

Centre Number	Candidate Number	Candidate Name
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**NAMIBIA SENIOR SECONDARY CERTIFICATE**

**BUSINESS STUDIES HIGHER LEVEL**

**8336/2**

PAPER 2

2 hours 30 minutes

Marks 100

**2019**

Additional Materials: Non-programmable calculator

**INSTRUCTIONS AND INFORMATION TO CANDIDATES**

- Candidates answer on the Question Paper in the spaces provided.
- Write your Centre Number, Candidate Number and Name in the spaces at the top of this page and on all separate answer sheets used.
- Write in dark blue or black pen.
- You may use a soft pencil for any rough work, diagrams or graphs.
- Do not use correction fluid.
- Do not write in the margin *For Examiner's Use*.
- You may use blank pages for working/when answers are crossed out and corrected.
- Answer **all** questions.
- The number of marks is given in brackets [ ] at the end of each question or part question.
- You may use a non-programmable calculator.

For Examiner's Use	
<b>1</b>	
<b>2</b>	
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This document consists of **13** printed pages and **3** blank pages.



Republic of Namibia

**MINISTRY OF EDUCATION, ARTS AND CULTURE**

## NAM MINE LIMITED

Nam Mine Ltd is a company established in 1999 to mine and market precious stones and gems. By the year 2003, the company was well established and sales were increasing each year.

The market for precious stones is very competitive, and price has a significant effect on demand. Education awareness and the increasing popularity of gem stones has been driven by growing demand among jewellers and investors as the supply is falling.

In 2015 it became clear that Nam Mine Ltd was unable to meet the increasing demand for precious stones at its current production plant. The board of directors are now considering possible options for expansion.

- Option 1: Using sub-contractors in the form of small scale miners, who will work independently.
- Option 2: Capital investments in the expansion of production facilities as well as investments in the labour force.

**Table 1**

### Financial Information of Nam Mine Ltd for year end 2017 and 2018

	<b>2017</b> <b>N\$</b>	<b>2018</b> <b>N\$</b>
Sales Revenue	2 000 000	2 200 000
Cost of sales	230 000	180 000
Gross Profit	1 770 000	2 020 000
Operational expenses	555 000	860 000
Net profit before tax	1 215 000	1 160 000

## Appendix 1

### Business News

**2 June 2019**

The Minister of Mines and Energy in collaboration with Friends of the Earth, an international organisation that campaigns on environment issues such as conservation and pollution, are about to introduce new laws and regulations for mining companies.

## Appendix 2

### Namib Times

**30 June 2019**

**MINE WORKERS UNION APPLAUD BREAKTHROUGH ON WORKERS' RIGHTS**  
 Union leaders yesterday welcomed the "break through" deal on a minimum wage for mine workers. This deal was strongly opposed by some managers and business leaders as it is claimed to give unions a major role to play in the running of Namibian companies.

1 (a) Discuss **one** main feature of a business in the private sector, such as Nam Mine Ltd.

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(b) Assess why the number of employees employed by Nam Mine Ltd might be a misleading factor to determine the size of the mine.

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(c) Evaluate **two** possible sources of finance that Nam Mine Ltd might consider for its expansion.

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Question 2 is on page 6

2 (a) Explain the term *sales revenue*.

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(b) Explain **two** factors that bank managers might consider before approving the loans to Nam Mine Ltd.

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3 (a) (i) Describe **two** causes of a fall in supply of precious stones.

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(ii) Are the supply of precious stones and gems elastic or inelastic?  
Justify your answer.

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(b) Assess **two** factors jewellers will consider before deciding on the type of promotion to use for the precious stones.

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4 The government of Namibia introduced a minimum wage for all unskilled workers.

(a) Explain **one** benefit of the introduction of a minimum wage for

(i) the unskilled workers of Nam Mine Ltd.

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(ii) the business (Nam Mine Ltd).

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**(b)** Discuss **two** ways in which the Namibian government might control the operations of Nam Mine Ltd.

Evaluate the impact on Nam Mine Ltd of each of these government controls.

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**(c)** Consider how the management of Nam Mine Ltd might benefit from recognising a single union agreement with its workforce.

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5 Nam Mine Ltd wants to expand the business. It needs help to find alternative methods of expansion.

Write a report advising Nam Mine Ltd on alternative methods of expansion. Make a conclusion as to which might be the better method. Make a recommendation for the **best** method of expansion for Nam Mine Ltd.

**To:** Nam Mine Ltd

**From:** Business Advisor

**Date:** October/November 2019

**RE:** Alternative ways of expanding

**(a) Introduction**

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**(c) Conclusion** (which would be the best way(s))

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**(d) Recommendation** (justify the best method of expansion)

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