



EXAMINATIONS COUNCIL OF ESWATINI

**CONFIDENTIAL
SPECIMEN PAPER 2019**

JUNIOR CERTIFICATE EXAMINATION

BUSINESS STUDIES PAPER 1

MARKING SCHEME

MAXIMUM MARK 100

QUESTION 1**(a) (i) Explain the meaning of the term material wants.**

Material wants are goods or items that can be seen and touched [2]

(ii) State three examples of non-material wants.

- Preaching
- Teaching
- Hairdressing
- Health care
- Nursery school

Any three [3]

(b) (i) Explain how a country can answer the three key economic questions.

What to produce? [1] - making a decision on which kinds of goods and services [1] are valued the most and best serve the nation.[1]

How to produce? [1] - a country may decide which combination of resources [1] will best suit its circumstances. [1]

For whom to produce? [1] - this is determined by the amount of money people have [1] and are willing to spend. [1] [9]

(ii) Explain the stages of production given below. Give one example of each.

Primary production – it involves the extraction of goods provide by nature. [1]
Examples: mining, farming, fishing, forestry. [1]

Tertiary production – provision of services both direct and indirect. [1]
Examples:
 banking, medical practice, preaching, warehousing, insurance, teaching. [1]

Secondary production – refers to all occupations concerned with the change of form of a product.[1] **Examples:** construction, manufacturing, brewery. [1]

[Total marks: 20]

QUESTION 2

(a) (i) Identify the sector of the economy in which Early Childhood Development Centre can be classified.

Private sector [1]

(ii) State three examples of businesses that are classified under the same sector as Nozi's business.

- Sole trader
- Partnership
- Limited companies
- Corporation

Allow proper names of businesses eg Pick n Pay Supermaket, Zubile Spaza.

Any three [3]

(iii) Explain three ways in which Nozi's business contributes to her community.

- **Provision of jobs.[1]** Nozi would employ more people in her business for cleaning the Day Care, cooking for the children and assisting her in teaching.[1]
- **Encourage innovation and flexibility [1]** among the community as some would be encouraged to start their own.[1]
- **Improve standard of living for the people.[1]** People employed by Nozi would live a better life than before as they would now earn money and be able to afford themselves basic things.[1]
- **Stimulates competition. [1]** it puts large businesses under pressure to perform well[1].
- **Increases government revenue.[1]** through the payment of taxes [1].

Any three [6]

(b) (i) Explain two internal sources of capital tht Nozi's business could use.

- **Owners personal saving [1]** – money that Nozi has saved in her bank accounts[1]
- **Retained profits[1]** – profits that are left once the owner has taken her share[1]
- **Sale of existing assets[1]** – these are assets that are no longer in use or needed by the business like old tables and chairs [1]
- **Sale of excess stock[1]** – this is stock that is not needed by the business thus selling it could release excess funds for the business [1]

Any two relevant expenditures [4]

(ii) Explain three characteristics of a successful entrepreneur.

- **Clear vision[1]** – Nozi had a well-defined picture of her business and as a result more enrolment at the Day Care.[1]
- **Risk taker[1]** – Nozi undertook the business knowing that the business may fail or succeed depending on whether children’s parents are willing to enroll their children at the Day Care Centre.[1]
- **Forward planner[1]** – By using her personal savings from profits made, Nozi was able to build a proper structure for her Day Care.[1]
- **Persistence [1]** – entrepreneurs are determined and clingy to their ideas[1]
- **Innovativeness[1]** – they demonstrate a high degree of creativity and imagination needed to grow a business [1]

Any three [6]

[Total marks: 20]

QUESTION 3

(a) (i) Describe the following business terms and give one example for each.

Cooperative – a group of people who pull their resources[1] and work together for a common goal.[1]

Example: SNAT Coops, Hlalawati Savings and Credit Coop [1]

Website - is a collection of web pages[1] describing a particular entity or organization.[1]

Example: www.intro2business.swep.com, any example is accepted that depicts a website.[1]

Trade unions – a group of workers organized into a voluntary association[1] to promote common interest.[1]

Example: SNAT, SWADNU, SNAJ, NAPSAWU, SMEPAWU.[1] [9]

(b) (i) Match each explanation to the relevant term.

