

Centre Number	Candidate Number	Candidate Name
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NAMIBIA SENIOR SECONDARY CERTIFICATE

BUSINESS STUDIES HIGHER LEVEL

8336/2

PAPER 2

2 hours 30 minutes

Marks 100

2017

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.

For Examiner's Use	
1	
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<i>Marker</i>	
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This document consists of **15** printed pages and **1** blank page.



Republic of Namibia

MINISTRY OF EDUCATION, ARTS AND CULTURE

SMOSKIN (Pty) Ltd

Smoskin (Pty) Ltd was officially registered in 2010 to manufacture body cream and lotions in Namibia. Today Smoskin (Pty) Ltd is a member of the Namibia Manufacturers Association.

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"Starting a company is not a one day task" said Lucy, the Managing Director. "It requires a compilation of documents and a sound business mind. Finance and lack of reliable suppliers were our key challenges."

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Despite all of those challenges Smoskin (Pty) Ltd currently supplies leading **retailers** in the country.

In order to increase its operational capacity, Smoskin (Pty) Ltd invested in new modern **packaging** equipment and a new efficient printing machine.

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Smoskin (Pty) Ltd has been trying very hard to increase staff morale and the Board of Directors agreed to the union proposal to provide a platform for workers' opinions. This has resulted in workers being given the opportunity to serve as Workers' Director and on the Works Council. In addition, communication networks will be restructured to have effective communication in the business.

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The Marketing manager recently commented that: "In order to remain competitive after operating for six years, it is essential for us to continuously improve our products to satisfy market needs".

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Smoskin (Pty) Ltd has announced its intention to expand its activities with a new range of hair shampoos and conditioners to maximise profits. The business also wants to recruit more employees and train them.

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"Opportunities exist to export our products to surrounding African countries to grow the market internationally. We are **adding value** to the Namibian economy by purchasing local raw materials. Discussions are underway with relevant stakeholders to explore the overseas' market," said Lucy.

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1 (a) Explain the following terms used in the case.

(i) *Retailers* (line 12)

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(ii) *Packaging* (line 15)

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(iii) *Adding value* (line 32)

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(b) Explain **one** reason why the directors of Smoskin (Pty) Ltd should plan ahead.

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(c) Discuss **two** drawbacks to Smoskin (Pty) Ltd from operating in a mixed economy country.

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Question 2 is on page 6

2 (a) Is Smoskin (Pty) Ltd operating in the formal or non-formal sector? Explain your answer.

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(b) Smoskin (Pty) Ltd plans to expand. It will need finance and will either use a new issue of shares or a long term loan.

Consider these two sources of finance and recommend which one Smoskin (Pty) Ltd should use. Justify your answer.

Share issue

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Long term loan

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Recommendation

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(c) Discuss **two** factors which shareholders will consider before deciding whether to invest in Smoskin (Pty) Ltd or not.

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3 (a) Smoskin (Pty) Ltd is a member of the Namibian Manufacturers Association (NMA). Explain the benefits to Smoskin (Pty) Ltd of joining this employer association.

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(b) Distinguish between the role of the Board of Directors and a Workers' Director in a business.

Board of Directors

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Workers' Director

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(c) Evaluate how both workers and Smoskin (Pty) Ltd will benefit from training of the workforce.

Workers.....

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Smoskin (Pty) Ltd.....

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4 (a) Differentiate between a job description and a job specification that a Human Resources Manager should compile before recruiting new workers.

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(b) Discuss **two** benefits to Smoskin (Pty) Ltd of distributing its products through retailers.

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(c) Analyse **two** sales promotion methods that could be used in marketing the new range of shampoos and conditioners.

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(d) How could the government assist Smoskin (Pty) Ltd to export their products? Justify your answers.

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5 Write a report to advise the Managing Director of Smoskin (Pty) Ltd on the best methods of communication that can be adopted in the business to communicate effectively with its workers.

Your report should include

- a brief statement of possible communication issues.
- advantages and disadvantages of different communication methods.
- a recommendation of the most appropriate methods of communication for Smoskin (Pty) Ltd to adopt.

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