

JANUARY 1998

SYLLABUS

REPUBLIC OF SOUTH AFRICA

POST-SCHOOL VOCATIONAL EDUCATION:
TECHNICAL COLLEGES

ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N4

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SYLLABUS: ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N4
MODULE 1: THE CHALLENGES OF ENTREPRENEURSHIP

CONTENT	LEARNING OBJECTIVES
1. Entrepreneurship	Students should be able to
1.1 The role of entrepreneurs and intrapreneurs	1. define the concept entrepreneurship;
1.2 Personal qualities of the entrepreneur <ul style="list-style-type: none"> • Confidence in their ability to succeed • Preference for moderate risk • Desire for responsibility • Energetic • Identify opportunities • Skill at organising • Urge to achieve • Desire for immediate feedback 	1.1 distinguish between the role of entrepreneurs and intrapreneurs;
1.3 Personal resources of the successful entrepreneur <ul style="list-style-type: none"> • Knowledge and skills • Contacts and friends • Finance (Personal assets & liabilities) 	1.2 name and briefly describe the qualities of the entrepreneur and apply to case studies of successful entrepreneurs; complete a self-analysis;
1.4 Economic importance of the entrepreneur <ul style="list-style-type: none"> • Developing of natural resources • Creates employment opportunities • Leads in production • Free market system dependant on entrepreneurs 	1.3 name and describe their personal resources; list their strengths and weaknesses, possible assistance to their businesses and calculate their net worth (assessing their investment capabilities);
1.5 The merits of entrepreneurship <ul style="list-style-type: none"> • To gain control over your own destiny • To reach your full potential • To reap unlimited profits • To contribute to society and be recognised for your efforts 	1.4 briefly discuss the economic importance of the entrepreneur, especially with reference to the South African situation;
1.6 Why entrepreneurs fail <ul style="list-style-type: none"> • Management incompetence • Lack of experience • Poor financial control 	1.5 name and explain the advantages and opportunities of entrepreneurship;
1.7 How to avoid the pitfalls <ul style="list-style-type: none"> • Prepare a business plan • Know your business • Understand financial statements • Learn to manage people effectively • Entrepreneurial transition 	1.6 name and explain the reasons why businesses fail; discuss how they as future entrepreneurs can overcome these problems;
	1.7 name and describe the reasons why businesses succeed;

CONTENT

- 1.8 Task: Complete a self analysis, as well as listing personal strengths and weaknesses, possible contacts and personal investment capabilities.

LEARNING OBJECTIVES

- 1.8 obtain a mark for this task which will contribute to the practical mark for the semester.

DIDACTIC DIRECTIVES

(With reference to learning objective 1)

1. Enthusiasm for entrepreneurship must be inspired in students. Students should feel excited and motivated about discovering their entrepreneurial potential, as well as the available opportunities and possibilities.
2. Students must complete a self-analysis as an entrepreneur, as well as listing their personal strengths and weaknesses, possible contacts and personal investment capabilities (including personal assets and liabilities).
3. Students must be enabled to apply this knowledge to case studies of successful entrepreneurs and in issues of social responsibility and ethical standards.

SYLLABUS: ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N4
MODULE 2: CREATIVITY AND IDEA GENERATION

CONTENT	LEARNING OBJECTIVES
2 Creativity	Students should be able to
2.1 Ideas and opportunities	2. discuss the concept creativity;
2.2 Innovation and creativity	2.1 explain the difference between an idea and an opportunity;
2.3 Generating ideas from: <ul style="list-style-type: none"> • Everyday activities • Other sources • Generic needs 	2.2 describe the importance of innovation and creativity;
2.4 Creativity methods <ul style="list-style-type: none"> • Existing concepts • Attribute analysis • Problem redefinition • Forced connections • Mind mapping • Brainstorming • Metaphorical analogy 	2.3 name and explain the process of generating ideas; provide examples and list the ideas according to the three categories by practically exercising the process in the classroom;
2.5 Protecting your ideas <ul style="list-style-type: none"> • Secrecy • Patents • Trademarks • Copyright 	2.4 describe the various methods available for creating ideas and opportunities; by applying and practising the methods in the classroom list examples of ideas generated in groups; generate as many ideas as possible from which to make their final selection;
2.6 Turning ideas into opportunities	2.5 name and explain the procedure for protecting their ideas, products, patents, etc.;
(i) Identify the good ideas <ul style="list-style-type: none"> • match ideas to your personal resources • strengths, contacts and finance 	2.6 list their ideas and turn them into opportunities;
(ii) Identify opportunities <ul style="list-style-type: none"> • will it be worthwhile? • will I make a profit? 	(i) explain how the ideas can be tested against their own abilities, skills, family needs, etc.; practically assess their idea against these criteria;
	(ii) describe the process of identifying opportunities; <p>describe and explain the concepts of feasibility with the aid of a check-list (identify the factors that are critical to the success of their opportunities);</p>
	describe and calculate the profitability;

