



EXAMINATIONS COUNCIL OF ESWATINI
Eswatini Prevocational Certificate of Secondary Education

ENTREPRENEURSHIP

Paper 1 Multiple Choice

5923/01

October/November 2024

1 hour

Additional Material: Answer Grid.

INSTRUCTIONS:

This Question Paper consists of 40 multiple choice questions.

Four possible answers are given for each question. Choose the **best** answer and shade your choice in the oval under the correct letter in soft **HB** pencil on the separate multiple choice Answer Grid provided.

You may use a calculator.

Read all questions carefully.

Answer **all** questions.

EXAMPLE:

41 Which term represents the cost of borrowing money?

- A capital
- B interest
- C loan
- D price

41	A	B	C	D
	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

For Examiner's Use	
Marks	

This document consists of 8 printed pages.

- 1 Which defines an opportunist entrepreneur?
 - A someone who copies an idea and improves it
 - B someone who invents new products and services
 - C someone who seizes a chance when it comes along
 - D someone who starts an enterprise for social change

- 2 Which statement describes a risk-taking activity?
 - A having an obligation to do one's job effectively
 - B investing assets to start a business
 - C predicting what will happen in future
 - D trusting in one's ability, qualities and judgement

- 3 What describes the ability to develop new ideas?
 - A business
 - B creativity
 - C innovation
 - D management

- 4 Which would be one of the processes in developing a new product?
 - A developing a distribution channel
 - B developing a market
 - C developing a pricing strategy
 - D developing a prototype

- 5 How could lack of record keeping affect an enterprise?
 - A by achieving the set goals
 - B by delaying payment of debts
 - C by making staff members to cope well
 - D by reducing hours worked

- 6 Which is a characteristic of a multinational firm?
 - A offers a service to the public in one country
 - B produces goods or delivers services in more than one country
 - C reduces costs by selling goods and services in one country
 - D sells goods in more than one country

- 7 Which document is necessary when setting up a sole proprietorship?
 - A article of association
 - B memorandum
 - C partnership deed
 - D trading licence

- 8 Which of the following is a social cost?
- A decrease in mineral resources
 - B decreased rent costs
 - C illness from air pollution
 - D increased cost of raw materials
- 9 Which factor influences decisions made by consumers in the market?
- A changes in income
 - B changes in population
 - C changes in subsidies
 - D changes in technology
- 10 Which is a feature of autocratic leadership?
- A allowing teamwork
 - B encouraging discussion
 - C leader involves others in decisions
 - D leader makes all decisions
- 11 Which method of communication is most appropriate if the business needs the workers to have a record of the communication?
- A non-verbal
 - B verbal
 - C visual
 - D written
- 12 What defines crown land in Eswatini?
- A land belonging to municipality
 - B land belonging to private sector
 - C land belonging to the chief
 - D land belonging to the king
- 13 Which describes a title deed?
- A a document showing the ministers authority
 - B a document showing where the land was obtained
 - C a document showing who owes the municipality
 - D a document showing who owns the land

14 Eric is publishing entrepreneurship books.

How could a copyright protect ideas of his enterprise?

- A prevents other enterprises to invent the same ideas
- B prevents other enterprises to produce the same book as Eric's
- C prevents other enterprises to use same authors used by Eric
- D prevents other enterprises to use same production techniques

15 Which of the following describe quality standards in an enterprise?

- A published documents ensuring reliability of products
- B published documents showing ethical behaviours
- C published documents showing transactions for parties
- D published documents showing working conditions

16 Which of the following is **not** a factor in success of an enterprise?

- A gender of the owner
- B quality of product produced
- C resources of the enterprise
- D size of the enterprise

17 What is the maximum number of shareholders in a private limited company in Eswatini?

- A 10
- B 15
- C 50
- D 60

18 What should be included in a notice of a meeting?

- A matters arising from previous meeting
- B names of all those absent in a meeting
- C place, date and time of the meeting
- D place, minutes and date of the meeting

19 What is contained in the minutes of a meeting?

- A a list of issues to be discussed in a meeting
- B a list of members who will be in the meeting
- C a written account for bookings of venue
- D a written account of issues not discussed

