



EXAMINATIONS COUNCIL OF ESWATINI  
Eswatini Prevocational Certificate of Secondary Education

CANDIDATE  
NAME

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CENTRE  
NUMBER

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CANDIDATE  
NUMBER

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**ENTREPRENEURSHIP**

**5923/02**

Paper 2

**October/November 2022**

**2 hours**

You must answer on the answer sheet.  
No additional materials required.

**READ THESE INSTRUCTIONS FIRST**

Write your Centre number, candidate number and name on all the work you hand in.  
Write in dark blue or black pen.  
Do **not** use staples, paper clips, highlighters, glue or correction fluid.

This paper consists of two sections (Section A and B): **Section A** will consist of short constructed responses worth 40 marks. **Section B** will consist of extended constructed responses worth 60 marks.

Answer **all** questions.

You may use a **calculator**.

The businesses described in this question paper are entirely fictitious.

At the end of the examination, fasten all your work securely together.

The number of marks is given in brackets [ ] at the end of each question or part question.

For Examiner's Use	
1	
2	
3	
4	
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<b>Total</b>	

This document consists of **13** printed pages and **3** blank pages.

## CARPET MASTER

### Background

Carpet Master is a Cooperative Society that manufactures floor carpets at Nhlanguano. The cooperative was formed by 20 members who communicated verbally and agreed to buy assets of an old company. The price of the assets was negotiated to meet the Government grant limit of E5 million. The cooperative is planning to have functional areas that include production, administration, marketing, human resources and finance.

### Floor carpet



(Source: Web Authoring, Spreadsheet Source files)

### Growth

Business documents show that Carpet Master has grown in the floor carpets manufacturing industry. In 2021 the enterprise obtained an increased net profit margin of 30% from 25% of the previous year. The growth is as a result of many factors such as the selling of branded goods. The cooperative has also formed a joint venture with a Botswana carpet producer who won a tender to supply an Asian market. The size of the co-operative enables it to break-even by selling fewer units than before. The business uses short term and long term loans to finance its operations.

### Functional areas

The enterprise has different functional areas. The finance department is responsible for budgeting while the marketing department is responsible for branding and packaging of the floor carpets. The production department is concerned about production of the product and preventing loss of inventory. The human resource department is responsible for recruitment of employees for the enterprise.

### Appendix 1

#### Carpet Masters management meeting minutes (Extract)

- The Chief Executive Officer (CEO) encouraged managers to use *laissez faire* style of leadership in their functional areas to improve production.
- The meeting agreed to employ filing clerks for all departments to file the increasing number of business documents

**SECTION A**

Answer **all** questions.

You may use the case study and your knowledge of enterprise where appropriate to answer the following questions.

**1 (a)** Define a cooperative society.

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..... [2]

**(b)** Explain **two** reasons why verbal communication is a suitable method for Carpet Master to use when forming the cooperative society.

Reason 1 .....

Explanation .....

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.....

Reason 2 .....

Explanation .....

.....  
..... [4]

(c) Analyse **two** drawbacks which Carpet Master might have experienced when negotiating the price of the assets.

Drawback 1 .....

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Analysis .....

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Drawback 2 .....

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Analysis .....

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..... [6]



2 (a) State **two** business documents that Carpet Master would use when trading.

Document 1 .....

Document 2 ..... [2]

(b) Explain **two** reasons why Carpet Master needs to calculate net profit margin.

Reason 1 .....

Explanation .....

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Reason 2 .....

Explanation .....

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..... [4]

(c) Analyse **two** benefits of calculating a break-even point to Carpet Master.

Benefit 1 .....

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Analysis .....

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Benefit 2 .....

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Analysis .....

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..... [6]



**SECTION B**

Answer **all** questions.

**3 (a)** Analyse **two** benefits to Carpet Master of entering into a joint venture.

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4 One of the functions of the production department is to manage inventory.

(a) Explain **two** reasons why managing inventory is important to Carpet Master.

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