



EXAMINATIONS COUNCIL OF ESWATINI  
Junior Certificate Examination

CANDIDATE  
NAME

CENTRE  
NUMBER

--	--	--	--

CANDIDATE  
NUMBER

--	--	--	--

**BUSINESS STUDIES**

**521/02**

Paper 2

**October/November 2020**

**1 hour 45 minutes**

**READ THESE INSTRUCTIONS FIRST**

1. Write your candidate name, Centre number and candidate number in 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.

<b>For Examiner's use</b>	
1.	
2.	
3.	
4.	
5.	
<b>TOTAL</b>	

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

## LETHU PAPER PARTNERSHIP

Melo and Meko are business partners running a firm trading by the name of Lethu Paper Partners. The partners ensure that they carry out their role as entrepreneurs very well to minimize possibilities of failure. The firm is located at Mabuya area in Eswatini. This area is one of the areas that have high unemployment in Eswatini. The firm has not only helped the locals by providing employment but also supported government in her initiative to create employment in areas with high unemployment. Before the Partners started the firm they developed a business plan. The firm is a producer of different kinds of paper which led to Lethu Paper Partnership joining the Federation of ESwatini Employers Association (FEEA) so that it becomes easier to interact with other firms.

The firm employs a Managing Director and Managers who carry out managerial functions on a daily basis. The partners have observed that the Managing Director's preferred leadership style is laissez-faire and this has resulted in the partners being concerned whether or not it is an effective leadership style.

The firm uses specialisation and division of labour in its production line. The partners believe that when using specialisation and division of labour in the production line, it is very important to keep the workers motivated since it helps increase productivity. Through social media networking, internet and attending local and international business conferences Lethu Paper Partnership has amassed a lot of clients and business associates all over the world. Since Lethu Paper Partnership has clients worldwide it keeps abreast on latest developments in the banking sector. It also frequently uses video conferencing when engaging its international clients. It believes that developments in communication Technology are key to the success of businesses in this globally competitive environment, hence the use of E-commerce to sell its products.

In addition to the variety of paper the firm produces, an opportunity to produce another type of paper which is of a Veblen good in nature has come up. The paper will be of a higher quality and will be named LP2 paper. A research conducted indicates that the firm will have to supply at least 8 000 boxes of the LP2 paper per week. To meet the targeted output, the firm is considering employing a specialist team that will specialise in the production of this paper.

### Appendix A

A table showing tentative output levels for the LP2 paper per week if using the workers currently employed by the business and if hiring a specialist team:

Teams	Output per week
Currently employed workers	6 000 boxes
Specialised workers	12 000 boxes

**QUESTION 1**

Melo and Meko run a partnership business that has stakeholders.

**(a) (i)** Explain **two** advantages of a partnership to the partners.

Advantage 1 .....

Explanation .....

.....

.....

Advantage 2 .....

Explanation .....

.....

.....[4]

**(ii)** Explain **three** stakeholders of Lethu Paper Partnership and their interest in the business.

Stakeholder 1.....

Interest .....

.....

Stakeholder 2.....

Interest .....

.....

Stakeholder 3.....

Interest .....

.....[6]

The Managing Director of Lethu Paper performs managerial functions on a daily basis and the partners noted that he uses the laissez-faire leadership style.

**(b) (i)** Explain **two** disadvantages of the laissez-faire leadership style used by the Managing Director.

Disadvantage 1 .....  
Explanation .....

.....  
.....

Disadvantage 2 .....  
Explanation .....

.....  
.....

[4]

**(ii)** State **three** functions that Lethu Paper's Managing Director must perform.

Function 1 .....  
Explanation .....

.....  
.....

Function 2 .....  
Explanation .....

.....  
.....

Function 3 .....  
Explanation .....

.....  
.....

[6]

**[Total marks: 20]**

**QUESTION 2**

**(a) (i)** Explain **two** roles that Melo and Meko, the entrepreneurs, performs in managing their small business.

Role 1 .....

Explanation .....

.....

.....

Role 2 .....

Explanation .....

.....

.....[4]

**(ii)** Explain **three** factors that could lead to the failure of businesses such as Lethu Paper.

Factor 1 .....

Explanation .....

.....

Factor 2 .....

Explanation .....

.....

Factor 3 .....

Explanation .....

.....[6]

Melo and Meko developed a business plan before starting the business and later joined an employers association.

**(b) (i)** Explain why it was important for Melo and Meko to draw up a business plan before starting the business.

Importance 1 .....

Explanation .....

.....

.....

Importance 2 .....

Explanation .....

.....

..... [4]

**(ii)** Explain **three** advantages of being a member of the Federation of ESwatini Employers Association (FEEA).

Advantage 1 .....

Explanation .....

.....

.....

Advantage 2 .....

Explanation .....

.....

.....

Advantage 3 .....

Explanation .....

.....

..... [6]

**[Total marks: 20]**

**QUESTION 3**

It is important for a business involved in international trade to be aware of latest banking developments.

**(a) (i)** Explain **two** functions of ESwatini's Central Bank.

Function 1 .....

Explanation .....

.....

Function 2 .....

Explanation .....

.....[4]

**(ii)** Explain to the partners how the international customers of Lethu Paper could use the following contemporary methods of banking.

Internet Banking .....

.....

.....

Electronic funds transfer (EFT) .....

.....

.....

Point of sale (PoS) .....

.....

.....[6]

Lethu Paper Partnership has clients and business associates all over the world. The business uses different communication technology tools to communicate with the clients.

**(b) (i)** Explain any **two** elements of the communication process that would be involved when the firm communicates with its stakeholders.

Element 1 .....

Explanation .....

.....

Element 2 .....

Explanation .....

.....[4]

**(ii)** State **two** advantages and **one** disadvantage of e-commerce to Lethu Paper.

Advantage 1 .....

Explanation .....

.....

.....

Advantage 2 .....

Explanation .....

.....

.....

Disadvantage 1 .....

Explanation .....

.....

.....[6]

**[Total marks: 20]**

**QUESTION 4**



The partners consider it very important to keep the workers motivated.

**(a) (i)** Explain the assumptions of the following motivational theories to the Partners.

Herzberg's theory .....

.....

.....

FW Taylor's theory .....

.....

..... [4]

**(ii)** Analyse the **two** views of motivation so as to inform the partners.

View 1 .....

Analysis .....

.....

.....

View 2 .....

Analysis.....

.....

.....[6]

Lethu Paper Partnership uses video-conferencing to communicate with its suppliers.



**QUESTION 5**

The firm will be expected to supply at least 8 000 boxes of the LP2 paper per week. This paper is a Veblen good.

**(a) (i)** Explain **two** differences between a Veblen and Giffen good to the managers of the firm.

Difference 1 .....

.....

.....

.....

.....

Difference 2 .....

.....

.....

.....

.....[4]

**(ii)** Explain to the Managing Director **two** factors that could cause the supply of the LP2 paper to increase in the future.

Factor 1 .....

Explanation .....

.....

.....

Factor 2 .....

Explanation .....

.....

.....[6]

