



# **EXAMINATIONS COUNCIL OF ESWATINI**

**CONFIDENTIAL  
SPECIMEN 2021**

**JUNIOR CERTIFICATE EXAMINATION**

**BUSINESS STUDIES PAPER 1**

**MARKING SCHEME**

**MAXIMUM MARK 100**

## **Question 1**

**(a) State two examples of material wants and non-material wants.**

Material wants: Books, dresses, desks [2k]

Non- Material wants: – Teaching, preaching, plaiting hair, nursing. [2k]

**(b) Explain the meaning of the term ‘needs’ and give one example.**

Needs are things that we cannot live without. [2k] examples: food, shelter & clothing. [1k]

**(c) Explain two aims of the carpentry business.**

**Profit:** [1k] Sell the furniture at higher prices. [1app]

**Value added:** [1k] difference between selling price and price of timber. [1app]

**Growth**

**Survival**

[2k, 2 app]

**(d) Explain the two stages of production that the carpentry business is in.**

Secondary Production [1k]

The business produces different kinds of tables [1app] which is changing form of the raw materials. [1an]

Tertiary Production [1k]

The finished chairs and benches [1app] are sold to customers. [1an]

**(e) Consider one advantage and one disadvantage of capital intensive production. Advise Themba on whether the business should change to capital intensive or not. Justify your answer.**

Capital Intensive entails the use of machines in production [1k]. Using labour intensive as the case with Themba’s carpentry business results to low levels of output [2an]. However, when using capital intensive, the business would cut on costs as wastage of material [1app] would be less. [2an]. Therefore I would advise Themba to turn to capital intensive method of production because there would be high levels of output over a short period of time [2ev].

### **Advantages of capital intensive**

- Less labour costs
- Increased efficiency

### **Disadvantages of capital intensive**

- Machinery can breakdown and halt production
- Machinery must be serviced and changed frequently

**Explain 1 advantage and 1 disadvantage of capital intensive (2 marks per point explained)**

### **QUESTION 2**

**(a) State four characteristics of money.**

Acceptability  
Durability  
Divisibility  
Portability  
Uniformity  
Scarcity

*Any four*

**[4k]**

**(b) Explain why money is said to be 'legal tender' make an example with reference to ESwatini.**

Money is legal tender because it is generally accepted as a medium of exchange  
**[2k]**

Example: Emalangeni are legal tender to ESwatini. **[1k]**

**(c) Explain the the meaning of the following functions of money.**

**Money being a measure of value and money as a store of value.**

Money as a measure of value means it can enable a value to be placed **[1 k]** on goods and services**[1app]** whereas store of value means the holder of money is able to use it now or any time in the future**[1k]** for purchasing**[1app]** anything he/she wants.

**(d) Explain two differences between a Central Bank and commercial banks.**

- a Central Bank is an independent public body **[1k]** owned by the government whereas a commercial bank is a bank for the public **[1 app]** and is owed by shareholders. **[1 an]**
- a Central Bank provides an essential service **[1 k]**to the economy and does not make profits **[1 app]** yet the commercial bank aims at making profits. **[1 an]**
- a Central Bank is responsible for the currency of a country by printing banknotes and Minting coins. A commercial bank is responsible for distributing the notes and coins within the economy.
- there can only be one Central Bank in a country but there can be several commercial banks in a country.

- a Central bank is responsible for keeping foreign reserves whereas a commercial bank is responsible for helping clients to access foreign currency from the central bank.
- the Central Bank is responsible for setting the official interest rate whereas the commercial banks implements them.
- the Central Bank is responsible for the cheque clearing system whereas the commercial banks issue the cheques
- the Central Bank is responsible for the national debt whereas the commercial banks manage accounts of their clients.

**(1 k, 1 app, 1 an) X 2**

**(e) Barter trade was commonly used in the past as a means of exchange. Do you think this was a good system? Support your answer.**

Barter trade is the exchange of goods for goods /services without the use of money. **[1k]** Barter trade encourages flexibility meaning you are able to trade one related product to another. **[2an]**. With bartering one can save money for travelling as trade can take place within the vicinity like you want to use your neighbour's donkeys**[1app]** for carrying goods in return of a bag of mealie-meal. But Barter Trade can present some problems like the double coincidence of wants, where you have to find a person who have exactly what you want and needs what you have for exchange **[2an]** so in that way I don't think barter trade was a good idea because it was difficult to place a value of the goods based on the other goods to be exchanged with **.[2ev]**

