



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 2023

1 hour 30 minutes

Candidates answer on the question paper.

No additional Materials are required.

READ THESE INSTRUCTIONS FIRST

Write your name, Centre number and candidate number on 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 entirely fictitious.

At the end of the examination, fasten all your work securely together.

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 Ricky owns a small poultry farm which produces eggs. There is a scarcity of eggs in his local community of Malkerns. Ricky is studying Eswatini's economic structure to identify more business opportunities for expansion. He thinks that he will have to operate his business through e-commerce so as to achieve more success. Ricky wants to achieve business growth by supplying eggs country-wide in the next three years. One entrepreneur has advised Ricky to consider introducing technological change in his business operations.

(a) Define 'scarcity'.

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.....
..... [2]

(b) Identify **two** sectors of Eswatini's economic structure.

Sector 1:
.....
Sector 2:
..... [2]

(c) Explain **two** disadvantages to Ricky of operating his business through e-commerce.

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

(d) Explain **two** forms of external business growth that Ricky could use to expand his business.

Form 1:

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Explanation:

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Form 2:

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Explanation:

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..... [6]

(e) Do you think that technological change could benefit Ricky's poultry business? Justify your answer.

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2 Palesa is a clothing designer of suits for rich male customers. The business uses a product-oriented approach to produce the expensive clothing. Palesa’s revenue generated in the past two years suggests that the business has been affected by product life cycle stages. She has observed that the units sold are below the targeted break-even point. Palesa thinks that she needs to produce different types of products to cater for more market segments. In support of her idea, Palesa’s workers have suggested a change from job production towards batch production.

(a) Define ‘product-oriented approach’.

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..... [2]

(b) State **two** product life cycle stages that Palesa’s business might have been affected by.

Stage 1:
.....
Stage 2:
..... [2]

(c) Explain **two** uses of the break-even analysis to Palesa.

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

(d) Explain **two** possible clothing products which Palesa might want to develop for her new market segments.

Product 1:

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Explanation:

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Product 2:

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Explanation:

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..... [6]

(e) Do you think that batch production could improve the performance of Palesa's business? Justify your answer.

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3 Quench Beverages is a private limited company. It specialises in the production of non-alcoholic drinks, such as yoghurt. The business motivates its workers by focusing on their social needs. Vuli, the CEO, thinks the company should also try to satisfy workers' esteem needs. Vuli needs to think of suitable interview questions for the recruitment of a human resource officer. Recently Quench Beverages joined an employers' association. Some members of the association have suggested to Vuli that a private limited company is not the best form of business organisation for Quench Beverages.

(a) Define 'social needs'.

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..... [2]

(b) State **two** ways the workers' esteem needs could be satisfied at Quench Beverages.

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

(c) Explain **two** interview questions that Vuli could use for the recruitment of the human resource officer.

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

(d) Explain **two** possible objectives of the employers' association that might have influenced Quench Beverages to join it.

Objective 1:

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Explanation:

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Objective 2:

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Explanation:

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..... [6]

(e) Do you think the private limited company form of business organisation is the best one for Quench Beverages? Justify your answer.

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4 Zakho Hardware is a small hardware shop located in the rural town of Luve. Zakho Hardware measures the productivity of employees on the basis of monthly revenue generated. As the business is currently small, the budget for fixed costs is low. The owners plan to increase the profits of the business by expanding to other rural locations. Zakho Hardware purchases its stock from large urban hardware retailers which means that contribution margins are low. However, the owners of Zakho Hardware have decided to start buying stock directly from manufacturers in the near future.

(a) Define 'monthly revenue'.

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..... [2]

(b) State **two** examples of fixed costs in Zakho Hardware's operations.

Fixed cost 1:
.....
Fixed cost 2:
..... [2]

(c) Explain **two** reasons why Zakho Hardware prefers locating its shop in a rural area than a large town.

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

(d) Explain **two** advantages to Zakho Hardware of preparing a financial budget.

Advantage 1:

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Explanation:

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Advantage 2:

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Explanation:

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..... [6]

(e) Do you think it would benefit Zakho Hardware to buy its stock directly from the manufacturers? Justify your answer.

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