



FACULTY/COLLEGE	College of Business and Economics
SCHOOL	Johannesburg Business School
DEPARTMENT	Business Management
CAMPUS	DFC
MODULE NAME/S	Management Skills B Innovation and Entrepreneurial Skills
MODULE CODE/S	BIMB131 / IESCHB3
SEMESTER	Second
ASSESSMENT OPPORTUNITY MONTH AND YEAR	Supplementary Summative Assessment January 2020

ASSESSMENT DATE	January 2020	SESSION	
ASSESSOR	Prof S. Dhliwayo		
MODERATOR (Internal)	Mr J.N Muofhe		
MODERATOR (External)	Dr G.K Shaw Prof G.S. Simate		
DURATION	180 minutes	TOTAL MARKS	100

NUMBER OF PAGES OF QUESTION PAPER (Including cover page)	2
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INFORMATION/INSTRUCTIONS:

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- This is a closed-book assessment.
 - Question papers must be handed in together with your answer books.
 - Read the questions carefully and answer only what is asked.
 - Answer all the questions.
 - Number your answers clearly.
 - Write **neatly** and **legibly** on both sides of the paper in the answer book, starting on the first page.
 - Structure your answers by using appropriate headings and subheadings.
 - The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.
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GRADUATE ATTRIBUTE GA7:

Sustainability and Impact of Engineering Activity

Learning outcome: Demonstrate knowledge and understanding of the impact of engineering activity on the society, economy, industrial and physical environment, and address issues by analysis and evaluation.

All the Questions assess Graduate Attribute GA7.

QUESTION ONE

[20 MARKS]

In most parts of the world, innovation and entrepreneurship is considered very important for the economic wellbeing of society. Explain five (5) reasons why this is the case.

QUESTION TWO

[28 MARKS]

Your group members intend to start a company producing ethanol from sugar cane in 2021. The name of the company will be Etha (Pty) Ltd. The total project cost is expected to be R640 000. This will comprise of the following transactions:

- Purchase of a building – R460 000
- Purchase of equipment – R80 000
- Start-up raw materials – R60 000
- Start-up expenses – R40 000 (The money is at Etha's bank = equity)

The money for buildings is borrowed from the bank. Half of the money for equipment is also borrowed and the remainder is the group's own contribution (equity).

1. Prepare a start-up balance sheet for Etha (Pty) Ltd. The balance sheet should clearly show the company's assets, values and how the assets were financed (10)
2. Calculate the company's debt- equity ratio (2)
3. Explain the difference between an income statement and a cash-flow statement (6)
4. For the bank to grant the company a loan, they would have considered a number of factors. Briefly discuss five such factors (10)

QUESTION THREE

[42 MARKS]

Prepare the following aspects of a marketing plan for Etha (Pty) Ltd:

- Market analysis (10)
- Competitor / industry analysis and competitive advantage (10)
- Marketing analysis (12)
- Demand estimation / sales forecast (10)

QUESTION FOUR

[10 MARKS]

Outline Etha (Pty) Ltd's production process.

END OF ASSESSMENT