



**EXAMINATIONS COUNCIL OF ESWATINI**

Eswatini Prevocational Certificate of Secondary Education

**Entrepreneurship (5923)  
Examination Report for 2024**

**EPCSE EXAMINATION REPORT 2024 Entrepreneurship 5923/02**

**General Comments**

The general performance of the candidates was poor in most centres. However, there was an improvement in the quality of responses in comparison to previous years, hence the majority of the candidates were able to recall and reproduce **(AO1)** and were able to reach the skills and concepts level **(AO2)** but struggled to reach the strategic thinking level **(AO3)**. The majority of the candidates had a challenge in the understanding of the questions. They were giving wrong responses, for example, where the question required advantages and disadvantages of a close corporation, they would define close corporation, resulting in them scoring low marks.

**Comments on Specific Questions**

**Question 1**

- (a) Candidates were expected to explain the term 'close corporation'. A majority of the candidates were explaining partnership instead of close corporation.

**The expected answer was;**

it is an entity registered with the close corporation act, with a maximum of ten people who has an independent legal personality.

- (b) Candidates were required to explain two ways a close corporation may benefit the community. This question was well answered by most candidates.

**Expected response:**

- Provide job opportunities
- Provide products and services
- Improvement of infrastructure

- (c) The question required candidates to explain two internal environmental factors that could help Mndobandoba close corporation (CC) to be successful. The majority of the candidates performed poorly in this question; they were confusing it with external environmental factors.

**The expected internal factors were as follows:**

- Management
- Mission and objectives
- Resources

- (d) Candidates were required to analyse two ways how marketing could benefit the corporation. The question was accessible to the majority of the candidates.

**The expected response was as follows:**

- Attract more customers
- Good relations with customers
- Expansion of market share

## Question 2

(a) Candidates were required to state two countries that have been successful in entrepreneurship. This question was accessible to the majority of candidates hence they scored high marks.

**The countries were:**

- German
- Singapore
- Japan

(b) Candidates were required to explain two ways that using a psychological pricing strategy may benefit the corporation. The majority of the candidates did not perform well in this question. They were failing to show how psychological pricing strategy may benefit the corporation, instead, they were explaining it using examples like E4.99.

**Expected responses were:**

- Increase attention for certain products
- Create a good name for the shop
- Bring more customers

(c) Candidates were expected to analyse two ways the corporation will use the business plan. The majority of the candidates were discussing components of the business plan. Only a few were able to answer the question.

**The ways included:**

- Instrument for sourcing funding
- Guide operations
- Performance management tool
- To determine future financial needs

(d) The majority of the candidates were able to analyse two reasons why acts that govern the utilisation of natural resources in Eswatini are needed, hence they scored high marks.

**The reasons were as follows:**

- Protects utilisation of resources
- Decreases negative externalities
- Prevents the extinction of resources

### Question 3

- (a) The question required candidates to analyse two ways the selling of branded goods could benefit the corporation. The question was accessible to candidates as most of them were able to analyse the ways hence they scored high marks in this question.

**Expected response:**

- Increases sales
- Brand loyalty
- Create perception of quality

- (b) Candidates were required to justify using benefits and challenges whether a close corporation was appropriate for Mndobandoba Close Corporation (CC). The majority of the candidates did not understand that the question required advantages and disadvantages of a close corporation instead they were defining a close corporation.

The levels were as follows:

Level	Descriptors
3	Candidates were expected to justify the advantages and disadvantages of close corporation plus justification for or against them.
2	Candidates were expected to apply knowledge and understanding of close corporation
1	Candidates were expected to demonstrate some knowledge and understanding of close corporation and there is no application.
0	No credible response. Candidates were unable to demonstrate knowledge or understanding of advantages and disadvantages of close corporation.