CONTENT

Profit: Difference between the selling price and the cost price. Multiply by the number of items sold and subtract the expenses.

- 2.7 Task: Apply the creativity methods to turn ideas into opportunities for your small business.
- 2.8 Business Plan:
Students must select their specific product or service.

LEARNING OBJECTIVES

Profit = (selling price - cost price)
x volume - expenses

- 2.7 obtain a mark for this task which will contribute to the practical mark for the semester;
- 2.8 decide on an opportunity for which they will construct a proposed business plan.

DIDACTIC DIRECTIVES

1. The practical functioning and application of the creativity process must be emphasised throughout.
2. Students must complete a task on the creativity methods to turn their ideas into opportunities.
3. Students must decide on an opportunity/business idea for which they will construct a proposed business plan.
4. Students must be enabled to apply this knowledge to case studies of successful entrepreneurs.

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MODULE 3: MARKET FEASIBILITY STUDY

CONTENT	LEARNING OBJECTIVES
3 Importance of a feasibility study	Students should be able to 3 define the concept; briefly explain the importance of a feasibility study;
3.1 Product description	3.1 describe the concept product; and give a detailed description of their specific product or service;
3.1.1 Nature of product <ul style="list-style-type: none"> • Industrial products • Consumer products • Services 	3.1.1 describe the nature of a product with reference to the classification of products/services;
3.2 Identify the market position <ul style="list-style-type: none"> • Identify target market • Market description, age, income, gender, education, location, occupation and decision-makers • Market segmentation, target market, methods of segmentation • Market share, or indicators of market growth 	3.2 describe their proposed market with reference to prescribed items; explain the concept target market; describe the market with reference to market description; market segmentation and indicators of market growth;
3.3 Marketing information	3.3 describe the need for market research;
3.3.1 Collection of data <ul style="list-style-type: none"> • Primary data • Secondary data 	3.3.1 name and differentiate between primary and secondary data;
3.3.2 Methods of collecting primary data <ul style="list-style-type: none"> • Surveys <ul style="list-style-type: none"> – questionnaire – telephone – postal • Observation • Experiments <ul style="list-style-type: none"> – test marketing 	3.3.2 name and explain the methods of collecting primary data with reference to the prescribed items; test the potential market through the practical application of the prescribed methods;
3.3.3 Developing the questionnaire	3.3.3 name and describe the type of questions and the characteristics of a good questionnaire; draw up a questionnaire to test potential market;
3.3.4 Collecting secondary data	3.3.4 name the important sources of secondary data;
3.4 Task: Students must apply the market research techniques in testing market potential of their product/service	3.4 complete market research for Business Plan and obtain a mark for the task which will contribute to practical mark for the semester;

CONTENT

- 3.5 Assessment of the strengths and weaknesses of the enterprise
- Scan environment for opportunities and threats (SWOT analysis)
- 3.6 Identification of competitive advantage
- Analyse competition

LEARNING OBJECTIVES

- 3.5 describe what SWOT analysis is; complete SWOT analysis for their product/service for the Business Plan;
- 3.6 describe competitive advantage and analyse competition with reference to a checklist.

DIDACTIC DIRECTIVES

1. The practical application of the market feasibility study must be emphasised throughout.
2. Students must complete a market feasibility, as well as SWOT analysis on their ideas and opportunities as an entrepreneur.
3. Students must be enabled to apply this knowledge to case studies of successful entrepreneurs and in issues about market feasibility studies.

