

**EXAMINATIONS COUNCIL OF
ESWATINI**

JC

EXAMINATION REPORT

FOR

BUSINESS STUDIES

YEAR

2022

Table of Contents

Subject Code:	Name of Subject:	Page No:
521	Business Studies P1	3-6
521	Business Studies P2	7-12

JC BUSINESS STUDIES

Paper 521/01

General Comments

This paper comprised of four questions with a duration of 1 hour 45 minutes and each question carried twenty-five marks.

The Examination was fairly performed. Some centres were above average and other centres were just too below average.

Examiners noted that there was an improvement in some centres in the ability of candidates' responses in tackling questions which require application.

Yet again, it transpired that question 3 (a) posed a great challenge to most centres. Candidates were just defining a bank overdraft and failed to give its advantages and disadvantages.

Centres are encouraged to expose candidates to higher order questions so to equip them fully to attempt questions confidently during examinations.

Comments on Specific Questions

Question 1

(a) Candidates were to state four examples of basic needs.

This was generally well answered by most centres, however some included education as a basic need.

Expected answers are food, shelter, clothing, health care and water.

(b) **Explaining the economic problem** was generally well performed by most centres however some candidates wrote limited capital instead of limited resources:

Expected answer:

Definition - it refers to limited resources that are used to satisfy the needs and unlimited wants of consumers.

(c) Candidates were to explain the cost that may result as to solve the economic problem. Some candidates were stating the cost in monetary terms. (E1500) instead of opportunity cost. The minority that were able to state the opportunity cost were unable to explain it.

Expected answers: Opportunity cost – refers to the next forgone alternative.

Explanation – if the young fishers decide to buy the cooler boxes then the cost of buying the fish nets is opportunity cost.

(d) Most centres did not perform well on this question as they were just stating forms of specialisation without considering the question, thus lost all marks.

Expected responses:

Specialisation by individual – is when an individual decides to concentrate on the one particular job that they can do best.

Specialisation by firm – is when a firm decides to concentrate in one particular products instead of a variety of products.

(e) Some centres knew the advantages and disadvantages of a loan but they were not able to develop the points. The answers also lacked application.

Expected responses.

Advantages:

- Easy to arrange
- Needed amount could be obtained
- No loss of ownership

Disadvantages

- Expensive (interest charges)
- Collateral / security may be needed
- Reduce profits (paid instalments).

Question 2

(a) This question required candidates to state four examples of written communications and was generally well answered by most candidates even though some candidates gave examples of social media platforms.

Expected answers: letters, memorandums, minutes, reports, notices, circular.

(b) This question was fairly done as most centres were able to identify one other monetary reward that can be used at Comfy Furnitures, but failed to give a full explanation.

Expected response: salary, bonus, shares, wages profit – sharing. No mark for commission.

(c) This question tested candidates on Maslow's theory of motivation and it was generally well answered. Some candidates were able to give Maslow's hierarchy of needs but failed to give application.

Expected response: Physiological needs, safety, security needs, social needs, esteem needs.

(d) Candidates were to explain benefits of having a motivated sales staff and most candidates were able to respond correctly to this question, however, again they failed to apply.

Expected response: reduced absenteeism, reduced accidents, increased creativity, reduced supervision costs, increased production.

(e) Candidates were to give their opinions if e-mails are the best communication method.

This question proved to be difficult for the candidates as some do not understand e-mails in general. Although even those with the little ideas were just listing the points.

Expected response:

Advantages:

- Message sent instantly/fast
- Accessed anywhere and anytime
- Documents can be affected
- Proof of communication
- Message can be sent to many people

Disadvantages

- No guarantee is received the message received was read
- Not all customers can access emails
- Depends on availability of network
- May not work for illiterate customer
- Viruses or hacks may negatively affect communication
- Costly as you need data, phones to access messages

Question 3

(a) Candidates were asked to states four advantages of an ATM

The question was generally well performed as learners could state such advantages as;

- Conveniently situated
- Safe way to deposit and withdraw money
- Less paperwork
- Banking available 24 hours a day
- Cheaper to use
- Access globally

- Quick service and time saving

(b) Candidates were to explain how personal savings are classified as a source of finance.

This question was poorly done by most candidates, thus even their explanation was wrong. Even those that were able to identify the source could not explain.