**The expected response may include:**

**Points for:**

- The liability is limited
- It is relatively easy and inexpensive to set up
- All members are part of the management

**Points against:**

- It relies heavily on the trust between members
- The restriction of members is only ten hence not suitable for large enterprises
- Members may disagree over decision-making

#### Question 4

- (a) Candidates had to analyse two ways of improving customer care and satisfaction. The majority of the candidates were giving general answers, for example, the shopkeeper has to smile when meeting customers.

**The expected response may include:**

- Understanding customer expectation
- Reduce waiting times
- Listen to your customers

- (b) Candidates were expected to justify, using costs and benefits, if observation was the correct method of research for the corporation to use. Most candidates were able to get this one correct although some were struggling to justify for or against.

The levels were as follows:

Level	Descriptors
3	Candidates were expected to justify using advantages and disadvantages of observation method plus justification for or against them.
2	Candidates were expected to apply knowledge and understanding of the advantages and disadvantages of observation method.
1	Candidates were expected to demonstrate some knowledge and understanding of observation method and there is no application.
0	No credible response. Candidates were unable to demonstrate knowledge or understanding of advantages and disadvantages of observation method.

**The expected response may include:**

**Advantages:**

- Cheaper to use
- Collect data at the time they occur
- Greater accuracy
- Simplest method

**Disadvantages**

- Some of the occurrences may not be open to observation
- Sometimes it is costly as one has to wait doing nothing
- Results may be misleading as interpretation may be personal

### Question 5

- (a) Candidates were to analyse how conducting SWOT analysis could help the corporation to be successful. The question was accessible to the majority of students, hence they got maximum marks.

**The expected response could include:**

- To take advantage of the corporation strengths
  - To develop corporation goals and strategies for achieving them
  - To address weaknesses
- (b) Justify using costs and benefits, if buying the equipment directly from the manufacturer was the best decision for the corporation. The majority of the candidates failed to justify the advantages and disadvantages of buying directly from the manufacture instead they were giving weak answers, for example, the equipment will be durable.

The levels were as follows:

Level	Descriptors
3	Candidates were expected to justify the advantages and disadvantages of buying directly from the manufacturer plus justification for or against their use.
2	Candidates were expected to apply knowledge and understanding of the advantages and disadvantages of buying directly from the manufacturer.
1	Candidates were expected to demonstrate some knowledge and understanding of buying directly from the manufacturer and there is no application.
0	No credible response. Candidates were unable to demonstrate knowledge or understanding of advantages and disadvantages of buying directly from the manufacturer.

**The expected response may include:**

**Advantages:**

- Custom-made products
- Lower prices
- Better deals on warranties

**Disadvantages**

- The ideas and concepts of the corporation are at risk of being stolen.
- The corporation has to buy in large quantities all the time.
- The bad reputation of the manufacturer affects the corporation

**EPCSE EXAMINATION REPORT 2024 [ENTREPRENEURSHIP- 5923/ 03]**

**GENERAL COMMENTS**

The EPCSE's Entrepreneurship Paper 3 is a school-based project which consists of a portfolio of evidence covering the three (3) stages. (Stage 1 – Plan for Negotiation; Stage 2 - Plan Development; Stage 3 - Business Plan Oral Presentation). In stage 1, candidates were expected to write a negotiable plan whereby the purpose of negotiating and people involved during the negotiating process are properly stated. The benefits, drawbacks and expected outcome should be evaluated and presented properly in this stage. In stage 2, candidates were expected to generate a viable business idea based on the product/service, which they developed in their area of specialisation (Agriculture, Consumer Science, and Business Accounting). Candidates were to develop the business concept into a business plan for an enterprise. In stage 3, candidates were expected to present a summary of their Business Plan components to a potential investor (external examiner).

This project paper contributes 40% towards the overall syllabus mark. The three Assessment Objectives were examined in a well-balanced manner.

These assessment objectives were:

**(AO2) - Skills and Concepts** - Candidates were required to make informed decisions in displaying data that is consistent in all the various sections of the Negotiation Plan, Business Plan and during oral presentations of the Business Plan. Candidates were also required to make observations and basic analysis of information in their context.