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MODULE 4: FINANCIAL FEASIBILITY STUDY

CONTENT	LEARNING OBJECTIVES
	Students should be able to
4 Financial feasibility study	4 explain the financial feasibility concepts;
4.1 Importance of a financial feasibility study <ul style="list-style-type: none"> • Profit • Sales • Fixed costs • Operating costs • Break-even analysis 	4.1 explain the financial concepts of a business;
4.2 Start-up costs	4.2 determine start-up costs for their proposed business as part of the financial feasibility study;
4.2.1 Fixed assets required <ul style="list-style-type: none"> • List of assets • Purchase price • Expenditure • Financing 	4.2.1 list assets required; describe and calculate the amount required for the purchase of fixed assets, the methods of financing and the finance charges;
4.2.2 Pre-operating costs	4.2.2 determine pre-operating costs
4.3 Total costs <ul style="list-style-type: none"> • Fixed costs • Variable costs 	4.3 explain the concepts and name examples;
4.4 Sales scenarios <ul style="list-style-type: none"> • Cost price of product/service • Suppliers • Competition • Selling price 	4.4 determine the best and worst sales scenarios, i.e. how much they would be able to sell their product for and in what quantities to determine financial feasibility, taking into account the factors mentioned;
4.4.1 Contribution per unit or gross profit or profit mark-up	4.4.1 describe and calculate the gross income per unit for retail, service and manufacturing businesses as applicable to their business plans;
4.4.2 Turnover for a specific profit goal	4.4.2 calculate the number of units produced for a specified goal;
4.4.3 Break-even point <ul style="list-style-type: none"> • in units • turnover 	4.4.3 calculate the break-even point;

DACTIC DIRECTIVES

1. The student must complete the financial feasibility study for his/her specific business to enable him/her to decide on the viability of the business idea.
2. All possible information required to determine the costs of the business need to be gathered at this stage.
3. For examination purposes less emphasis will be placed on calculations.
4. Use examples for retailing concern. Each student should adapt information according to the specific needs of his/her proposed business, whether it be manufacturing/service related.

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MODULE 5: INTRODUCTION TO THE BUSINESS PLAN

CONTENT	LEARNING OBJECTIVES
5 The business plan	Students should be able to 5 describe the reasons for doing a business plan;
5.1 Elements of a business plan	5.1 name the elements of a business plan;
5.1.1 Cover sheet <ul style="list-style-type: none"> • Business plan • Entrepreneur's name • Address of business 	5.1.1 describe the content; complete the cover sheet;
5.1.2 Executive Summary <ul style="list-style-type: none"> • Highlights of key materials in the plan 	5.1.2 complete the executive summary after the completion of module 8 – should indicate to financial institution the feasibility of plan in brief overview;
5.1.3 Description of proposed business <ul style="list-style-type: none"> • General description of the intended product or service • Key objectives • Significant characteristics of the industry • Unique features of the product or service 	5.1.3 describe the content; complete the description;
5.1.4 Marketing plan <ul style="list-style-type: none"> • Target market, key customers, the competition, market share and opportunities, competitive advantage, locality, promotion strategies 	5.1.4 describe the content; complete the marketing plan after module 6;
5.1.5 Management plan <ul style="list-style-type: none"> • Form of ownership, description of key people's skills and responsibilities, organisational structure, operating plan, administrative policies 	5.1.5 describe the content; after module 7 complete the management plan;
5.1.6 Financial plan <ul style="list-style-type: none"> • Start-up costs, cash flow statement, income statement, loan amount required and repayment schedule 	5.1.6 describe the content; after module 8 complete the financial plan;
5.1.7 Appendix of supporting materials <ul style="list-style-type: none"> • Credit reports, reference letter, legal documents, resumés, copies of contracts and leases 	5.1.7 describe the content; complete the supporting materials for your business plan;

CONTENT

- 5.2 Where to find assistance
- SBDC
 - Commercial Banks
 - Small Business Advisory Bureaus
 - Institutions
 - Information on:
 - personal matters
 - productivity
 - insurance
 - legal matters
 - taxation
 - advertising
 - market research
 - franchise association
- 5.3 Naming the business
- 5.4 Task: Students must complete the cover sheet and description of the business, as well as the relevant sections of the marketing-, management- and financial plans from the information gathered on the feasibility studies

LEARNING OBJECTIVES

- 5.2 know where to find assistance for the prescribed items;
- 5.3 name and describe the simple rules in selecting a name for a business; select a suitable name for their proposed business;
- 5.4 obtain a mark for this task which will contribute to the practical mark for the semester;

DIDACTIC DIRECTIVES

1. Enthusiasm for the implementation and creativity of the business plan must be inspired in the students.
2. Students must practically implement the elements of a business plan by completing sections of their proposed business plan after each module, for final presentation to interested parties.
3. Students must be familiar with the assistance available in SA to entrepreneurs.
4. Students must be enabled to apply this knowledge to case studies of successful entrepreneurs.

