



FACULTY/COLLEGE	College of Business and Economics
SCHOOL	Johannesburg Business School
DEPARTMENT	Business Management
CAMPUS	DFC
MODULE NAME	Management Skills
MODULE CODE	BUP 201
SEMESTER	Second
ASSESSMENT OPPORTUNITY, MONTH AND YEAR	Final Assessment November, 2019

ASSESSMENT DATE	2019	SESSION	1
ASSESSOR	Prof E Bbenkele		
MODERATOR (Internal)	Prof S. Dhliwayo		
MODERATOR (External)	Dr N. Chiliya		
DURATION	180 minutes	TOTAL MARKS	100

NUMBER OF PAGES OF QUESTION PAPER (Including cover page)	3
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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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QUESTION 1

[25 Marks]

Below is an income statement and balance sheet for Diva Charity Hair Salon. Use this information to calculate the ratios for the questions 1a to 1e below and respond to the questions asked.

Diva Charity Hair Salon Balance Sheet as of December 2018

Assets

Cash	R125 000
Accounts Receivable	R375 000
Inventory	R550 000
Total current assets	R1, 050 000
Gross fixed assets	R2 750 000
Accumulated depreciation	(R1 200 000)
Net fixed assets	R1 550 000
TOTAL ASSETS	<u>R2 600 000</u>

Debt (Liabilities and Equity)

Accounts payable	R150 000
Short term loan	R150 000
Total current Liabilities	<u>R300 000</u>
Long Term Debt	R600 000
Total debt	<u>R900 000</u>
Common stock	R900 000
Retained earnings	R800 000
Total ownership equity	<u>R1 700 000</u>
TOTAL LIABILITIES AND OWNERSHIP EQUITY	<u>R2 600 000</u>

Income statement for the year ending December for 2018

Sales	R1 450 000
Cost of goods sold	R850 000
Gross profit	R600 000
Operating expenses	R240 000
Operating profit	R360 000
Interest expense	R64 000
Profits before taxes	R296 000
Taxes	R118 000
Net profits	<u>R170 800</u>

Industry norms

Current ratio	3.25
Return on assets	15%
Operating profit margin	20%
Total Assets Turnover	0.75
Debt ratio	0.20
Return on equity	9.0%

- Is the business liquid compared to the industry norms? (5 Marks)
- Is the company doing well in earning a return on its assets? (5 Marks)
- What is the total debt used to finance total assets? (5 Marks)
- Is the business receiving a good return on equity? (5 Marks)
- What is the Debt ratio? (5 Marks)

QUESTION 2**[25 Marks]**

- a. What is the definition of a brand? [5 Marks]
- b. Describe the 7 marketing mix elements used in marketing of services. Use your business for examples. [15 Marks]
- c. Using the Business Canvass Tool how would you increase sales for business. (5 Marks)

QUESTION 3**[25 Marks]**

Using the business project, answer the following.

- a. What are the revenue streams? [5 Marks]
- b. Who are your partners? [5 Marks]
- c. What is your value proposition? [5 Marks]
- d. What are your customer segments? [5 Marks]
- e. How will you get, keep and tap your customers [5 Marks]

QUESTION 4**[25 Marks]**

- a. What is operations management? [5 Marks]
- b. Describe the elements of the operations management model? [10 Marks]
- c. Describe the results obtained by using operations management? [10 Marks]

END OF ASSESSMENT