

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

**2019**

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	
<b>1</b>	
<b>2</b>	
<b>3</b>	
<b>4</b>	
<b>5</b>	
<b>6</b>	
<b>7</b>	
<b>Total</b>	

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

This document consists of **15** printed pages and **1** blank page.



Republic of Namibia

**MINISTRY OF EDUCATION, ARTS AND CULTURE**

In 2003 three friends, Wendy, Cathy and Lizzy, became partners and started a cellular communications business, WCL, selling phones and accessories from a single store in Windhoek. They have a simple business philosophy – they buy materials in and then resell them for double the buying price. They strictly control all other business expenses. The business has been a great success so far and they are now ready for expansion. They are planning to open up to three new stores a year, for the next three years, located around the country, after which they will review the situation. This expansion plan is limited by the desire of the partners to finance any expansion internally, utilising cash reserves. Thus finance is not a problem, but they are worried about the staffing needs for the new stores, and how the business will be managed.

They have several questions to answer about what to do in order to attract and keep the best staff, and how to manage them. Each store will need a manager, and staff to work under them. Wendy wants the management to be fully responsible for their workforce and the overall performance of their branch. She wants them all to share in the profits of the business, and suggests that 20% of the annual profit is allocated to staff according to their salaries.

Cathy is not keen on this proposal. She proposes that a bonus be paid to the managers, depending on the success they achieve in meeting their set and agreed sales targets. She does not like the idea of taking profits out of the business, preferring to invest the profits back into the business in order to finance growth.

Lizzy, the partner who manages the finance and accounting function within the business, is happy to leave these decisions to her other partners. So far the business has managed to finance itself without the need for long term loans.

Whichever system they adopt, they all agree that it should encourage all staff to contribute fully to the success of the business.

**1 (a) (i)** Identify the main internal stakeholders in this case.

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[2]

(ii) Explain with examples from this business the conflict of objectives that might arise between the various internal groups involved.

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[4]

(b) (i) Give **two** examples of fringe benefits that might be offered to store managers.

1 .....  
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2 .....  
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[2]

(ii) Explain the advantages to WCL of introducing a “profit-sharing” scheme for the store managers.

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[5]

(c) Give **two** reasons why comparing the size of companies by profit may be misleading.

1 .....

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2 .....

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[2]

[15]

**Question 2 starts on page 6**





3 (a) Give **two** reasons why businesses use different types of sales promotion. Use examples to help explain your answer.

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2 .....

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[6]

(b) Explain **three** extension strategies that WCL might use to extend the life-cycle of their product.

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[6]



**(c)** Why do you think E-commerce as a direct channel of distribution would be an appropriate channel for this business?

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[3]

**[15]**

- 4 (a)** Businesses want to locate in the best possible area. Taking into account factors such as cost of land, transport and customers.

Why do governments try to influence these location decisions?

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[4]

- (b)** If this company were to expand quicker, evaluate the case for and against financing this expansion with a long-term loan.

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[8]

(c) Define and explain the term *a business plan*.

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[3]

[15]



(c) Identify **three** reasons why business managers might set growth as a business objective.

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2 .....

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3 .....

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[3]

[15]



Calculation at top of page.

*For  
Examiner's  
Use*

**[15]**