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MODULE 6: MARKETING PLAN

CONTENT	LEARNING OBJECTIVES
6 Marketing mix <ul style="list-style-type: none"> • Product, place, price, promotion 	Students should be able to 6 name, represent schematically and explain the elements of the marketing mix;
6.1 Product description	6.1 Identify the nature of your product/ service and summarise its characteristics;
6.1.1 Packaging	6.1.1 explain the importance of packaging and packaging strategies; name and describe types of packaging and labelling strategies; choose packaging strategy for their own products where applicable;
6.2 Pricing for profit	6.2 describe the importance of pricing;
(i) pricing techniques	(i) name and explain the pricing techniques;
(ii) Pricing concepts	(ii) explain and calculate with the aid of examples the different classifications of cost with reference to the behaviour of costs in relation to the quantities sold; apply relevant pricing technique for retail, service or manufacturing business to their own business;
<ul style="list-style-type: none"> • Total costs = variable costs + expenses + fixed costs 	explain and calculate a mark-up for their business;
<ul style="list-style-type: none"> • Mark-up $\text{Rand mark-up} = \text{retail price} - \text{cost of the merchandise}$ 	
6.3 Promotion	6.3 explain the concept <i>promotion</i> ;
6.3.1 Goals of advertising	6.3.1 name and describe promotional advertising for an immediate sale, as opposed to advertising for goodwill and to improve image;
6.3.2 Selecting advertising media	6.3.2 name and explain how the advertising media can be utilised, and their advantages and disadvantages by using examples;
6.3.3 Developing an advertising plan	6.3.3 name and explain the principles in creating advertising messages, the characteristics of effective advertisements, how to measure the results, how
<ul style="list-style-type: none"> • Creating an advertising message • Effective advertising • Measure results 	

CONTENT

- 6.3.4 Preparing an advertising budget
- 6.3.5 Sales promotion
- 6.3.6 Personal selling
- Obtain the necessary knowledge
 - Develop a selling system
 - Sales letter
 - Customer relations and service
- 6.3.7 Turning slow moving inventory into cash
- 6.3.8 After-sales service
- 6.4 Place
- 6.4.1 Locality
- Criteria for locating a retail and service business
 - Criteria for locating a small manufacturer
 - Describe how the type of manufacturing business influences the choice of a locality
- 6.4.2 Layout
- 6.5 Prepare the marketing plan of your proposed business plan

LEARNING OBJECTIVES

- to construct an advertisement; develop an advertising plan for their proposed business; practically apply these concepts in the classroom as well as developing and advertisement for their proposed business;
- 6.3.4 name and describe the factors to bear in mind when establishing how much to invest in advertising; name and describe the use of public relations;
- 6.3.5 name and describe promotional efforts to "hook" customers;
- 6.3.6 describe the concept personal selling and explain what knowledge is essential; describe how sales skills can be developed and explain the different steps in a personal sales transaction; name and describe the contents of a sales letter with examples; name and describe dealing with customer complaints; list ideas and advice about customer service;
- 6.3.7 describe the techniques to increase turnover of slow-moving goods;
- 6.3.8 name and explain the various forms of guarantees/warranties;
- 6.4 explain the concept *place*;
- 6.4.1 explain the concept of locality; describe the factors having a bearing on the locality of a business with reference to the market and the availability of suitable premises;
- 6.4.2 describe and illustrate the layout of a small business with reference to directives;
- 6.5 complete the marketing plan for the proposed business plan;

● DACTIVE DIRECTIVES

1. Students must practically implement the four principles of the marketing mix in the business plan of their proposed business, whether it is retail, service or manufacturing.
2. Students must complete the marketing plan of their proposed business plan according to the elements of marketing plan as in 5.1.4, for presentation to interested parties.
3. Students must be able to apply this knowledge to case studies of successful entrepreneurs and marketing strategies.
4. Less emphasis should be placed on price calculations.

