EXAMINATIONS COUNCIL OF ESWATINI



EXAMINATION REPORT

FOR

BUSINESS STUDIES

YEAR

2023

PAPER 1 (521/01)

General Comments

The overall performance for the 2023 examination was dominated by poor responses to questions as compared to the past years. In most instances a majority of candidates had challenges in questions where they had to show application to the business in question. The **(d)** part in each question proved to be the most challenging in the whole paper and as a result it was poorly done by most centres. Once again teachers are urged to emphasise the use of command words when teaching the subject and to answer evaluative questions paying particular attention to the application part.

COMMENTS ON SPECIFIC QUESTIONS

Question 1

Overall performance of this question was fairly done.

(a) This question was fairly done by most candidates where they were to state four advantages of e-commerce. Some candidates failed to relate it to the stakeholder.

Expected responses were:

- · Attracts customers from all over the world
- Customers can buy anytime
- Customers do shopping from their home
- Saves costs-fewer staff and premises
- · May offer more range of goods
- **(b)** The question required candidates to explain the interest of government as a stakeholder. Generally, the question was well answered except that a few candidates could not mention the use of the tax collected and the fact that it is collected from the company's profit. The expected response was:
 - By regulating laws on how the business should operate. The business has to pay taxes to government on the profit made.
- (c) The question required candidates to explain two ways by which Excel Pro can create customer loyalty. A majority of candidates were able to answer this question correctly.

Expected response was:

- Providing excellent services [1k] from start to the lifespan of the business [1an]
- Except advice [1] given by Excel Pro on services or product of offered to customers [1an]
- (d) Most candidates failed to answer this question where they were to analyse how labour as a factor of production contributes to Excel Pro. Candidates were defining labour instead of analysing the effect of labour a factor of production.

Expected responses were:

• No production of services can take place without labour [1k]. The three assistants and customers [an] will now get their quality jeans [app].

• When workers are productive, they provide high quality services[k] which improves the country's economy as they are skilled [an]. Customers' needs of branded clothes [app] will be satisfied.

(e) This question was poorly answered by most candidates, they gave features of a sole trader, advantages of sole trader. Candidates were to give their views on whether it is beneficial for Excel Pro to operate in a market economy.

Expected responses were:

Advantages:

- Private ownership of resources
- Profit motive
- · efficient allocation of resources
- limited government intervention

Disadvantages

- Less concern for the environment
- Gap is widened between the rich and poor.

Evaluation:

Beneficial to operate in market economy as business will be competing with others which may lead to innovation.

Question 2

(a) The question required candidates to state four examples of extrinsic motivation. Generally, the question was well done by most candidates only a few candidates were giving only monetary rewards thus losing marks.

Expected responses were:

- Salary / wage / commission / bonus
- Clean working area
- Improved fringe benefits
- Manager praising hard working workers
- Allowing workers to partake in brainstorming sessions to improve workers skills
- (b) The question was poorly done, as most candidates explained MacGregor's theory X and Y when they were asked to explain Hertzberg's two factor theory of motivation. The expected response was:

The theory focuses on job motivation. It highlights the importance of both intrinsic and extrinsic needs. It differentiates between motivators which provide long term motivation and hygiene factors which provide short term motivation.

(c) Candidates were to differentiate between wages and salaries. The question was fairly answered. Most candidates could not show clearly the difference but instead they were defining salary, hence losing marks.

Expected responses were:

- Wages refers to an amount of money that employers pay their staff by the hour or day[k] is monetary payment to workers of varied amounts [an] whereas a salary is the amount of pay for an entire month or year [k]. Salaries are paid a specific amount / they are fixed [an]
- (d) The question was poorly done by most centres. Candidates failed to analyse the process of conflict resolution and display no knowledge of the process of conflict resolution.

Expected response was:

If the employer and worker cannot agree on particular grievances such a matter is passed on to CMAC (k). CMAC can try to resolve the issue through Conciliation, Mediation and Arbitration [an] if the matter is not resolved a certificate of unresolved dispute is issued [an] and then the matter is taken to the Industrial Court [k] where it will be dealt with but if a particular party is not satisfied [an] with the ruling then the Industrial Court of appeal [k] will be used which issues a final ruling [an].

(e) The question was poorly answered, candidates failed to evaluate whether Glow Paints should use telephones as a means of communication. Most candidates were discussing a cell phone instead of a telephone. Expected response was:

Advantages

- They can be used together with fax machines [k] this makes it easier for management to send samples of paints [app] to different department for viewing [an].
- It is less expensive than other communication methods.
- It is the most available means of communications.