Expected response:

Internal Source – refers to owners invest her own money. Money comes from within as the owner is taking all the risk of financing the business.

(c) This question required candidates to explain two other sources of finance. Most candidates failed to identify the sources of finance, thus they responded with external and internal sources. They were not able to give the relevant sources of finance for Thandi’s business.

Expected responses:

- Funds from family and friends
- Retained profits
- Sale of excess stock
- Sale of unused assets
- Medium – term finance
- Long term finance /loan

(d) Candidates had to explain disadvantages of using e-wallet.

This question was poorly answered by most candidates. As most candidates failed to identify and explain the disadvantages of e wallet to Thandi. However, those that were able to identify would not explain and apply.

Expected response:

- Inconvenience if there is no ATM around
- Customer has not bank account
- Requires PIN which also expires after some time
- Customer has to register for cell phone banking in order to make payments
- Cannot be used if there is no network.

(e) Candidates were to argue if a bank overdraft is a good source of finance to be used when buying clothes.

Most candidates only gave definition without an understanding of a bank overdraft, thus most of them were saying it is a bank.

Expected responses:

Advantages

- Easy to arrange
- No collateral
- Cheap as interest is only paid on overdrawn amount.

Disadvantages

- Short notice for repayment
- Not suitable for long term commitments
- Not suitable for large amounts
- Bears high interest

Question 4

(a) Candidates were to state four strategies used when promoting a product. The question was poorly done by most candidates.

Expected responses:

- Advertising
- Sales promotion

- Personal selling
- Direct marketing
- Publicity
- Branding
- Packaging

(b) Candidates were to explain the term market research.

The question was well answered by a majority of candidates, even though some candidates failed to fully explain.

Expected answers:

Market research refers to the process of gathering information on customer's needs.

Piece of information: prices, location operating hours, after sales, customer preferences

(c) Candidates were to explain the importance of marketing.

A question poorly done by most candidates as they failed to give and explain the importance of marketing to Mangweni.

They were only giving the importance of marketing to the government instead of Mangweni.

Expected responses:

- Contributes to higher sales and more business income
- Helps the exchange and transfer of goods and services in the market
- Acts as a source of new ideas

(d) Candidates were to explain the two documents required by the Registrar of companies when forming a company.

Most candidates did very poorly in this question. It is only a few candidates who were able to state the documents but failed to explain and apply.

Expected answers:

Memorandum of association - lays the rules and regulations that govern Mangweni Plc and the external world like the government.

Articles of association - lays down the rules and regulations that govern Mangweni Plc within its internal management structure like how dividends will be shared among shareholders.

(e) Candidates were to argue if a market-oriented approach is a good idea when marketing.

This question posed a challenge to most candidates as they were only able to define the market oriented approach but failed to analyse the advantages and disadvantages.

Advantages

- Increases innovation
- Improves product continuously
- Builds customer loyalty
- Reduces chances of business failure
- Increase revenue and market share

Disadvantages

- Costly
- Time consuming
- Could be bias if sampling was not well done
- Helps fight competition

Paper 521/02**General comments**

The JC Business Studies Paper 2 is a case study-based paper. Candidates are expected to read and understand the case study before attempting questions. The case study has themes and questions are derived from those themes or topics. Candidates who read and understand the case study are more capable to answer all the questions with ease. In the 2022 paper, four assessment objectives were examined in a well-balanced manner. These assessment objectives are knowledge and understanding, application, analysis and evaluation. Candidates were expected to demonstrate an understanding of all four objectives and be able to answer questions addressing each one of them.

The general performance in this paper was better as compared to the 2021 one. A slight improvement was observed, generally in most centres. Educators are encouraged to prepare candidates well on how to answer the four assessment objectives. It is believed that with proper guidance, the candidates could perform well in the coming years. It is also worth noting that candidates demonstrated an improvement in the application skill as some were able to apply almost throughout the paper though others still could not apply even once. Centres and Educators are encouraged to come up with strategies to improve the performance in the paper as poor performance affects the overall performance in the subject. This is because this paper carries a 50% weight of the candidate's final mark.