Explanation	Term/Phrase
1. All resources used by owner to start a business.	Capital
2. The reason why employees want to work hard and work effectively for the business.	Motivation
3. Group of workers who are taking industrial action and stand outside the place of work to protest arrival of departure of other employees.	Picketing
4. A short stoppage of half a day or even an hour to indicate the seriousness of the grievance.	Token strike
5. An umbrella body for all trade unions in a country.	Federation

[5]

(ii) Douglas McGregor developed a theory on motivation, theory X and theory Y. Explain three differences between theory X and theory Y.

THEORY X	THEORY Y
Workers are lazy	Workers are keen to work
Workers avoid responsibilities	Workers seek responsibility
Workers have no initiative	Workers show initiative
Workers respond to threats	Workers respond to rewards
Workers need to be pushed to work	Workers will work on their own

Any three differences

[6]

[Total marks: 20]

QUESTION 4

(a) (i) Explain two other methods that Sizo can use to promote his car wash service business.

- **Price reduction[1]** to get more customers, charge a price lower than his competitors.[1]
- **Distribute pamphlets[1]** to consumers with detailed information on his business.[1]
- **Personal selling[1]**, talking to individuals about his car tyre business encouraging them to come and buy.[1]
- **Advertising[1]** through the radio, television, newspapers and social media.[1]
- **Competitions[1]**, the business can run a competition where by clients will stand to win a prize.[1]

Any two

[4]

(ii) Analyse two ways in which Sizo's business benefits from using the market oriented approach.

- **Assured market[1]**, a business is sure of consumers who will buy the product[1]
- **Less risk of failure[1]**, researching eliminates chances of product not doing well.[1]
- **Saves business losses[1]** associated with product being rejected in the market[1]

(b) (i) Explain the two methods of data collection that Sizo might have used when carrying out the research.

- **Primary data[1]** collection of new information that was not collected before[1]
- **Secondary data[1]** collecting information that is already available, within and outside the business[1]

[4]

(ii) Explain one advantage to Sizo of conducting the market research before opening the new branch.

- **Enables business to produce according to consumers taste [1]**, this ensures high sales [1]
- **Easily identify the target market [1]**, go about satisfying their needs easily [1]

(iii) Explain the importance of marketing the car wash.

- **Consumers made aware of the product [1]**, this makes them to buy [1]
- **Persuades [1]** customers to buy the product [1]
- **Explain to customers the features of the product [1]** so that they understand it better and know how to use it [1]
- **Encourage existing customers [1]** to continue using the car wash [1]

Any two

[4]

[Total marks: 20]

QUESTION 5

(a) (i) Define what is meant by business management.

Business management is the process of influencing people[1] to help achieve goals of a business organization.[1] [2]

(ii) State four qualities of a good manager.

- Intelligence
- Self confidence
- Determination
- Communication skills
- Consistency
- Initiative
- Assertiveness
- Energy and enthusiasm

Any four

[4]

(iii) Explain two other ways of entering into business other than the one used by Titi.

- Buying a business as a going concern i.e buying an existing business
- Buying shares in an existing business. Buy shares in an existing company to be a part owner of the company.
- Franchising – buying a pre-packaged business.

Any two ways

[4]

(b) (i) Explain three factors that might have led to the success of the bridal shop.

- **Sufficient capital[1]** – enough money to run the business [1]
- **Proper record keeping[1]** – maintaining proper books of accounts [1]
- **Planned and managed expansion[1]** – planning carefully for any intended growth of the business [1]
- **Delegation of authority[1]** – giving responsibilities to junior staff [1]
- **Ease of innovation**
- **Avoidance of red tape**

- **Knowledge and experience**
- **Sound management skills**

Any three relevant qualities

[6]

(ii) Explain two disadvantages of being a sole trader.

- **Unable to specialize[1]** – she must be a jack of all trades [1]
- **Limited capital [1]** – since she is the only one raising it [1]
- **No continuity [1]** – if she leaves or dies [1]
- **Difficult to take a holiday [1]** – since there will be no one to look after the business [1]

Any two

[4]

Any two valid reasons.

[Total marks: 20]