Disadvantages

- Messages exchanged may not be well understood because of lack of face-face interaction.
- They can be affected by network. Even if management has an important order for a customer [app] they can find it difficult to convey such message to the concerned department on me [an].

Question 3

Most centres performed very poorly in this question.

(a) Most candidates were giving examples of supermarkets where they were to state four examples of physical markets in eSwatini.

Expected response was:

- Shopping malls
- Street markets
- Car dealers
- Insurance houses
- (b) This question was done very poorly. Candidates were expected to explain the first step in conducting market research. Most candidates identified the types of market research while others did not attempt it at all.

The expected response was:

Identify the research problem [k] which means defining the purpose of understanding the research in order to define the objectives and set the right questions [2k]

(c) The question was poorly done. Most candidates were unable to identify the factor (culture/religion). A few were able to explain the socio-cultural factor that can affect the pig market.

Expected response was:

Factor culture or religion [1k]

These are characteristics of individuals/groups in a community[k] values customs and norms other culture/religion [1app] can affect the market for pigs as they do not eat pork[1app].

(d) The question required candidates to analyse how price is of importance to customers in pig farming. Most candidates could not answer this question even those who were able to identify the point failed to analyse and apply.

Expected response was:

- In the demand for a products price plays an important role [1k] when the price of pork[1App] per kg is high customers will buy alternative meat products [1an]
- Price will be acceptable to customers if the value they get is equal or more than money paid
 for the product. Customers will be more than willing to pay a higher price if they feel the
 quality of the meat [App] is worth the price [1an]

(e) This question was poorly done, candidates were explaining advantages and disadvantages of market research in general whereas the question required them to argue if using observation when conducting market research was a good idea for pig farmers.

Expected response was:

Advantages

Relatively cheap method of gathering data [1k]

Researcher watches individuals on their daily purchases [1app] pork without interacting with them [an]

Disadvantages

The information does not give reasons for consumer decisions. Researcher's information may make false conclusions as why some people would be buying pork.

Evaluation

Through observation the researcher's data may be more accurate as you see for yourself the frequency of customers [1app] actually buying the meat[2k] pork because it was low price [2ev].

Question 4

(a) Candidates were asked to state four types of demand, the question was well answered.

Expected responses was:

- Complementary/Joint
- Composite
- Competitive
- Derived
- **(b)** The question was poorly done as most candidates showed no understanding of market demand instead defined demand in general.

Expected response was:

This is the total quantities [k] of a product that buyers would be willing [k] and able to buy at different prices[k]

(c) The question was fairy done as most candidates were able to explain the first part of the question ignoring the other part of the law demand, hence losing marks. Candidates were expected to explain the relationship between price and quantity regarding the law of demand.

Expected Response was:

- When price of a good/service is high [1] quantity demanded is low[1] when price of a good/service is low[1] quantity demanded will be high[1] or
- There is an inverse relationship between price and quantity demanded.
- (d) Fairly answered question as most candidates were able to identify the benefits of internet to the car hire business but failed to apply it to the business.

Expected response was:

- Can communicate instantly with customers[1k] information can reach anywhere fast [1]
 customers who need to hire cars can be aware of their availability at the shortest possible
 time[1an]
- Cost effective and efficient around the world, that Car Hire can be known by travellers [1app] coming to the country for holidays [1an].

(e) Explaining advantages and disadvantages of a partnership business was well done by most candidates, but some candidates lacked the application part of the question and thus losing marks.

Expected responses were:

Advantages

- Fewer legal formalities [k] which makes it easier for the partners to use the money for servicing the cars[app]
- · Sharing of duties

Disadvantages

- Limited capital [k] it may be difficult to expand the business which makes it difficult to even buy more cars [app] to add to the ones they have.
- Disagreements to partners may lead to delays in decision making

Evaluation

A partnership may not be ideal for the brothers as they have unlimited liability. Should they fail to pay the car suppliers they can be forced to sell their personal belongs to pay off the business debts. [2ev]

PAPER 2 (521/02)

General comments

The JC Business Studies Paper 2 is a case study-based paper. Candidates are expected to read and understand the case study before attempting questions. The case study has themes and questions are derived from those themes or topics. Candidates who read and understand the case study are more capable of answering all the questions with ease. In the 2023 paper, four assessment objectives were examined in a well-balanced manner. These assessment objectives are knowledge and understanding, application, analysis, and evaluation. Candidates were expected to demonstrate an understanding of all four objectives and be able to answer questions addressing each one of them.