There were questions which proved to be quite challenging for the candidates leading to them attaining quite low marks. **Question 2c** [ways of segmenting a market], **d** [advantages and disadvantages of credit cards as a means of payment, to the business] and **Question 4d** [advantages and disadvantages of visual communication to the business]. However, **Question 1c**, **Question 2a**, and **Question 3** proved to be quite easy and accessible for most candidates who managed to get good marks in these questions. A lot of candidates demonstrated a poor understanding of the command words which led to loss of marks, for instance, **part c of the questions**, where most candidates were just stating the factor/reason/function/type without the explanations or application and **part d**, where they would fail to explain stated points. The candidates who could not understand the command words were unable to answer most of the questions correctly. Centres must ensure that candidates are taught on the meaning and requirements of each command word so that candidates do not lose marks unnecessarily. Some candidates demonstrated a strong understanding of the evaluation questions and were able to score good marks while others had no clue of what the evaluation command words entailed. Centres are encouraged to give candidates enough practice on all command words, to improve the performance of candidates.

A decline in the number of candidates leaving blank spaces was observed and is commended. An improvement was also observed in the way in which learners approach the evaluation questions. There were very few candidates who were listing points of numbering them. We applaud Educators and candidates for this great improvement. Centres are urged to continue guiding the candidates in such questions.

Comments on Specific Questions**Question 1**

This question was based on Business Activity and Nature and Functions of Organisations chapters. The performance of the candidates in the question was not bad though one would have expected them to perform exceptionally well. Most candidates were able to get at least half marks in each part question.

(a) In this question, candidates were asked to state **three** reasons that may have led to government selling the baby vegetables business to shareholders. Some candidates misunderstood the question and gave reasons for government owning businesses. This made them lose marks

unnecessarily yet reasons for government selling own businesses are taught, such as **to avoid costs and maintenance and because they are inefficient and wasteful.**

- (b) The question required candidates to explain **one** characteristic of the economic system in which Baby Vergz operates. In their responses, some candidates identified and explained the different economic systems failing to correctly identify and explain the characteristic of the economic system. An **expected answer** would be; **'freedom of choice [1k]**, as consumers choose the vegetables **[1app]** to spend their incomes on **[1k]**.
- (c) In this question, candidates were asked to explain **three** aims of Baby Vergz Pty Ltd. This question was well attempted, as most candidates were able to scoop the knowledge marks plus application or analysis marks. However, some candidates gave reasons for growth instead of aims of a business, this led to a loss of marks. Others were unable to analyse their given aims thus scored minimum marks. Candidates are encouraged to always explain the 'why or how' to earn higher marks, as the question requires that. An **expected answer** would be; **'growth [1k]** – the shareholders want to see the farming business **[1app]** grow and have a bigger market share and make high sales. **[1an]**'.
- (d) This was an evaluation question. Candidates were expected to analyse advantages and disadvantages of trading as a private limited company to Baby Vergz and take a well-reasoned stand. In this question, candidates were expected to write in a continuous form (essay format). The candidates were expected to identify a point, explain it (how or why) and apply to the case. Somehow, some candidates confused the private limited company with a public corporation and a partnership. Candidates must be taught the differences that exist between the many business organisations. Such confusion led to an unnecessary loss of marks.

Model answer

Baby Vergz shareholders enjoy limited liability **[k]** as they are liable to debts amounting to the capital they contributed. Upon liquidation, their private properties are not taken to settle the vegetable company's **[1app]** debts **[2an]**. Secondly, more capital is raised as there are up to 50 shareholders who all contribute money to the farming business **[1app]** to help it cater for its capital needs **[1an/1k]**. On the other hand, shares are not freely transferable **[k]** in this agribusiness **[1app]** which could frustrate a shareholder who no longer wants to be part of the company **[2an]**.

In conclusion, I think Baby Vergz should continue trading as a public limited company because the business has separate legal entity. This means that the affairs of the business are separate from those of the shareholders thus the business and shareholders are protected **[2ev]**.

1 advantage explained and 1 stated = 3 marks [2 + 1]

1 disadvantage explained and 1 stated = 3 marks [2 + 1]

3 application in 3 different points = 3 marks

2 evaluation = 2 marks

[5an, 3app, 2ev = 10 marks]

[Total: 25]

Question 2

The performance of candidates in this question was quite diverse, with some performing so well and others not so well. Some of the candidates found c and d quite challenging. The questions were based on Banking & Means of Payment and Marketing topics.