**(AO3) - Strategic Thinking** - Candidates were expected to explain their reasoning and showcasing abstract thinking skills as they plan using evidence and higher mental processing. Candidates were supposed to interpret and justify their thinking on their various enterprises.

**(AO4) - Extended Thinking** - Candidates were expected to display complex reasoning as they plan and develop their own Business plans. Their teachers supported them as they explore their critical thinking skills, creative skills, reflective skills and adjustments of plans over time for their various enterprises.

Candidates were expected to demonstrate competencies on all the assessment objectives to perform well in their Entrepreneurship project.

Overall performance in this paper was satisfactory. However, centres are encouraged to improve in their competencies for the Entrepreneurship project stage 2 and stage 3. Some candidates seemed to have challenges in stage 2 when writing the financial plan for their enterprises. They could not

demonstrate consistency, reasoning and critical thinking skills as they developed their business plans. Again, candidates seemed to have challenges in displaying their mathematical competences in calculating prices for their products, as well as calculating the break-even points in their enterprises. Very few candidates displayed critical thinking skills when discussing any component of the business plan. Centres are requested to enforce the critical skill whenever they discuss issues in this entrepreneurship project. In stage 3, some candidates prepared very long presentations thereby only reading through without demonstrating the skill of presenting a convincing summary of a business plan.

## **COMMENTS ON THE STAGES OF AN ENTREPRENEURSHIP PAPER 3:**

### **STAGE 1: NEGOTIATION PLAN**

#### **General Comments:**

Candidates were expected to develop a plan on how they will apply negotiation skills for their goods or service they are planning to offer. They should display that initial planning for the negotiation was adjusted overtime to come up with final plan, and critically think well-reasoned *situation/purpose, benefits as well as drawbacks*. Candidates were also expected to evaluate the *people involved* during the negotiation process and the *expected outcome* of the negotiation process. Candidates should take note that a negotiation plan is not the same as the business plan or a research paper.

The negotiable plan should include the following:

- (a) Documented evidence of the negotiation process, e.g. a signed agreement to lease an office space for an accounting enterprise
- (b) Situation/purpose of the negotiation process
- (c) Excellent statement of people involved in the negotiation process
- (d) Benefits of the negotiation process to the people involved
- (e) Drawbacks of the negotiation to the people involved
- (f) Anticipated outcomes of the negotiation process



## **A. Documented evidence of the negotiation process**

### **Expected Response:**

Candidates can submit any documented evidence for the negotiation process. For example, a signed agreement of leasing an office space for an accounting enterprise.

### **Common errors/misconceptions:**

Most candidates did not submit the documented evidence for the negotiation process.

## **B. Situation/purpose of the negotiation process**

### **Expected response:**

Candidates were to provide excellent evaluation of the purpose of the negotiation plan – explaining why they want to negotiate in the first place. For example, a candidate can negotiate with the supplier for a price reduction or better quality of the raw materials for their enterprises; candidates can also negotiate for the lease of a pop-corn machine; etc.

### **Common errors/misconceptions**

Most candidates were giving reasons why they had started their businesses instead of evaluating the purpose of their negotiation process in their context.

Candidates continued to evaluate the purpose of their enterprises in general, not the purpose of the negotiation process.

**An example of a wrong situation or purpose of the negotiation:** ‘the purpose of my enterprise is to produce beetroot and sell it to the street vendors’.

### **An example of a correct situation or purpose of the negotiation:**

1 ‘the purpose of the negotiation is to request for the *reduction of a price* for my beetroots seedlings with the supplier which is Khuba Traders’.

2. ‘the purpose of my negotiation is to make *agreements on the terms on the lease* of a sewing machine from Singer Traders’.

### C. PEOPLE INVOLVED:

#### Expected response:

Candidates were expected to state people who will be involved in the negotiation process, as well as their designation. For example, the supplier, customer, service provider, landlord, etc. They were supposed to write the *name of their enterprise and the name of the owners* for their enterprise. It is impressive to note that most candidates were able to write the names of their enterprises and their owners.

