Centre Number	Candidate Number	Candidate Name

NAMIBIA SENIOR SECONDARY CERTIFICATE

BUSINESS STUDIES ADVANCED SUBSIDIARY LEVEL

8245/2

PAPER 2

1 hour 45 minutes

Marks 60

2022

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.

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Q	**Marks**	**Marker**	**Checker**
1			
2			
3			
Total			

ADVANCED SUBSIDIARY LEVEL

This document consists of **11** printed pages **1** blank page.

Republic of Namibia

MINISTRY OF EDUCATION, ARTS AND CULTURE

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Easy Go

Easy Go is a Namibian company and a leader in the design and manufacturing of durable school bags. The bags are of high quality at an affordable price for all scholars. Easy Go designs a unique range of school bags that suit students of different ages. The bags are designed for comfort.

Easy Go's production manager bought advanced machinery to produce the school bags. The machinery will help the business to reach its maximum capacity, but at this stage Easy Go is underutilising its resources. It will need relatively unskilled workers in the factory to do repetitive tasks in the production process.

Easy Go has extra floor space available and decided to rent it to another company.

The financial manager is concerned about the impact on cash flow of Easy Go after buying the new machinery in January 2022.

The management of Easy Go used the cash flow forecast to take decisions for the new financial year.

Currently Easy Go does not use division of labour in the factory. However, to meet the current demand, Easy Go's managers are considering introducing specialisation to the production process.

The following information is an extract from the books of Easy Go for the month ended 31 December 2021.

	N$
Sales	88 000
Purchases	66 000
Insurance	12 500
Rent received	7 000
Wages	28 500

The forecasted information for January 2022 was given as follows:

Sales will increase by 20%.

Value of purchases is 75% of sales value.

Rent increases by N$24 000 per year.

Remaining expenses stay the same.

Customers always pay in cash.

For Examiner's Use

1 (a) Discuss the impact of quality assurance on Easy Go.

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(b) Assess the implications for Easy Go of operating under maximum capacity.

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For Examiner's Use

2 **(a)** Explain the term *cash*.

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(b) **(i)** Complete the cash flow forecast below by calculating the four missing figures.

Cash Flow Forecast of Easy Go for the month ended 31 January 2022

January	N$
Cash inflows	
Sales	1._____
Rent received	2._____
Total cash inflows	114 600
Cash outflows	
Purchases	79 200
Insurance	12 500
Wages	28 500
Total cash outflows	3._____
Net cash flow	4._____
Opening bank balance	(300)
Closing bank balance	(5 900)

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(ii) Advise Easy Go on how to deal with the forecast closing bank balance (**(b) (i)**) after buying the new machinery.

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For Examiner's Use

(c) Assess the importance of cash flow forecasts for decision making by the managers of Easy Go.

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3 The production manager is deciding whether to introduce specialisation into Easy Go's factory.

Advise the manager whether the company should introduce specialisation or continue with the current production process.

In your report you should include:

- The meaning and purpose of specialisation.
- Advantages and disadvantages of specialisation.
- A conclusion about the usefulness of specialisation.
- A clear recommendation whether the business should introduce specialisation or not.

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