FEEDBACK TUTORIAL LETTER

1st SEMESTER 2019

ASSIGNMENT 1

ADMINISTRATIVE OFFICE MANAGEMENT 2A

AMM611S
CENTRE FOR OPEN AND LIFELONG LEARNING

BACHELOR OF BUSINESS AND INFORMATION ADMINISTRATION

ADMINISTRATIVE MANAGEMENT 2A (AMM611S)

FEEDBACK LETTER NO. 1 FOR FIRST SEMESTER 2019

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APRIL 2019
Dear Students

This was the first assignment, which will contribute towards your final semester mark. You all passed, and I congratulate you for that.

My impression upon the completion of the marking can be expressed as follows

I. Generally the answers were accurate and according to the notes in your study guide, indicating that you did study the notes as provided.

II. Please make sure to study the question and understand what is asked of you before you attempt the said question.

Students are once again reminded to study the relevant chapters in your study guide.

I wish you good with the second assignment.

COMMENTS ON ASSIGNMENT 1

ASSIGNMENT 1 [50 Marks]

1. Explain which budget is supposed to be developed first. Motivate. [2]

The sales budget has to be developed first. The information from the sales budget informs the subsequent budgets. You cannot decide how much you are going to spend before you know how much you have.

2. Marcy opened invested in 10 year Namibian government bonds and deposited $10000.00 as principal. The account earns 12% interest, compounded annually. What is the balance after 10 years? Explain the formula. [5]

Using this formula, your balance will be $31,058.48
3. This form of insurance only pays out when death occurs within a certain timeframe. [2] 
   Term life insurance

4. ............... banks keep a close eye on inflation rates in the country, and set interest rates. [2] 
   Reserve Bank, also known as Central Bank

5. What is the most important character trait of an entrepreneur? Motivate. [3] 
   There is no single most important character trait. It is all dependent on the environment and the 
   unique environmental factors at play. However, traits such as tenacity, risk tolerance, are 
   important traits for any entrepreneur.

6. Discuss the relationship between interest rates and inflation in the Namibian economy. 
   Use examples. [6] 
   When inflation goes up, usually it is a sign of increased spending in the market. Furthermore, a 
   lot of the spending is through borrowed money, such as on cars, houses, etc. Therefore to curb 
   inflation, the Reserve Bank may choose to increase the interest rate (it lends money to 
   commercial banks, which in turn lend to us). If the reserve bank increases interest rates, the 
   commercial banks will follow suit, thus making borrowing expensive. At the same time, high 
   interest rates may encourage savings. If inflation falls to undesirable levels, the Reserve Bank 
   may cut interest rates to encourage people to spend more, thus increasing inflation.

7. Which sector of the economy is biggest job creator? Conversely, discuss why this sector 
   cannot guarantee increased employment. [4] 
   The SMME sector is the biggest job creator in Namibia, and most developing nations. But it 
   doesn’t guarantee increased employment because it has the highest job destruction rate. This 
   means that whilst SMMEs jointly create the most jobs, there is also a higher level of job loss 
   when compared to major enterprises.

8. Your car has had an accident. Your insurance pays out your claim but takes ownership 
   of the car. What insurance principle allows the insurer to do this? [2] 
   Principle of subrogation.
9. Your friend asks you to design plan and draft a business plan for them, because you did AMM. The friend suggests that he will pay you when the business plan is done. Discuss if this is a good or bad idea. Motivate.  
This is generally not a good idea. This is because you may not fully understand the business idea the way your friend does. It is advisable for your friend to draft something, no matter how “bad” it is, so that you have a rough draft to work with. Furthermore, using a consultant (in this case, yourself) is not wise as they may fail to do proper market research and just use available templates.

10. **Give and discuss any 5 factors that may influence insurance premiums**

- Age of applicant: younger drivers might be perceived as more risky.
- Safety features of the car/house/asset: the more safety features it has, the cheaper the premiums.
- Insurance claims history of the applicant: if you have claimed before from insurance companies for similar cases, its likely your premiums will be higher.
- Location where the asset will be kept: Some locations are regarded as high danger zones.
- Gender: In case of cars, some insurance companies deem male drivers to be more of a high risk.

**Advice**

By now you know how you performed in this assignment. You can strive to improve or maintain your standards, depending on your mark and personal goals. Hopefully you will do even better in next assignments. Please study to understand, not only to remember.

Use this to study and prepare for the examinations. All units have to be studied. Attempt to write the first opportunity. Writing second opportunity automatically puts you under pressure.

The total marks for the examination are 100.

Your first 10 minutes after receiving the examination paper should be spent familiarising yourself with the questions. Make sure you give the answer to the question set by the examiner. Students sometimes fail because they do not answer the question. Note words like List, Discuss, Analyse, and then answer accordingly.
Start soon and follow a study plan: Develop a formal schedule allowing you to start reviewing your work well in advance of the examination date. Doing smaller sections of the work at regular intervals over a period of time aids the quality of the recall and it also lessens the stress you may experience on the day.

Should you have any further queries please contact me at the telephone or e-mail stated below.

We wish you success in the June 2019 examination session.

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