- (a) Candidates were expected to identify **three** commercial banks in Eswatini. The question was well attempted though some candidates included the Eswatini Building Society which could not earn them marks as ESB is not a commercial bank. Other wrong answers included the Central Bank, Nomanini, FINCORP and Swaziland National Bank.

Expected answers; First National Bank (FNB), Nedbank, Standard Bank and Eswatini Development and Savings Bank.

- (b) This question required candidates to explain **one** difference between the commercial bank used by Baby Vergz Pty Ltd and the Central Bank of Eswatini. The question was generally well answered though some candidates could not access the application mark.

Expected answer; the Central Bank is a government's bank as it keeps government fund and accounts [1k] whereas a commercial bank is a bank for the public thus it keeps the sales revenue from the sale of the baby vegetables [1k, 1app].

- (c) The question required candidates to explain **three** ways in which Baby Vergz Pty Ltd segment its market. Candidates struggled to recall the different ways of segmenting a product that Baby Vergz Pty Ltd could be using. Some candidates would give wrong answers such as taste and preference, methods of promotion, leadership styles, the three fundamental questions and the elements of the marketing mix, thus losing high marks.

Example of an expected answer; Behavioural factors [1k] - potential buyers are divided according to how often they buy the patty pan squash [1app]. This would mean the company is aware of customers who buy the baby vegetables frequently so that they are able to provide them on time [1an].

- (d) The question required candidates to analyse advantages and disadvantages of using credit cards to Baby Vergz Pty Ltd. Most candidates had a challenge explaining the advantages/disadvantages to the company, instead they would address those advantages to the customers. Candidates were unable to identify the affected party in question and just assumed that the affected party was the customers. Emphasis must be made with respect to candidates first identifying the stakeholder in question which result to the question being answered well. However, some candidates were able to earn good marks as they analysed advantages/disadvantages to the company, applied and concluded well.

Model answer

Using credit cards will increase the sales made by the company. This is because vegetable consumers [1app] will not need to travel to the bank and then to the business to make a payment as payments can be easily made online [app] using the credit card [1an]. Secondly, they are safe as the business is able to avoid handling and keeping a lot of cash within the farm [1app, 1an]. However, some customers may deem credit cards to be expensive due to user fees charged and avoid using them, which could lower the farm sales [1app, 2an]. Secondly, for customers to be able to pay using the credit cards, the banking network should be available. The network failure could restrict orders made and paid for causing the agribusiness company to incur losses [app, an].

In conclusion, it is advisable for the agribusiness to use credit cards as a means of payments. This is because they can be used in any currency, thus the company will not need to go to the commercial bank to exchange foreign currency [2ev].

1 advantage explained and 1 stated = 3 marks [2 + 1]

1 disadvantage explained and 1 stated = 3 marks [2 + 1]

3 application in 3 different points = 3 marks

2 evaluation = 2 marks

[5an, 3app, 2ev = 10 marks]

[Total: 25]

Question 3

The performance of candidates in this question was average to good. The question was on Marketing Research and Business Management. The candidates lost some marks due to failure to analyse the points.

- (a) This question asked candidates to state **three** elements of the marketing mix for Baby Vergz Pty Ltd. Most candidates were able to correctly identify the elements of a marketing mix. Some candidates would identify examples of promotion instead of the four Ps.

Expected answers: Product, Place, Price, Promotion.

- (b) Candidates were expected to explain **one** way in which Baby Vergz Pty Ltd could segment its market. Most candidates were unable to identify the ways and some of those who were able to identify the ways could not apply.

An **example answer; Demographic factors [1k]** – potential buyers of the baby vegetables **[1app]** can be divided according to their ages, gender or family size **[1k]**.

- (c) The question required candidates to analyse **three** methods of conducting primary research at Baby Vergz Pty Ltd. The candidates were able to identify the method but had difficulty in explaining them. A great weakness demonstrated by the candidates was explaining the methods using the same words. For example, when explaining observation, candidates would write the business **observes** customers buying traits. This does not inform the examiner that the candidates understand the word observation, words like **look** or **watch** could have been used. Even with the interviews, candidates were writing, it is **interviewing** the target customers. The word interviewing was used to analyse interviews. One could have used **ask oral questions** or **talk to** potential customers.

An example of an **expected answer; questionnaires [1k]** – the vegetable business can draft and distribute a list of questions (questionnaires) to customers to find out which vegetables **[1app]** are more suitable for different segments. **[1an]**.

