



EXAMINATIONS COUNCIL OF SWAZILAND  
 in collaboration with  
 UNIVERSITY OF CAMBRIDGE LOCAL EXAMINATIONS SYNDICATE  
 Swaziland General Certificate of Secondary Education

CANDIDATE  
 NAME

CENTRE  
 NUMBER

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CANDIDATE  
 NUMBER

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**BUSINESS STUDIES**

**6897/01**

Paper 1

**October/November 2012**

**1 hour 45 minutes**

Candidates answer on the Question Paper.

No Additional Materials are required.

**READ THESE INSTRUCTIONS FIRST**

Write your Centre number, candidate number and name on all the work you hand in.

Write in dark blue or black pen.

Do **not** use staples, paper clips, highlighters, glue or correction fluid.

Answer **all** questions.

The businesses described in this question paper are entirely fictitious.

At the end of the examination, fasten all your work securely together.

The number of marks is given in brackets [ ] at the end of each question or part question.

For Examiner's Use	
1	
2	
3	
4	
5	
<b>Total</b>	

This document consists of **11** printed pages and **1** blank page.

1 Agrovest is a private limited company supplying agricultural equipment and chemicals to retailers and farmers. Many of its stakeholder groups believe that the company should seek to meet their needs.

(a) Identify any **two** possible stakeholders of Agrovest private limited company.

Stakeholder 1: .....

Stakeholder 2: ..... [2]

(b) Explain what is meant by 'shareholder'.

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.....  
.....  
..... [2]

(c) Explain any **two** objectives of Agrovest private limited company.

Objective 1: .....

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Objective 2: .....

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..... [4]

(d) Identify and explain **three** methods by which Agrovest can improve customer service.

Method 1: .....

Explanation: .....

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Method 2: .....

Explanation: .....

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Method 3: .....

Explanation: .....

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..... [6]

(e) Do you think Agrovest should seek to satisfy the interests of the community it serves? Justify your answer.

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- 2 Shoe Trends is a company based in Swaziland. It imports raw materials and exports shoes. The table below shows information about Shoe Trends for 2008 and 2009.

	2008	2009
Sales (E)	800 000	1 000 000
Net profit (E)	125 000	120 000
Capital employed (E)	30 000	30 000
Output per year	150 000	160 000
Exchange rate (\$: E)	1:6	1:4
Number of workers	10	15

- (a) Calculate output per worker for 2008.

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 ..... [2]

- (b) Calculate the net profit margin for 2009.

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 ..... [2]

- (c) Explain why an increase in workers might not lead to an increase in profits.

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 ..... [4]

The management of Shoe Trends intends raising extra capital by obtaining a bank loan.

- (d) Identify and explain **three** factors the bank manager would consider before granting the loan to Shoe Trends.

Factor 1: .....

Explanation: .....

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Factor 2: .....

Explanation: .....

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Factor 3: .....

Explanation: .....

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- (e) Do you think the appreciation of the local currency could lead to an increase in the value of exports of Shoe Trends? Justify your answer.

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3 Bethel (Pty) Ltd is a private limited company in the insurance industry. It has a large number of workers. Recently the company has experienced high labour turnover in its Marketing department. This has resulted in a decline in sales. The Human Resources Manager has thought of using internal recruitment to fill the vacant positions.

(a) What is meant by 'high labour turnover'?

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..... [2]

(b) What is meant by 'internal recruitment'?

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..... [2]

(c) Explain **two** possible reasons that could have caused the sales of Bethel (Pty) Ltd to decline.

Reason 1: .....

Explanation: .....

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Reason 2: .....

Explanation: .....

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..... [4]

The management at Bethel (Pty) Ltd is considering introducing modern technology in its marketing department.

**(d)** Identify and explain **three** benefits to Bethel (Pty) Ltd of such an innovation.

Way 1: .....

Explanation: .....

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Way 2: .....

Explanation: .....

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Way 3: .....

Explanation: .....

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**(e)** Do you think the company should increase staff training or introduce other marketing strategies? Justify your answer.

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4 In Country X most manufacturing businesses are located in the outskirts of major cities and remote areas. On the other hand, service sector businesses are mainly concentrated in the city centres.

(a) Identify **two** examples of businesses in the service sector.

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..... [2]

(b) What is meant by a 'manufacturing business'?

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..... [2]

(c) Identify and explain **two** methods a food retailing business could use to segment the market for its products.

Method 1: .....

Explanation: .....

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Method 2: .....

Explanation: .....

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..... [4]



Mrs Maziya is in business renting out cars to the public, private sector and public sector (government).

(d) Identify and explain **three** factors that would determine the location of Mrs Maziya's kind of business.

Factor 1: .....

Explanation: .....

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Factor 2: .....

Explanation: .....

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Factor 3: .....

Explanation: .....

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.....[6]

(e) Do you think the government should regulate the activities of manufacturing firms? Justify your answer.

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5 Nokthula, an entrepreneur, has a catering business. She has been offering her services for local parties and weddings. As a result, even neighbouring countries in the Southern African Development Community (SADC) region are interested in her services.

(a) Identify **two** characteristics of a successful entrepreneur.

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..... [2]

(b) Identify **two** countries that are in the SADC trading bloc from the following: Egypt, Swaziland, Mali, Namibia and Ghana.

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..... [2]

(c) Identify and explain **two** benefits a country might enjoy as a result of being a member of a trading bloc.

Benefit 1: .....

Explanation: .....

.....  
.....

Benefit 2: .....

Explanation: .....

.....  
..... [4]

Trading blocs can also be used to facilitate the spread of multinational corporations.

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(d) Identify and explain **three** major benefits to a country of having multinational corporations.

Benefit 1: .....

Explanation: .....

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Benefit 2: .....

Explanation: .....

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Benefit 3: .....

Explanation: .....

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(e) Do you think that the arrival of multinational corporations in Swaziland could benefit local businesses? Justify your answer.

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