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MODULE 7: MANAGEMENT PLAN

CONTENT	LEARNING OBJECTIVES
7.1 Types of business <ul style="list-style-type: none"> • One-man business • Partnership • Private company • Close corporation 	Students should be able to 7.1 differentiate between the types of businesses; select the form of ownership most suitable to his/her proposed business;
7.2 Which form of ownership? <ul style="list-style-type: none"> • Size of business • Nature of product/service • Liabilities • Capital required 	7.2 discuss criteria that need to be kept in mind in the process of selecting the form of ownership for their proposed business;
7.3 Legal formalities in establishing a business <ul style="list-style-type: none"> • How to get a trading license • Sole trade • Partnership • Articles of partnership • Private company • Companies Act • Registrar of companies • Close corporations • Registrar of close corporations 	7.3 name and describe the procedure, as well as the documents involved in the formation of the business; refer to the role of the registrar of companies, registrar of close corporations and attorneys; name and explain the procedure, the authorities and departments involved; complete legal formalities as applicable to their proposed business;
7.4 Own Involvement	7.4 describe their role as the owner of the business in terms of responsibilities and management;
7.5 Personnel and responsibilities	7.5 describe the role of other employees in the running of their proposed business and describe shortly the duties and responsibilities of each;
7.6 Operating plan	7.6 give a detailed description of the process that will be followed in the production of the proposed product, or delivery of the service, or functioning of retail concern for their proposed business;
7.7 Equipment /Machinery analysis	7.7 list equipment/machinery required in the operation of their business;
7.8 Supplier analysis	7.8 describe the supplier analysis in respect of reliability, proximity, service and number of suppliers;

CONTENT

7.9 Office administration

7.10 Prepare the management plan of your proposed business plan

LEARNING OBJECTIVES

7.9 describe the requirements for efficient administration of their proposed business;

7.10 complete the management plan of their proposed business plan for presentation;

DIDACTIC DIRECTIVES

1. Students must complete the management plan of their proposed business plan according to the elements of the management plan as in 5.1.5 for presentation to interested parties.
2. Students must be enabled to apply this knowledge to case studies of successful entrepreneurs and management strategies.

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MODULE 8: FINANCIAL PLAN

CONTENT	LEARNING OBJECTIVES
8.1 Sources of financing	Students should be able to 8.1 describe the sources of long-term and short-term capital;
8.1.1 Capital <ul style="list-style-type: none"> • Fixed capital • Working capital • Growth capital 	8.1.1 describe the employment of fixed and working capital with examples; describe the factors determining capital requirements;
8.1.2 Equity financing	8.1.2 name and describe the methods of obtaining equity capital;
8.1.3 Borrowed capital	8.1.3 name and describe the facilities and instruments for borrowed capital;
8.2 Financial management	8.2 name and explain the functions of the prescribed financial statements;
8.3 Creating projected financial statements	8.3 complete the projected financial statements for his/her proposed business and do the calculations practically;
8.3.1 Projected cash flow statement <ul style="list-style-type: none"> • Forecasting, sales, cash receipts, cash disbursements • The end-of-month cash balance 	8.3.1 complete the projected cash flow statement for 12 months;
8.3.2 Projected income statement <ul style="list-style-type: none"> • Develop sales forecast • Develop estimated monthly expenses 	8.3.2 complete the projected income statement for 12 months;
8.4 Determine loan requirement	8.4 determine the amount of the loan required, if any, from the projected financial statements;
8.5 Prepare the financial plan of your proposed business plan	8.5 complete the financial plan of their proposed business plan for presentation.

DIDACTIC DIRECTIVES

1. Students must use the principles underlying the financial statements of a business.
2. Students must complete the financial plan of their proposed business plan for presentation, refer to 5.1.6.
3. Students must be enabled to apply this knowledge in a practical application of the projected financial statements of a new business and analyse case studies of successful entrepreneurs.

SYLLABUS: ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N4
MODULE 9: PRESENTATION AND EVALUATION OF BUSINESS PLAN

CONTENT

- 9.1 Presentation of the business plan
- 9.2 Evaluation of business plan

LEARNING OBJECTIVES

Students should be able to

- 9.1 present his or her proposed business plan to interested parties for which a practical mark can be accumulated;
- 9.2 have the proposed business plan evaluated according to the attached evaluation form for practical work and presentation.

DIDACTIC DIRECTIVES

1. When awarding marks in evaluating the business plan lecturers may use form BP1.1 enclosed as Appendix A.