**QUESTION 3**

**(a) Identify four items found in a cheque**

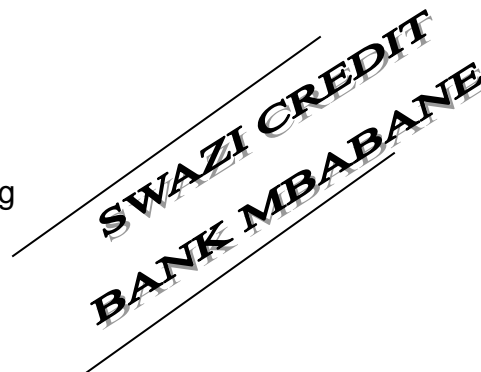
- Date
- Drawer
- Drawee
- Payee
- Amount
- Cheque Number

[4k]

*Any 4*

**(b) Show by means of a diagram a Restrictive Special Crossing.**

- 1 mark for crossing
- 2 marks for labelling



[3k]

**(c) Define the following terms and give an example of payments that can be made using each.**

**Direct Debit**

- Know for sure that payments are received
- Varying amounts are paid [1 k]

**Examples:** wages, electricity bill, water bill [1 app]

**Standing Order**

- Similar amounts are paid
- Have to check whether payments are made [1 k]

**Examples:** Insurance policy, Rent, Car instalment [1 app]

**(d) Sito has just enrolled with a Medical University in Russia. He has been asked by the University to pay for his education through internet banking. Explain the benefits to Sito of using internet banking.**

By using internet banking, Sito will benefit because he will not go to the bank and stand in long queue before being served **[1k]** He will send the money in the comfort of his home using a computer **[1app]**. Also by using internet banking the money will be sent fast**[1k]** without any delays as access is available 24hrs**[1an]** Sito will not have to keep receipt **[1app]**as proof of payment as the information will be saved in the computer **[1an]**.

**(e) Explain one advantage and one disadvantage of written communication. Would you advise the university to continue using this method of communication? Justify your answer.**

Written communication is when messages are transmitted via letters, emails and other written forms. **[1 k]** Using written communication leaves a permanent record of the communication that took place between the lectures and students **[1 app]** as it can be kept for a long time. **[2 an]** However, this method of communication does not allow for immediate feedback thus information on students' performance in their studies can take long. **[2 an]** In conclusion, written communication is best as feedback from lecturers can be easily distributed to a lot of students at the same time. **[2 ev]**

#### **QUESTION 4**

**(a) Name the four components of a marketing mix.**

Product  
Price  
Promotion  
Place

**4k**

**(b) Use a flow diagram to show the most commonly used distribution channel for shoes.**

Manufacturer → Retailer → Consumer **3k**

**(c) Explain two sources of Secondary data that can be used by Bhaliwe to source information on how she can make her products known to the public.**

#### **Catalogue**

Bhaliwe can use a catalogue[**1app**] for her shoes which describes her goods. A limited range of the sandals would be shown from which a customer can choose from[**1k**].

#### **Magazine**

Through the use of magazines Bhaliwe can be able to draw attention of her target market [**1app**] to her range of shoes [**1an**]

**(d) Analyse interviews and questionnaires as methods of primary research that Bhaliwe could use.**

**Interviews** – this is when the interviewer asks the interviewee questions in order to gather data. [**1 k**] This is usually done on a one on one basis which allows the interviewer to read the footwear [**1 app**] consumers body language. [**1 an**]

**Questionnaire** – these are carefully selected from respondents. [**1 k**] The prepared questions can be used to gather information on the shoes. [**1app**] It is sent to randomly to respondents by mail or electronically by email.it can be used for interviews and surveys.[**1 an**]

**e) Consider one advantage and one disadvantage of a sole trader. Would you recommend for Bhaliwe to remain a sole trader? Justify your answer.**

A sole trader is a one man owned business. **[1 k]** Bhaliwe does not share the profits made from the shoe business with anyone as she has no partner, she enjoys all the profits alone.

**[2 an]** However, it is difficult to raise capital in this business as there is only one owner

thus chances of growth for the shoe business **[1 ap]** are minimised. **[1an]**. In conclusion,

the sole trading business is the best business for Bhaliwe as it is easy to start and run it,

there is not much paper work. **[2 ev]**

**[8]**