Candidates were also expected to write the *enterprises name and the name of the person they were planning to negotiate with*.

Candidates were expected to evaluate a statement of people that will be involved in their negotiation process.

#### Common Errors/Misconceptions

Most candidates gave a list of customers or supplier not specifying those they are planning to negotiate with for the different purposes/situations.

Candidates were also expected to state whether the person to negotiate with will be a customer, a supplier, a landlord, etc. However, most candidates did not write the names of the people they will be negotiating with, as well as their enterprises' names.

**A good example:** Zitha Tailors which is owned by Ms. Sakhile Nhleko is planning to negotiate for a lease agreement with Mr. Vusi Khumalo, a manager from the Singer Sewing Machine Traders.

### D. BENEFITS:

#### Expected response:

Candidates were expected to evaluate at least *two benefits* that the person they negotiate with will benefit. They were to evaluate reasons why the person should support the proposal presented to him/her. Candidates should *state reasons why* the service provider will benefit by offering the service, and this *will lead to what exactly*.

#### Common errors/misconceptions

Most candidates were writing the benefit that they themselves will get if they were able to start their enterprise.

Candidates should explain the advantages or reasons why the other side should support their proposals, not stating the candidates benefit.

**A Good Example:** 'Once you offer the lease agreement to us as tailors, our output will increase, which may lead to additional requests for the sewing machine, that could lead us to end up buying more sewing machines from your company'. This is a well evaluated answer showing a strategic thinking skill.

## **E. DRAWBACKS:**

### **Expected response:**

Candidates were expected to evaluate at least two drawbacks of the planned negotiation to be experienced from the person they negotiate with. They were expected to evaluate reasons why the person may not support the proposal presented. Candidates were also expected to discuss how they will curb the stated drawbacks.

### **Common errors/misconceptions**

Most candidates explained drawbacks of their enterprises, not drawbacks to be experienced by the person that they were to negotiate with. A majority of the candidates did not discuss how they will curb the stated drawbacks.

**A good example:** ‘The leased sewing machine will lose its value while being used by us as tailors. However, we believe that you will charge us a fee for damages.’

## **F. EXPECTED OUTCOME OF THE NEGOTIATION:**

### **Expected response:**

Candidates were expected to evaluate the deal that might be agreed on because of the negotiation. Some candidates were able to write proper expected outcomes of the negotiations.

### **Common error/misconceptions**

Most candidates wrote something like ‘win to win situation’ which is hard to understand.

**A good example:** Candidates evaluate the deal she/he hopes to get after the negotiation process, for example, our enterprise expects to get a contract with Singer Traders for leasing the sewing machine to increase output and eventually buying our sewing machine from them, thus Singer Traders increase their sales and make more profit.

## **STAGE 2: BUSINESS PLAN DEVELOPMENT**

The question required candidates to write a business plan using the components stated on the question paper, not using components of their own choice. The question states that candidates should develop a business plan with a cover page, table of contents and the following components:

1. Executive Summary
2. Enterprise Description
3. Marketing Plan
4. Production Plan/Operational Plan
5. Financial Plan
6. Management Plan

Candidates were expected to consolidate all the business plan components as per the dictates of the syllabus, in readiness for presentation to a potential investor. The information presented should be *analysed consistently showing reasoning skills, critical thinking skills and creativity.*

## DISPLAY EYE-CATCHING PRELIMINARY PAGES:

Consistency and creativity are vital in the preparation of the preliminary pages:

Eye-catching preliminary pages mean a visually pleasing and informative cover page with any five of the following details:

- Name of the business
- Name of the student
- Company logo
- Date of completing the business plan
- Residential address
- Phone number,
- Email address,
- Business slogan
- At the bottom of the cover page, write any confidentiality statement such as the one which says 'not to be reproduced without the consent of your company name'

## Mistakes on the preliminary pages were as follows:

- Some candidates did not submit a **cover** page. Some displays of the cover page were not **eye-catching**, and some details were missing. However, few candidates presented eye-catching cover-pages with all the details.