20 What is the purpose of a job interview?

- A to allow the applicants to assess the structure of the organisation
- B to allow the applicants to understand the demands of the job
- C to allow the employer to identify the best person for the job
- D to allow the employer to invite the best candidate for the job

- 21 Which statement defines negotiation in an enterprise?
- A arguing with colleagues to reduce conflicts
 - B arguing with friends resulting to competing
 - C discussion as friends to go for braai
 - D discussion to reach an agreement
- 22 Which one is a component of a negotiation plan?
- A environment
 - B exploring needs
 - C people involved
 - D preparation
- 23 Which of the following is a likely consequence of silo thinking?
- A it creates communication channels within departments
 - B it creates competition for resources among the departments
 - C it improves coordination within the enterprise
 - D it leads to poor decision making of an enterprise
- 24 The Chinese government has given the Mbuluzi community funds to develop infrastructure, these funds will not need to be repaid.
- What is the name given to this source of finance?
- A debentures
 - B grant
 - C leasing
 - D overdraft
- 25 Who issues an invoice in a business transaction?
- A issued by big enterprises only
 - B issued by both the buyer and the seller
 - C issued by seller to the buyer
 - D issued by the buyer to the seller
- 26 Which of the following would not be part of improving customer care?
- A changing company's brand name
 - B improving production processes
 - C recording human resource complaints
 - D researching on customers' needs

27 Which is a disadvantage of selling on credit to customers?

- A reduces cash inflow
- B reduces customer loyalty
- C reduces debtors
- D reduces sales volume

28 Which describes the break-even point?

- A total revenue equals fixed cost
- B total revenue equals total cost
- C total revenue plus fixed cost
- D total revenue plus total cost

29 Which one is a disadvantage of break-even analysis?

- A assumes production and sales are the same
- B determines if a product is worth selling
- C determines the profit that is made
- D predicts the effect of changes in sales price

30 Melusi provided the following information at the end of his financial year on 31 August 2024.

	E
Capital	100 000
Bank loan repayable September 2025	30 000
Mortgage	240 000
Bank overdraft	5 200
Trade payables	14 000

How much were the non-current liabilities at 31 August 2024?

- A E 240 000
- B E 270 000
- C E 370 000
- D E 375 200

31 Vika Ltd's financial data for the year ended 30 June 2024 was as follows:

	E
Sales	50 000
Gross profit	20 000
Net profit	8 000

What was Vika Ltd's net profit margin?

- A 2.5%
- B 16%
- C 27%
- D 40%

32 Ntombi's financial data for the year ended 31 August 2024 was as follows:

	E
Sales	110 000
Gross profit	44 000
Net profit	16 000
Capital employed	160 000

Calculate Ntombi's return on capital employed (ROCE).

- A 10%
- B 14.5%
- C 27.5%
- D 40%

33 Which one is an example of primary research?

- A magazines
- B newspapers
- C observations
- D websites

34 Mary sells unique cakes. The unit price per piece of cake is E25 while her competitors sell the same piece of cake for E20.

Which pricing strategy is used by Mary?

- A competitive pricing
- B cost-plus pricing
- C promotional pricing
- D skimming pricing

- 35 Which element of the marketing mix describes where people buy goods?
- A place
 - B price
 - C product
 - D promotion
- 36 Which describes the functions of a retailer?
- A assembles goods in bulk
 - B offers advice to consumers
 - C offers trade discount
 - D provides warehousing
- 37 Which mode of transport is the most expensive?
- A air freight
 - B canal and river
 - C road haulage
 - D sea freight
- 38 Which is the most flexible mode of transport?
- A aeroplane
 - B car
 - C ship
 - D train
- 39 Which one is the correct formula for calculating simple interest?
- A $(\text{principal} - \text{rate}) \times \text{time}$
 - B $(\text{principal} / \text{rate}) \times \text{time}$
 - C $(\text{time} - \text{rate}) \times \text{principal}$
 - D $\text{principal} \times \text{rate} \times \text{time}$
- 40 Why is budgeting important to an entrepreneur?
- A to be able to pay all bills for the financial period
 - B to make one have money left at the end of the year
 - C to plan in advance on expenditure based on income
 - D to save enough money for entertaining workers