

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

**2018**

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.
- The businesses mentioned in this question paper are entirely fictitious.

For Examiner's Use		
Q	Code	Mark
1		
2		
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5		
6		
<b>Total</b>		

Marker	
Checker	

This document consists of **14** printed pages and **2** blank pages.



Republic of Namibia

**MINISTRY OF EDUCATION, ARTS AND CULTURE**



## Construction in Action (CA)

CA was founded in Namibia as a small local partnership in 1995 to make and sell steel-framed houses. It was the first business to do this in Namibia. It has grown with its success and by 2018 it became a large multinational private limited company. In 2015, after a period of very rapid international expansion, it developed a franchise business which concentrates on the manufacture of steel-framed house kits in Namibia and franchises out the selling and erection of the houses all over Africa. Today, Construction in Action is one of the major contributors to employment creation and economic growth in the country.

“Steel frame houses became the preferred way of building in countries around the world. It is a cost-saving construction method, but it has impact on the environment and cost benefit analysis needs to be done”, said the Managing Director. The number of houses completed per year, excellent quality control and the best-practice construction set high standards which helped CA to achieve record-growth figures, because every building is durable and fit for purpose.

CA management believed in democratic leadership style. Effective communication, delegation and quality circles are seen as some of the strategies to motivate the workers. All factory workers belongs to a trade union.

**Table 1**

Information of CA liquidity position in 2016 – 2017

	<b>2016</b>	<b>2017</b>
	N\$'000	N\$'000
Capital employed	200	400
Gross profit	100	150
Net profit	20	60
Sales turnover	350	600
Current assets	100	150
Stock	50	60
Current liabilities	45	120

1 (a) State **three** ways of measuring the size of CA.

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- 2.....  
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- 3.....  
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[3]

(b) Discuss **two** features of a partnership.

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- 2.....  
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[4]

(c) Evaluate **two** reasons why CA changed from an integrated manufacturing, building and selling company, into one which franchises the building and selling of its house kits.

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- 2.....  
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[4]

**(d)** Explain **two** reasons why CA may have changed from a partnership to a private limited company.

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[4]

**[15]**

2 CA has changed from a small partnership operating in one country to a large multinational operation. The need to know what is happening in the business has become even greater.

(a) Define the term *effective communication*.

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[2]

(b) Explain why written communication can be a good option for a large firm such as CA.

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(c) Suggest **three** barriers to effective communication at CA, and explain how they might be overcome.

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[15]

3 As CA expands into new markets and countries, it has a lot to consider and decisions to make.

(a) (i) Define the term *cost benefit analysis*.

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[2]

(ii) Evaluate **one** problem with using cost benefit analysis.

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(b) Assess why is it appropriate to CA to consider the following factors.

(i) raw materials

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(ii) tariff barriers vs. quotas

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[3]



(iii) difficulties with the labour force

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(c) Identify and explain **two** possible economies of scale CA might experience.

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[15]

4 (a) Define the term *liquidity*.

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(b) (i) Calculate the Acid Test ratios for 2016 and 2017. Show all your calculations.

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(ii) Comment on your results in (b) (i).

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[2]

(c) (i) Calculate the Net Profit ratios for 2016 and 2017.

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(ii) Comment on your results in (c) (i).

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**(d)** How can CA improve their working capital?

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[20]

5 (a) Define the term *trade union*.

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[2]

(b) Discuss **two** benefits for a worker of CA to belong to a trade union.

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(c) How can quality circles improve the motivation of the workers?

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**(d)** Assess the suitability for CA of adopting the democratic leadership style.

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**(e)** Examine **two** possible benefits of quality control to CA.

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[20]

6 (a) Define *economic growth*.

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[2]

(b) HIV/AIDS is a challenge to many businesses.

Suggest the effects which HIV/Aids could have on the productivity of CA.

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**(c)** Examine the possible effects of multinational companies (MNC) such as CA to the Namibian economy.

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