

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

**BUSINESS STUDIES ORDINARY LEVEL**

**4346/1**

PAPER 1

2 hours

Marks 100

**2018**

Additional Material: Non-programmable calculator

**INSTRUCTIONS AND INFORMATION TO CANDIDATES**

- Candidates answer on the Question Paper.
- 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.
- The businesses mentioned in this question paper are entirely fictitious.

<b>For Examiner's Use</b>		
Q	Code	Mark
1		
2		
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<b>Total</b>		

<i>Marker</i>	
<i>Checker</i>	

This document consists of **13** printed pages and **3** blank pages.



Republic of Namibia

**MINISTRY OF EDUCATION, ARTS AND CULTURE**

1 (a) Two young ambitious entrepreneurs recently set up their business within the IT and communications industry in country X. However, due to rapid expansion in the mineral extraction industry the economy is booming and there are signs of a rapid increase in inflation. This may lead to problems, as the present government favours the free market approach and a light touch.

(i) Identify and explain **two** objectives of these entrepreneurs.

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(ii) How can they achieve these objectives mentioned in (a) (i)?

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(b) Examine **three** disadvantages for Namibia's economy arising from rapid inflation.

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(c) Differentiate between a free market economy and a command/planned economy.

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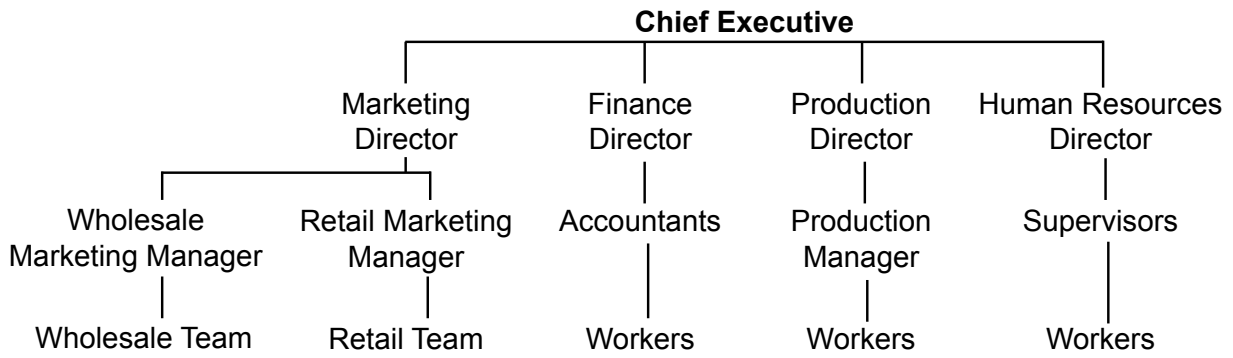
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[20]

2 Fig. 1 shows an organisational chart for a company.



**Fig. 1**

(a) Identify and explain the type of organisational structure in Fig. 1.

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(b) Describe how the structure may change as the business expands.

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(c) Define the following terms.

(i) *wholesale*

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(ii) *retail*

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(d) Examine **three** benefits for a company in having a decentralised management structure.

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**(e)** Explain how introducing the use of robots to produce electronic parts might influence redundancy at a mobile phone manufacturer.

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- 3 Banana Ltd makes and sells mobile phones. Their newest line is the Diamond 3, a high-end 3<sup>rd</sup> Generation (3G) unit. They spent N\$2,5 million on a new production facility and a summary of production costs is shown in Table 1.

**Table 1**

Raw materials and other direct costs	N\$12,50 per unit
Labour - for up to 1 000 units	N\$20 000 per day
Fixed costs and overheads	N\$10 000 per day

- (a) (i) Explain the concept *marginal cost*.

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- (ii) Using the data in Table 1, calculate the marginal cost for a Diamond 3 phone. Show your calculations.

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- (b) Differentiate and give an example between capital and revenue expenditure using numerical examples from Table 1.

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**(c)** Evaluate whether a business would find debt factoring a suitable source of finance for its cash flow problem.

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**(d)** Give **two** pieces of information required by banks before giving a loan. Explain why they are needed.

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**(e)** Discuss the usefulness of establishing a budget for the business.

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**[20]**

4 As Banana Ltd grows it will start to employ managers and workers. It will have to think about the motivation of its workforce and will have to resolve any employment issues that might arise.

(a) List **three** non-financial rewards.

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(b) F W Taylor based his ideas on the assumption that all individuals are motivated by personal gain.

Analyse the evidence against this assumption.

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(c) (i) Explain the term *productivity agreement*.

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(ii) How might Banana Ltd benefit from such an agreement?

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(d) (i) Define the term *piece rate*.

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(ii) Suggest why it might not be advisable for Banana Ltd to use piece rate as a payment method.

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5 The new Banana Ltd 3G Diamond phone is expensive, but they are very attractive to young people who currently make up a large percentage of the population. However, this percentage is starting to fall.

(a) (i) Distinguish between the terms *market* and *market segmentation*.

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(ii) Name and explain **three** ways of segmenting a market.

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