



EXAMINATIONS COUNCIL OF ESWATINI  
Junior Certificate Examination

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

**BUSINESS STUDIES**

**521/02**

Paper 2

**October/November 2021**

**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 in the spaces provided.
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.	
<b>TOTAL</b>	

This document consists of **10** printed pages and **2** blank page.

## REAL INSURERS PLC.

Real Insurers Plc is a local insurance firm that sells different types of insurance policies to individuals and organisations (indirect production). The policies are meant to compensate financial losses to customers who may have suffered injury, car theft, and retrenchment. Real Insurers Plc has expanded its business through external growth. The growth has led to changes in the company's factors of production. However, some of the directors don't want Real Insurers Plc to continue trading as a public limited company.

Real Insurers Plc uses modern ICT tools. It also runs a website to improve effective communication with its stakeholders. Some stakeholders like to communicate with Real Insurers Plc. using e-mails and video conferencing. However, a large number of the customers still use oral communication.

Real Insurers Plc promotes its products by awarding money prizes to customers who win competitions during road shows. Real Insurers Plc banks with VMB Bank. The two businesses advertise in each other's websites without exchanging money (barter trade). VMB Bank allows the company and its customers to use MoneyGram and online banking functions (services) when making transactions between each other.

The workers of Real Insurers Plc are members of the Eswatini Insurance Workers Union (EIWU). EIWU is affiliated to the Conglomerate Federation of All Workers (COFAW), which is known for organising joint industrial actions. Real Insurers Plc's CEO believes that workers should be motivated. The CEO suggested that the organisation's managers should use more of McGregor's Theory Y views instead of Theory X to motivate the workers.

## APPENDIX A

### Real Insurers Plc's payments to customers and VMB Bank's related charges

	MONEYGRAM		ONLINE BANKING	
	Amount paid	Bank charges	Amount paid	Bank charges
Per day	E1 000 000	E 30 000	E 500 000	E 2000
Per week	E8 000 000	E110 000	E4 000 000	E 5000

**QUESTION 1**

Real Insurers Plc expanded through external growth.

**(a)** Identify **three** forms of external growth that Real Insurers Plc could have used.

- Form 1 .....
- Form 2 .....
- Form 3 ..... [3]

**(b)** Explain **one** advantage of using indirect production to Real Insurers Plc.

- Advantage .....
- Explanation.....
- ..... [3]

**(c)** Explain any **three** reasons why Real Insurers Plc may have decided to grow.

- Reason 1 .....
- Explanation .....
- .....
- Reason 2.....
- Explanation .....
- .....
- Reason 3.....
- Explanation.....
- ..... [9]







**QUESTION 3**

Real Insurers Plc promote its products by awarding money prizes to customers who win competitions during road shows. It also engage in barter trade with VMB bank.

**(a)** Identify **three** characteristics of money.

- Characteristic 1 .....
- Characteristic 2 .....
- Characteristic 3 ..... [3]

**(b)** Explain **one** advantage of barter trade to Real Insurer's Plc.

- Advantage.....
- Explanation.....
- .....
- .....
- ..... [3]

VMB Bank provides a payment function (service) to help Real Insurers Plc customers when making payment.

**(c)** Analyse **three** other functions that VMB Bank could provide to Real Insurers Plc.

- Function 1 .....
- Explanation.....
- .....
- .....
- .....
- Function 2 .....
- Explanation.....
- .....
- .....
- .....
- Function 3 .....
- Explanation.....
- .....
- ..... [9]





**QUESTION 4**

The workers of Real Insurers Plc are members of the Eswatini Insurance Workers Union (EIWU). EIWU is affiliated to COFAW.

**(a)** Identify **three** types of trade unions in Eswatini.

- Type 1 .....
- Type 2.....
- Type 3..... [3]

**(b)** Explain **one** benefit to Real Insurers Plc of having workers who are members of EIWU.

- Benefit 1 .....
- Explanation .....
- .....
- ..... [3]

COFAW, as a federation, is known for organising joint industrial action.

**(c)** Analyse **three** types of industrial action that Eswatini Insurance Workers Union (EIWU)members may engage in.

- Industrial action 1 .....
- Explanation.....
- .....
- .....
- .....
- Industrial action 2 .....
- Explanation.....
- .....
- .....
- .....
- Industrial action 3 .....
- Explanation.....
- .....
- .....
- ..... [9]





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