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TEVETA

Technical Education Vocational and Entrepreneurship Training Authority

# DIPLOMA IN PRODUCTION AND OPERATIONS MANAGEMENT

## LEVEL 6 YEAR III EXAMINATIONS

## FINAL INTEGRATED SUMMATIVE EXAMINATIONS

## SITTING: JULY/AUGUST 2026

## SUBJECT: ENTREPRENEURSHIP

**TIME: THREE (3) HOURS** **TOTAL MARKS: 100**

**PASS MARK: 50**

**INSTRUCTIONS TO CANDIDATE:**

1. Write your Examination number and National Registration Card number on the answer booklet provided. Ensure to append your signature in the space provided on the answer booklet.
2. Write your answer SCRIPTS SERIAL NUMBER on the examination register provided and on the entry slip.
3. There are seven (7) questions in this paper.
4. Question one (1) is compulsory.
5. Attempt any four (4) questions from the remaining six (6) questions.
6. All questions carry equal marks.
4. Cell phones and Programmable calculators are not allowed in the examination room.

**DO NOT TURN THIS PAPER UNTIL YOU ARE TOLD TO DO SO**

## QUESTION 1 - (COMPULSORY)

Mr. Tembo Kondwani is a small-scale farmer in Mpongwe district. He relies on his pair of oxen for cultivation of his land and also assisted by his 7 sons and 3 wives. In 2025/2026 farming season, Mr. Tembo cultivated 5 hectors of maize from which he harvested 1,000 bags and supplied to FRA at ZMW280 per bag. He also incurred the following cost:

- 2 bags of maize seed per hector at ZMW950 per bag of seed.
- 10 bottles of weed control herbicides for the entire filed at ZMW250 per bottle.
- Harvesting labour costs amounted to ZMW2,100 for the entire field.
- 8 bags of fertilizer per hector at ZMW1,050 per bag.
- Sherling, bagging and transport costs to the ZRA depot amounted to ZMW3,500.

a) How much is Mr. Tembo expected to receive from FRA? (2 Marks)

b) Calculate the total costs Mr. Tembo incurred. (6 Marks)

c) Calculate the profit Mr. Tembo is expected to make after receiving his payment from FRA. (4 Marks)

d) Differentiate fixed costs from variable cost. (8 Marks)

**Total (20 Marks)**

## QUESTION *2*

a) Preparing for an interview primarily means taking time to thoughtfully consider your goals and qualifications relative to the position and employer. Describe four **(4)** steps you need to prepare for job interview when employing staff. (8 Marks)

b) Explain the application of a GROW model in entrepreneurship. (12 Marks)

**Total (20 marks)**

## QUESTION 3

**Read the following case study carefully.**

**'Types of Entrepreneurs'**

Timothy Mulenga, a 30-year-old Record Management graduate, has always been passionate about fashion. After working for several years in the corporate world, he decided to start his own business.

Mulenga's business idea was to create a sustainable fashion brand that would cater to the growing demand for eco-friendly clothing. He spent several months researching the market, developing a business plan, and securing funding.

After launching his brand, Mulenga's business quickly gained traction. He was able to secure partnerships with several major retailers and his brand became known for its unique and stylish designs.

However, as the business grew, Mulenga found himself facing new challenges. He had to manage a team of employees, deal with supply chain issues, and navigate the complex world of fashion marketing.

Despite these challenges, Mulenga's business continued to thrive. He was able to adapt to the changing market conditions and make strategic decisions that helped his business stay ahead of the competition.

**Answer the following questions about the case study.**

a) State the type of entrepreneur Mulenga is in this context. (2 Marks)

b) Describe **four (4)** factors that motivated Mulenga to start his own business. (8 Marks)

c) Explain **five (5)** challenges faced by Mulenga as an entrepreneur. (10 Marks)

**Total (20 Marks)**

## QUESTION 4

a) State **five (5)** causes of failure for most business enterprises. (10marks)

b) Explain **five (5)** benefits of owning a business to an individual. (10marks)

**Total (20 Marks)**

## QUESTION 5

The investment process is a systematic way to choose where to put your money to achieve your financial goals. It is a roadmap to help you select investments that match your needs, manage your portfolio over time, and stay on track toward your desired outcomes.

a) Describe **five (5)** steps involved investment decision process. (10 Marks)

b) Explain **five (5)** requirements for registering a business in Zambia. (10 Marks)

**Total (20 Marks)**

## QUESTION 6

A business, just like a human being has life and goes through various stages with different experiences at each stage. It is therefore important for an entrepreneur to understand the life of the business, the stages so that they can apply the correct strategies appropriate for that particular stage.

a) State **three (3)** causes of the decline stage in the business life cycle. (6 marks)

b) Explain **four (4)** expansion strategies that an enterprise can adopt to achieve high growth for a small business. (12 marks)

c) Draw a business life cycle graph for an enterprise. (2 marks)

**Total (20 Marks)**

**QUESTION 7**

a) Define a budget in relation to entrepreneurship. (2 Marks)

b) State **five (5)** benefits of budgeting in an enterprise. (5 Marks)

c) A small and medium enterprise is preparing its operational budget for the month of May 2026. The owner estimates the following expenses:

- Rent: K4,000
- Salaries: K8,500
- Electricity and water: K1,200
- Transport: K900
- Marketing: K1,500Baking supplies: K6,000
- The SMEs expects sales revenue of K28,000 for the month.

**Required:**

i) Prepare an operational budget. (8 marks)

ii) Calculate the total operating expenses. (2 marks)

iii) Determine the expected profit for the month. (3 marks)

**Total (20 Marks)**