- (d) The candidates were required to evaluate the advantages and disadvantages of the democratic leadership style used by supervisor 1. Most candidates were able to correctly analyse the democratic leadership style and take a stand. Some however, were not able to apply fully and lost application marks. The candidates could not apply using information from the case, which was supposed to be figures. Generally, the candidates performed well in the question.

Model answer

Democratic leadership encourages creativeness in the packaging department workers **[1app]**, as workers are involved in decisions, making them showcase their talents in decision making **[2an]**. Secondly, it encourages team work as the farm workers package vegetables in teams and increase output. This is seen in appendix A where the output is 15000 higher, when the democratic supervisor is on duty **[1app]**. The workers are able to discuss issues in their teams and come up with one solution that they own **[1an]**. On the other hand, there could be delays in the vegetable company **[1app]** decision making, as each and everyone's opinion must be sought, delaying, implementation of decisions **[2an]**.

In conclusion the democratic leadership style is the best as it promotes job satisfaction, making workers to be very productive **[2ev]**.

1 advantage explained and 1 stated = 3 marks [2 + 1]

1 disadvantage explained and 1 stated = 3 marks [2 + 1]

3 application in 3 different points = 3 marks

2 evaluation = 2 marks

[5an, 3app, 2ev = 10 marks]

[Total: 25]

Question 4

The performance of candidates in this question was varied. Some candidates performed well, whilst others did not perform so well. The question was based on Business Communication. The general observation was that candidates were unable to identify stakeholders affected in the particular instance.

(a) In this question candidates were asked to identify **three** factors that may be considered when choosing an appropriate method of communication. Most candidates were identifying barriers to effective communication instead of the factors to consider when choosing an appropriate method of communication. This led to loss of marks.

The **expected answers** include; cost, urgency, distance, time available.

(b) The question required candidates to explain **one** element in the communication process. A majority of the candidates performed well in this question, with most of them scoring 2 out of 3.

An **expected answer; receiver [1k]** the person to whom the message from the vegetable company **[1app]** is intended for **[1k]**.

(c) The question required candidates to explain **three** barriers to effective communication that the farming business could experience. Some candidates could not remember the types of barriers and were identifying methods of communication instead. Some who were able to correctly identify the barriers but mixed up the explanations.

An **example of a correct answer; Semantic barriers [1k]** – this is the use of a different language slang **[app]**. The use of such language could make some customers and workers of the vegetables producer **[1app]** not to understand a message, thus not act accordingly **[1an]**.

(d) The question tested the candidates' ability to evaluate visual communication and decide if they would recommend for Baby Vergz Pty Ltd, to continue using it when communicating with stakeholders. Most candidates lacked an understanding of visual communication. A majority of the candidates were evaluating video-conferencing or written communication instead of the visual communication and thus lost marks. Some candidates could not explain the points thus were only able to get the knowledge marks.

Model answer

Visual communication is easy to remember. This means that the vegetable customers **[1app]** will be able to remember what was communicated much simpler as most people do not struggle with recalling what they have seen, thus know where to buy the vegetables **[2an]**. On the other hand, the message communicated could be quite confusing as some details shown or mistakenly left out can confuse the farm workers **[1app]** and fail to understand the message communicated and thus not act accordingly which could affect the output of the company **[2an]**. Secondly, the message can be interpreted differently by different receivers. The agribusiness workers **[1app]** may interpret the message wrongly as each one will interpret it according to his/her understanding of what he/she sees. This will lead to the business not getting the right feedback **[1an]**.

In conclusion, it is not recommended for the company to continue using visual communication as the receiver of the message must pay special attention to detail otherwise he/she will understand and interpret the message wrongly thus effective communication will not be possible **[2ev]**.

1 advantage explained and 1 stated = 3 marks [2 + 1]

1 disadvantage explained and 1 stated = 3 marks [2 + 1]

3 application in 3 different points = 3 marks

2 evaluation = 2 marks

[5an, 3app, 2ev = 10 marks]

[Total: 25]

Application words bank

Vegetables

Baby marrow

Farm

Packaging supervisors

Farm equipment

Agricultural produce

baby vegetables

baby carrots

farm workers

the shareholders

packaging equipment

agribusiness

patty pans

beets

packs

community of Manika

agriculture

vegetables company