



EXAMINATIONS COUNCIL OF SWAZILAND

Junior Certificate Examination

CANDIDATE
NAME

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CENTRE
NUMBER

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CANDIDATE
NUMBER

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BUSINESS STUDIES

521/02

Paper 2

October/November 2018

1 hour 45 minutes

READ THESE INSTRUCTIONS FIRST

1. Write your Centre number, candidate number and name on the spaces provided.
2. Answer all questions.
3. Write your answers using **blue** or **black** pen.
4. Marks are given in [] at the end of each question or part question.
5. Special attention must be paid to legibility and neatness.
6. Name(s) of businesses/persons used in this paper are fictitious.
7. You may use a calculator.

For Examiner's use	
1.	
2.	
3.	
4.	
5.	
6.	
TOTAL	

This document consists of **15** printed pages and **1** blank page.

BABILI THE FARMER

Babili and his friends Busa and Thula owned a farming business, located in Luyengo. They started the business ten years ago after obtaining a degree in agriculture. The main aim of the business was to grow vegetables and other crops which they sold to major retail outlets in the Manzini – Mbabane corridor. In addition to the qualification in Agriculture, the three friends studied Business Studies during their spare time in order to understand business operations.

The partners would from time to time disagree on issues pertaining to the running of the business. The disagreements worried Babili and as a result he resigned from the partnership with the aim of being a sole trader as he believed that he had entrepreneurial characteristics. He started his own farm business and worked towards growing it into a large agribusiness that does not concentrate on crop and vegetable production only. He knew clearly what he wanted his business to become and was willing to take certain risks to achieve his goals. He hired twelve farm workers and a manager during the first two years of operation. Babili understood that his business would affect different groups of people and that he would need more capital to finance the business.

He wanted to expand to overseas markets and intended to use his knowledge of technology to find markets abroad. He also had some experience in making payments using modern electronic banking facilities. Babili was aware that most vegetables that would be produced at the farm would be of limited supply yet the demand was very high.

Babili was also aware that there were Employer associations to which he could affiliate, as such he had taken time to research on employer associations and how they could assist him. He also studied a lot on the subject of motivation and demotivation since he believed that a motivated workforce was productive.

Appendix A

A Table indicating consumption rates of different vegetables in two towns, per week.

	TOWN A	TOWN B
Carrots	1 400 packets	1 000 packets
Beetroots	1 200 packets	3 000 packets
Tomatoes	7 00 packets	1 500 packets

QUESTION 1

Babili believed he had entrepreneurial characteristics and was aware of the partnership stakeholders

- (a) (i) State **three** characteristics of an entrepreneur that Babili has which are supported in the case.

Characteristic 1.....

Characteristic 2.....

Characteristic 3.....[3]

- (ii) Explain the meaning of the term 'entrepreneur'.

.....

.....

.....[2]

- (iii) Explain **two different stakeholders' interest** in the Babili and friends' partnership.

Stakeholder 1.....

Explanation of interest.....

.....

.....

.....

Stakeholder 2.....

Explanation of interest.....

.....

.....

.....[4]

The farm business operates in an economy that uses the market system.

(b) (i) List the **three** fundamental questions that must be addressed in a market economy.

Question 1.....

Question 2.....

Question 3.....[3]

The decision taken by Babili to resign from the partnership involves opportunity cost.

(ii) Explain what is meant by 'opportunity cost'.

.....

.....

.....

.....[2]

(iii) Explain **three** characteristics of a market economy system.

Characteristic 1.....

Explanation

.....

.....

.....

Characteristic 2.....

Explanation

.....

.....

.....

Characteristic 3.....

Explanation

.....

.....

.....[6]

[Total: 20 marks]

QUESTION 2

Babili believes that a motivated workforce is productive.

- (a) (i) Complete the table by stating whether each of the statements can be classified As intrinsic or extrinsic motivation. The first one has been completed as an example.

Examples of motivation	View of motivation
Sipho works till late because he is a hard worker	intrinsic
Lwazi works hard because she loves her job	
Tukelo is working hard to impress his parents so that they buy him a smart phone	
Dodo exercises everyday so that she losses 10kg of weight	
Gobie has started a savings club at work because she wants her friends to develop a culture of saving money.	

[4]

- (ii) Explain to Babili the difference between monetary and non-monetary rewards. Give an example of each.

Difference.....

Example:

Monetary

Example:

Non-Monetary.....[4]

Babili employed a manager for his business.

(b) (i) Explain to Babili **three** functions of a manager.

Function 1.....

Explanation

.....

.....

.....

Function 2.....

Explanation

.....

.....

.....

Function 3.....

Explanation

.....

.....

.....[6]

(ii) Explain **three** ways in which Babili's business can contribute to the economy.

Way 1.....

Explanation

.....

.....

.....

Way 2.....

Explanation

.....

.....

.....

Way 3.....

Explanation

.....

.....

.....[6]

[Total: 20 marks]

QUESTION 3

Babili's vision is to expand into overseas markets.

- (a) (i)** Identify **two** reasons other than for expansion, would Babili's business need finance.

Reason 1

.....

Reason 2

.....[2]

- (ii)** Explain what is meant by 'internal finance'.

.....

.....[2]

- (iii)** Explain **two** sources of external finance that Babili can use to finance the expansion to overseas markets.

Source 1

.....

Explanation

.....

.....

Source 2

.....

Explanation

.....

.....[4]

Babili's agri-business has a variety of electronic payment methods through the bank that are available.

- (b) (i)** Explain the following electronic methods of paying through the bank that could be used by Babili's agri-business:

Point of Sale.....

.....

.....

.....

Electronic Funds Transfer.....

.....

.....

.....

Internet Banking

.....

.....[6]

Babili can also pay using cash.

- (ii)** Explain any **three** characteristics of money.

Characteristic 1

Explanation

.....

.....

Characteristic 2

Explanation

.....

Characteristic 3

Explanation

.....[6]

[Total: 20 marks]

QUESTION 4

Babili was in partnership with two friends.

- (a) (i) State **four** contents of a partnership deed which Babili and friends might have included in their partnership deed.

Content 1.....

Content 2.....

Content 3.....

Content 4.....[4]

- (ii) Explain **three** disadvantages of a partnership that Babili might have experienced whilst in partnership with his friends.

Disadvantage 1.....

Explanation.....

.....

.....

Disadvantage 2.....

Explanation.....

.....

.....

Disadvantage 3.....

Explanation.....

.....

.....[6]

.....[1

521/02/O/N/2018

QUESTION 5

(a) Babili had taken time to get information on employer associations.

(i) Explain what is meant by employer associations?

.....

.....

.....

.....[2]

(ii) List **two** benefits that Babili's business can enjoy by using e-commerce when it has expanded to overseas markets.

Benefit 1.....

Benefit 2.....[2]

(iii) Explain to Babili **three** advantages of joining an employers' association.

Advantage 1.....

Explanation.....

.....

.....

Advantage 2.....

Explanation.....

.....

.....

Advantage 3.....

Explanation.....

.....

.....[6]

(b) Advise Babili on whether promoting his products in town A would increase his market share or not. Support your answer.

[illegible]

[Total: 20 marks]

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