



EXAMINATIONS COUNCIL OF SWAZILAND JUNIOR CERTIFICATE EXAMINATION

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

**Business Studies
Paper 2**

**521/02
October/November 2012
1 hour 45 Minutes**

READ THESE INSTRUCTIONS FIRST

1. Write your Name, Centre Number and Candidate Number on the spaces provided.
2. Answer all questions.
3. Write your answers using a dark blue or black pen in the spaces provided.
4. Marks are given in [] at the end of each question or part question.
5. Name(s) of businesses/persons used in this paper are fictitious.

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

This paper consists of **12** printed pages.

THE POWER OF VISION

Nokulunga started and operated a Spaza Shop which provided phone services. She also sold a variety of goods such as make-up, sweets, cutex and other items. With time, she increased her phone services to include fax services and selling of air time.

After six months the business grew and she employed three assistants. By the end of the year Nokulunga had installed some computers to increase her communication services. The computers were bought using the hire purchase system from Computer Technical Suppliers.

The business grew so fast, that after two years in operation, she opened two branches in the same town. This meant that she had over twelve employees working in the different branches of the business. Both monetary and non-monetary rewards were used to motivate the employees. In each of the branches she appointed managers who would be called regularly to meetings to discuss ideas on how to improve the business. In one of their meetings the idea of franchising and that of selling shares to friends were discussed, because of the growth potential of the business.

QUESTION 1

Nokulunga invited her branch managers to discuss issues before taking a decision.

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(a) (i) Describe the leadership style that was used by Nokulunga.

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..... [2]

(ii) Explain any **two** advantages and **two** disadvantages of the leadership style used by Nokulunga.

Advantage 1

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Advantage 2

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Disadvantage 1.....

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Disadvantage 2

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..... [8]

(b) Nokulunga and her branch managers discussed the idea of franchising.

(i) Define the term "franchise".

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..... [2]

(ii) Do you think franchising would be a good idea for Nokulunga's business?

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..... [8]

[Total 20]

QUESTION 2

Nokulunga displayed qualities of a good manager.

(a) (i) State any **four** qualities of a good manager.

Quality 1.....

Quality 2

Quality 3

Quality 4 [4]

(ii) Explain any **three** functions of a manager.

Explanation1.....

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Explanation 2

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Explanation 3

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..... [6]

(b) Motivation is very important for workers to perform well in a business.

(i) State any **four** examples of perks or fringe benefits..

Example 1.....

Example 2

Example 3

Example 4..... [4]

(ii) Explain any **three** examples of monetary rewards.

Explanation 1

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Explanation 2

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Explanation 3.....

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..... [6]

[Total 20 Marks]

QUESTION 3

Nokulunga successfully sold shares to some family members.

- (a) (i) State **two** other ways in which Nokulunga can raise capital apart from selling shares.

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..... [2]

- (ii) Explain any **two** advantages and **two** disadvantages of a private limited company.

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(b) (i) Nokulunga segmented her market and identified her target customers.

Explain the difference between market segment and target market.

Difference 1

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Difference 2

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..... [4]

(ii) Explain any **three** environmental features that influence the nature of a market.

Feature 1

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Feature 2

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Feature 3

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..... [6]

[Total 20]

(ii) Differentiate between Veblen and Giffen goods.

Difference 1

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Difference 2

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..... [4]

(iii) Explain any **three** features of multiple chain stores.

Feature 1

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Feature 2

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Feature 3

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..... [6]

[Total 20]

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QUESTION 5

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Businesses enter into contracts as they carry on their day to day activities.

(a) (i) Define a contract.

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..... [2]

(ii) Explain any **three** requirements of a valid contract.

Requirement 1.....
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Requirement 2.....
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Requirement 3.....
..... [6]

(iii) Explain how Nokulunga would protect a new idea that she may come up with for her business?

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..... [2]

- (b) (i) Explain any **two** features of a hire purchase contract that Nokulunga's business entered into when purchasing computers.

Feature 1.....

 [2]

Feature 2.....

 [2]

- (ii) Buying goods on hire purchase is often thought to be expensive.

Do you think that Nokulunga made the right decision in buying the computers by hire purchase?

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 [6]

[Total 20]