 2 and 3.

QUESTION 1

(25 marks)

Bowman Brothers Ltd is a large retail store that operates in country X and has hundreds of workers working for it. It has a very long chain of command and there is rarely ever chance for promotion as members of the Bowman family take most management positions.

Messages coming from the directors of the company take days and sometimes weeks to reach the ordinary workers as they pass through over eight different offices. The messages are normally passed using verbal communication through meetings. Some of the employees have never seen or interacted with any of the top managers as the top managers are found at head office whilst the ordinary staff members work at their normal stores. All the communication from top management to lower management goes through all the managers at the top till it reaches the rest of the workers. All grievances from the cashiers and ordinary employees go through each of the eight managers leading to some grievances never reaching top management.

The average wage paid to cashiers around Country X is \$15 per week but cashiers at Bowman Brothers get an average of \$10 a week. There is high staff turnover at Bowman Brothers.

- a. Explain why there is high staff turnover at Bowman Brothers. **(5 marks)**
- b. Advise Bowman Brothers on the different ways to motivate staff and reduce staff turnover. **(10 marks)**
- c. Advise Bowman Brothers management the advantages and disadvantages of downward communication and upward communication. **(10 marks)**



Question 2

(25 marks)

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

Trial Balance as at 31 December 2015

	P	P
Sales		80,000
Purchases	47,324	
Opening stock	15,104	
Carriage inwards	936	
Carriage outwards	1,304	
Salaries & Wages	10,288	
Printing & Stationary	800	
Telephone	856	
Travel expenses	400	
Rent	1,324	
Rates	1,570	
Sundry expenses	3,308	
Computer equipment	14,000	
Fixtures & Fittings	4,000	
Debtors	21,528	
Creditors		15,900
Cash at bank	15,504	
Cash in hand	970	
Drawings	13,520	
Capital		56,836
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	152,736	152,736

Closing stock P12,000

Required:

- Draw up the Trading and profit and loss account **(12 marks)**
- Prepare CCC Enterprises' Balance Sheet (Statement of financial position) as at 31 December 2015. **(13 marks)**



Question 3

(25 marks)

- a. Discuss at least five critical success factors that affect your business the most.
(10 marks)
- b. Draw up a SWOT analysis for your business or any company of your choice.
(15 marks)