**Table of content:**

Candidates were expected to present the table of content separately on a new page. The title 'Table of content' should be centred, and the page numbers should match those from the whole document. However, some candidates did not write the 'table of content section' at all, while some wrote it in the last page of the business plan. Some candidates were submitting wrong page numbers.

**References:**

Candidates were expected to write references using the APA style. However very few candidates presented references for their business plan project. Some candidates did not write references at all or rather did not use the APA style of referencing.

**Appendices:**

Candidates were expected to present *either or* market research instruments, pictures/photos for the project, charts or graphs, promoter's profile/ curriculum vitae, etc. However, very few candidates attached appendices for marking. Some candidates did not attach appendices in their business plans. Instead, they presented the financial plan sections (income statement, cash flow statement, and statement of financial position of the business) as their appendices.

**EXECUTIVE SUMMARY:**

- Candidates were expected to present a brief and exciting executive summary - giving an overview of the enterprise covering all the necessary information concerning the enterprise description, marketing strategies, production plans, management plan, and financial planning with clear capital requirements and sales forecasts. However, most candidates left out some important information when writing the executive summary.
- The executive summary should fit a page, not presented in very few lines, and not be presented in bullet form but should be written in a paragraph format.
- Information presented in the executive summary should be consistent with the information presented in the other sections of the business plan.

Most candidates were not consistent with the information they presented in the executive summary and the other parts of the business plan.

- Candidates were also expected to display some creativity skills, reasoning skills, and critical thinking skills as they discuss the contents of the executive summary. However, very few candidates displayed some reasoning skills and critical thinking skills. It is impressive to note that most candidates displayed some creativity when writing their executive summary section.
- Very few candidates presented their executive summary on the last page of the business plan while it is expected to be presented on the first page.
- Very few candidates did not present their executive summary at all.

### **ENTERPRISE DESCRIPTION:**

- Candidates were expected to present a description of the enterprise in their business plans - presenting the company name, owners of the company, types of business ownership with reasons, location of the company, mission statement, vision statement, objectives, what is the problem solved by the enterprise, what differentiates your product from the competitors, etc.
- Some candidates were presenting general mission statements and objectives, not being specific to their enterprise.
- Candidates were expected to display some critical thinking skills, creativity, consistency, and some reasoning skills as they analyse the contents of this section in the business plan.
- Most candidates were able to be consistent in their presentation, with some reasoning skills, however, very few candidates were critical in their discussions. Some were listing the items, as a result, they obtained very low marks than a candidate who was discussing issues with some reasoning and critical thinking.

### **CONVINCING MARKETING PLAN:**

- Candidates were expected to present a convincing marketing plan displaying creativity, reasoning, and critical thinking skills when analysing the industry such as using the S.W.O.T. analysis, market segmentation, target market, market research, and the marketing mix (product, price, promotion, and place) in their context.
- Most candidates were able to analyse the industry, stating market segments and target markets as well as marketing mix in point forms, without discussing their points displaying reasoning skills, critical thinking skills and consistency. Thus, they scored very low marks.
- The distribution channel drawing is not a 'place' where you will be selling your product. However, candidates were expected to also name the actual place/shop where they will be selling their products in addition to the distribution channel.
- Under the 'Price' section of the marketing mix, candidates were expected to calculate the selling price of the product per unit, showing total sales per month. However, most candidates were not calculating the selling price per unit for their products. Moreover, most candidates were stating the pricing strategy without proper reasoning in most cases.
- 'Product' section should be analysing the size, colour, quality and quantity produced. However, most candidates gave the product name only without reasoning and consistency.
- Most candidates were not showing the cost of the promotion (e.g. advertising costs)
- Candidates were expected to state the site or location of their enterprises and the reasons for them to be there. They were also expected to state the channel of distribution to be used (e.g. retailer, agent, wholesaler, etc)
- Very few candidates were displaying some consistency, reasoning skills and critical thinking skills when preparing the marketing plan.
- Some candidates were analysing S.W.O.T. analysis which is general not displaying creativity for their enterprises, some couldn't differentiate threats from weaknesses, as well as differentiating opportunities from strengths of their enterprises. Thus, they scored very low marks.
- Most candidates did not calculate the price of their product under the price section of the marketing mix.

