



EXAMINATIONS COUNCIL OF ESWATINI
Eswatini General Certificate of Secondary Education

CANDIDATE
NAME

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CENTRE
NUMBER

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CANDIDATE
NUMBER

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BUSINESS STUDIES

6897/01

Paper 1

October/November 2020

1 hour 30 minutes

Candidates answer on the Question Paper.

No Additional Materials are required.

READ THESE INSTRUCTIONS FIRST

Write your candidate name, Centre number and candidate number in the spaces provided.

Write in dark blue or black pen.

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

Answer **all** questions.

You may use a calculator.

The businesses described in this question paper are fictitious.

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	
Total	

This document consists of **9** printed pages and **3** blank pages.

1 Themba owns a large bakery. He wants to achieve several business aims and help Eswatini to develop. Themba views business activity as a way of meeting human needs and wants. Themba is concerned that the country's three sectors of the economy are not contributing equally to economic growth. He thinks that the country could stimulate economic growth by allowing for more privatisation of public corporations. Themba also thinks that his workers would be more productive if they were not members of a trade union.

(a) Define the term 'business aims'.

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..... [2]

(b) Identify the difference between human 'needs and wants'.

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..... [2]

(c) Explain **two** recent changes in the contributions made by the three sectors of the economy in Eswatini.

Change 1:

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Explanation:

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Change 2:

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Explanation:

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..... [4]

(d) Explain **two** reasons why the Government might not want to privatise public corporations.

Reason 1:

Explanation:

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Reason 2:

Explanation:

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..... [6]

(e) Do you think that joining a trade union would benefit Themba's workers? Justify your answer.

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2 Joe owns a chain of restaurants which are located in densely populated areas of towns around the country. The restaurants are currently not profitable. Joe has called his managers to a meeting. The Human Resources Manager reports that workers lack motivation hence they must be offered non-financial rewards. The Accountant thinks that the business's profits are affected by high operational expenses. Joe is considering raising prices of food items in the restaurants. The Marketing Manager suggested that the restaurants should be relocated to areas that are less polluted.

(a) Define 'motivation'?

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..... [2]

(b) Identify **two** non-financial rewards that Joe could offer the employees.

Non-financial reward 1:
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Non-financial reward 2:
..... [2]

(c) Explain **two** factors of production that are likely to affect the profit of Joe's restaurants.

Factor 1:
Explanation:
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Factor 2:
Explanation:
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..... [4]

(d) Explain **two** ways that Joe's restaurants could use to reduce pollution in their operations.

Way 1:

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Explanation:

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Way 2:

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Explanation:

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(e) Do you agree that if Joe increased the price of food items the restaurants could become more profitable? Justify your answer.

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3 Grainex Ltd is an international maize milling company. It produces maize meal and flour for retail shops. The company has conducted market research. Findings show that the business could profitably invest in animal feed. Grainex Ltd uses large trucks to collect grain from distant farmers. The processing of the grain involves machinery and labour-intensive methods. The company has a reputation for respecting consumer rights. However, a shop steward has told workers that “Grainex Ltd is just another multinational company seeking to offer little benefit to the local economy”.

(a) Define ‘market research’.

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..... [2]

(b) Identify **two** likely customers of Grainex Ltd.

Customer 1:
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Customer 2:
..... [2]

(c) Explain **one** external benefit and **one** external cost resulting from the operations of Grainex Ltd.

External benefit:
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Explanation:
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External cost:
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Explanation:
..... [4]

(d) Explain **two** ways which could show that Grainex Ltd respects consumer rights.

Way 1:

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Explanation:

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Way 2:

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Explanation:

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(e) Do you agree with the shop steward that multinational companies, such as Grainex Ltd, are of little benefit to the local economy? Justify your answer.

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4 Profam is an organisation that trains farmers' associations in commercial agriculture. The farmers are trained on how to deal with the 'economic problem' in farming. The farmers also learn how to add value and use financial ratios to determine the financial position of a business. The last aspect of the course seeks to inform farmers on different methods that can be used to calculate pay for farm workers. Profam advises the associations to form joint ventures with companies that own large-scale plantations.

(a) Define 'economic problem'.

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..... [2]

(b) Identify **two** ways that farmers could use to add value in their businesses.

Way 1:
.....
Way 2:
..... [2]

(c) Explain **two** financial ratios that farmers can use to determine the financial position of their businesses.

Ratio 1:
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Explanation:
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Ratio 2:
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Explanation:
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..... [4]

(d) Explain **two** different methods that farmers can use to calculate a labourer's pay.

Method 1:

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Explanation:

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Method 2:

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Explanation:

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..... [6]

(e) Do you think that forming joint ventures with large companies would benefit the local farmers' associations? Justify your answer.

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