

Centre Number	Candidate Number	Candidate Name
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NAMIBIA SENIOR SECONDARY CERTIFICATE

BUSINESS STUDIES ORDINARY LEVEL

4346/2

PAPER 2

2 hours

Marks 100

2017

Additional Materials: Non-programmable calculator
Ruler

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*.
- Answer **all** questions.
- The number of marks is given in brackets [] at the end of each question or part question.

For Examiner's Use	
1	
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Total	
<i>Marker</i>	
<i>Checker</i>	

This document consists of **16** printed pages.



Republic of Namibia
MINISTRY OF EDUCATION, ARTS AND CULTURE

Holiday@Cruise.com (HCC)

Holiday@Cruise.com is a medium size business that started its operations five years ago. The business operates as a **monopoly** as it's the only seller of cruise holidays in Namibia and the whole SADC. Recently, the owner decided to change from being a sole trader to becoming a **close corporation** for the better benefits he can gain.

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Being the only business of this kind in a country the business got more support from the government.

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Holiday@Cruise.com expanded its operation by purchasing holidays flats that would be available to their clients during their stay in different places. However, the business still need finance for extra computers needed, and to appoint the Marketing Manager to compile the **marketing plan** for this **e-commerce** business. The financial manager is concerned about the increase of interest rates announced by the Bank of Namibia, although this caused a currency appreciation.

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The owner believes in workers' participation so as to build better cooperation and joint responsibility within the business. Workers are paid above the minimum wage and receive a performance bonus which helps to increase workers' satisfaction. All employees are members of social security and a trade union. The **public relations** department is working hard to maintain customer satisfaction.

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The business sets different prices depending on their clients' demands. A seaside package costs the business N\$1 000,00 and HCC intends to make 50% profit from each sale it makes.

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Fig. 1 is an illustration of the supply curves before and after the Namibian government announce an increase in interest rates.

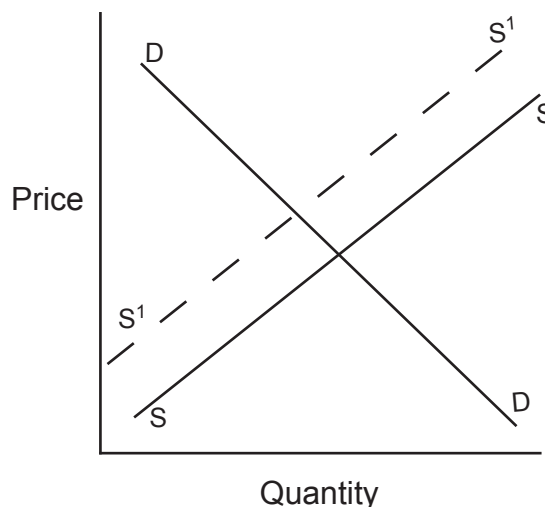


Fig. 1

1 Explain the following terms used in the case.

(a) *monopoly* (line 4)

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[3]

(b) *close corporation* (line 6)

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(c) *marketing plan* (line 15)

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[3]

(d) *e-commerce* (line 16)

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[3]

(e) *public relations* (line 24)

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[15]

2 (a) In which sector of business activity does Holiday@Cruise.com operate?
Explain your answer.

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[2]

(b) Holiday@Cruise.com is the only medium size business of its kind in the market and has strong monopoly power.

Explain **one** advantage to HCC and **one** disadvantage to its customers of this situation.

Advantage to HCC

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Disadvantage to HCC's customers

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[5]

3 (a) (i) Name **two** financial statements that the bank would want to see before lending money to HCC to purchase new computer equipment.

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[2]

(ii) Explain why the bank would want to see these financial statements.

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(b) Explain **two** sources of medium term finance that Holiday@Cruise.com may use to purchase their extra computers.

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(c) Analyse the possible negative effects of an increase in interest rates to Holiday@Cruise.com.

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4 (a) List **three** social security benefits that employees receive.

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(b) Business organisations can vary to a great extent in terms of size.

Explain why its important for government to classify business organisations into different sizes.

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(c) Assess the value to HCC of paying their workers above the minimum wage.

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(d) The Namibian exchange rate appreciated.

How will the appreciation effect Holiday@Cruise.com activities?

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[15]

(c) Discuss what the management of Holiday@Cruise.com can do to meet the needs of its workers with regard to job satisfaction.

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[15]

6 (a) Outline **three** benefits for Namibia of being a member of SADC.

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(b) Identify and explain the channel of distribution that Holiday@Cruise.com use.

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(c) Explain the benefits to Holiday@Cruise.com of using e-commerce.

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(d) Explain the duties of the marketing manager of Holiday@Cruise.com.

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[15]

(b) Use Fig. 1 to explain **two** factors other than cost that will influence the supply curve to move to the left.

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[10]