### **PRODUCTION PLAN:**

- Most candidates presented the production plan well. However, some were unable to show the cost of production/cost of providing the service; time spent in production/when offering the service; equipment used in the production process; cost per unit; and raw materials used.
- Candidates were expected to calculate the cost of production per unit (separating the variable costs and fixed costs) in this component

### **MANAGEMENT PLAN:**

- Some candidates were able to write employees with their job description. However, most candidates didn't state the number of employees required in their enterprises before writing them on their organisational charts.
- Candidates were also expected to state the number of hours for employees at work, for how much per earnings – for them to get the wages and salaries figures.
- Some candidates presented the actual names of the employees without their position in the enterprise, e.g. secretary or manager, etc.

### **FINANCIAL PLAN:**

- A majority of candidates were unable to prepare financial plans for their enterprises. Most of the figures used in the cash flow statement, income statement, break-even analysis, profitability ratios, efficiency ratios and the statement of the financial position of the enterprises were unsubstantiated in any component of the business plan.
- Most candidates prepared a cash flow statement, income statement, and statement of financial position of the enterprise without showing the calculation of the figures. For example, they were expected to show variable costs calculations, fixed cost calculations, pre-operational costs calculations, and the start-up capital requirement calculation. As a result, no marks were awarded for the statements without calculations of the figures, which are consistent throughout the business plan.
- Candidates were expected to show calculations of the break-even analysis (either drawn/calculated), as well showing calculations of the profits/losses of their enterprises. However, most candidates failed to do that in this section, thus they obtained very low marks.
- Candidates were also expected to analyse the profitability of the enterprise using the profitability ratios and efficiency ratios. However, a majority of candidates were not calculating these ratios.
- The financial plan was the worst component of a business plan where candidates obtained very low marks.

### **STAGE 3 BUSINESS PLAN PRESENTATION**

#### **General comments:**

This stage of an Entrepreneurship project was fairly done by most candidates. Candidates were expected to make a power-point presentation. Centres are expected to provide projectors and laptops/computers for presentations in a quiet classroom/ICT laboratory. Pictures or operations of an enterprise are expected to be showcased briefly during presentations. Candidates were not expected to present an Ms-Word document during presentations. The candidates were expected to present a summary of their business plan in 10 minutes. In addition to the summary, candidates were assessed on their voice projection, time management and eye-contact during the presentation. By the end of the presentation, candidates were asked questions in relation to their business plans summary. Candidates were expected to answer questions confidently and convincingly to the potential investor (external examiner). During presentations, candidates **MUST** show how they calculated prices for their products as well as profits.

#### **General Performance:**

The general performance for this stage was above average.

#### **Power-point presentation assessment consists of the following:**

- Realistic business plan summary (in a form of slides with pictures/any operations of an enterprise)
- Summary of a convincing industry analysis (swot), marketing mix, target market, market research
- Financial plan summary
- Enterprise description summary
- Production plan summary
- Management plan summary
- Time management (10minutes)
- Voice projection (Loud and clear)
- Eye-contact (not reading but showing presentation skills)



**Common Mistakes:**

- Some candidates were not showcasing their goods/services that they will be producing.
  - Some candidates were not summarising some components of their enterprises' Business Plan.
  - Some candidates did not present power-point presentation slides, instead they presented Ms-Word document.
  - Some candidates were not speaking loud enough to be heard.
  - A majority of candidates failed to answer questions asked. Especially questions related to the calculations of price per unit for their products and profits earned.
  - Some candidates failed to present the summary of the business plan in 10 minutes.
-