



Entrepreneurship N5:

Topic: Organizing Your Business

Lecturer: Mr. Popane

Answers to Activity 2 and 6

Activity 2

1. Red Tape means The regulations and policies made by Government regarding how businesses should operate in a country. Another meaning is official rules and processes that seem unnecessary and delay results.
 - ❖ **Example:** of Red tape is a tax system with a large number of exemptions, exceptions and other complexities.
 - ❖ **Example :** can be delayed infrastructure projects. There are so many rules set by government, that you might notice construction for building will stop for years.
2. Red Tape will give entrepreneur problems like:
 - ❖ Additional tax or governance requirements
 - ❖ Labour issues, black economic empowerment
 - ❖ The time it takes to register companies.

Activity 2

3. It is important to get rid of red tape for economic growth of the country. If the red tape is gone then entrepreneurs can start their small business, foreign companies can open in the country creating more jobs and economical growth. This would lead to improving the countries infrastructure and the government would get more money due tax collection.
4. Relationship between red tape and bureaucracy are the same as they prevent quick decision making, and they hinder economic growth by having strict, unnecessary rules, procedures and regulations . Where for examples forms have to be filled and then you have to wait for those forms to be processed and accepted.
 - ❖ Red tape is the regulations and rules which are too much, and are too strict
 - ❖ Bureaucracy claimed to hinder or prevent action or decision-making. It is usually applied governments, corporations and other large organizations.

End of Activity 1



Activity 6

1. Archbishop Desmond Tutu has:

- ❖ Legitimate power because he is a high ranking priest he is an Archbishop
- ❖ Expert Power because he has leadership skills, Knowledge, experience and expertise in different facts of life.
- ❖ Charismatic power because he is kind , caring, funny, has a sense of Humor and people enjoy being around him including journalists.

2. Archbishop Desmond Tutu is loved in South Africa because he is kind, caring and during apartheid he spoke up for the rights of the black people when they were being oppressed. After the Democratic elections in 1994 he spoke about peace and forgiveness between black and white people after years of fighting. He was part of the Truth and Reconciliation Commission which tried to bring peace and closure to the families that lost love ones during apartheid.

End of activity 6



Archbishop Desmond TUTU