The general performance in this paper was better as compared to the 2022 one. A slight improvement was observed, generally in most centres. Educators are encouraged to prepare candidates well on how to answer the four assessment objectives. It is also worth noting that candidates demonstrated an improvement in the application skill as some were able to apply almost throughout the paper though others still could not apply even once. Candidates must also be encouraged to revise before taking the exam. This could help them avoid losing the knowledge marks, as such demonstrates poor preparation.

Most candidates seemed to be ill-prepared for **Question 3 d** [advantages and disadvantages of having unionised employees, in the business]. On the contrary, **Questions 1 a & d**, **Questions 2 a & b** proved to be quite accessible for most candidates who managed to scoop good marks in these questions. Some candidates seemed to have a poor understanding of the command words which made them lose valuable marks, for instance, **part b of the questions** where candidates would either state the point only or explain without applying hence losing marks. The candidates were also losing marks in **part c of the questions**, where most candidates were just stating the advantages/functions/types without explanations or applying to the case, and part **d**, where they would fail to explain stated points. Centres are encouraged to ensure that candidates are taught the meaning and requirements of each command word so that candidates do not lose marks unnecessarily. Some candidates demonstrated a strong understanding of the evaluation questions and were able to score good marks while others had no clue of what the evaluation command words entailed. Centres are encouraged to give candidates enough practice on all command words, to improve the performance of candidates.

A decline in the number of candidates leaving blank spaces was observed and is commended. An improvement was also observed in the way in which candidates approach the evaluation questions. There were very few candidates who were listing points or numbering them. We applaud the educators and candidates for this great improvement. However, some candidates failed to use contrasting words when answering the evaluation questions, with some listing or numbering points and some taking stands in the introduction and failing to take a stand in the conclusion.

Comments on Specific Questions

Question 1

This question was based on the basic economic problem, nature, and functions of organisations and production chapters. The candidate's performance in the question was good. Most candidates were able to get at least more than half the marks in each part question.

- (a) In this question, candidates were asked to identify **three** wants of the citizens of Country X. The question was generally well attempted. Most candidates were able to correctly identify the wants of the citizens of Country X which were just general wants of human beings, for instance, cell phones, internet services, branded clothing, and many others.
- (b) This question required candidates to explain **one** difference between the needs and wants of the citizens of Country X. Most candidates correctly identified the difference but failed to apply to the case hence losing the application mark. Few candidates scored 1 or 0.
 - An expected answer would be; 'needs are goods and services essential for the citizens' survival [1k] e.g. food [1app], whereas wants are non-essential but desired for a comfortable life [1k].
- (c) In this question, candidates were expected to explain **three** advantages to country X of having a public corporation such as ZT Telecomz. The performance in this question was highly varied as some candidates could answer the question correctly whilst others could only state the points and some candidates just explained correctly the advantages of a public limited company. This made the candidates lose valuable marks. Centres are encouraged to emphasise the difference between the public corporation and public limited company. Most candidates were able to get the knowledge marks plus application or analysis marks. Candidates are encouraged to always explain the 'why or how' to earn higher marks, as the question requires that.

An **expected answer** would be;

- Low prices [1k] because the business can install landline telephones [1app] at affordable prices making citizens of the country access these services [1an].
- Provide employment [1k] they can hire a lot of citizens as they are owned by the
 government, whose aim is to reduce unemployment [1an]. For instance, ZT Telecomz
 employs more than fifty thousand workers in different departments [1app].
- Fair distribution of income and wealth [1k]
- Avoid duplication of services [1k]

(d) This was an evaluation question. Candidates were expected to analyse the advantages and disadvantages of specialisation to the business. The expectation was that candidates write in continuous form, analyse points fully by explaining how and why the point is an advantage and disadvantage, apply to the case, and conclude by taking a reasoned stand. Candidates performed very well in this question as they were able to evaluate the advantages and disadvantages of specialisation. A few candidates wrote in continuous form but did not analyse the points and very few listed the points. Some candidates evaluated the advantages and disadvantages of partnerships or limited companies. This was confusing but seemingly candidates decided to focus on the partners' specialising aspect and ended up losing marks. Some candidates took the stand at the beginning of the essay and not in the conclusion. Candidates should be taught that stands should be taken in conclusion.

Model answer

Specialisation benefits ZT Telecomz in several ways. Firstly, specialisation could make the telecommunications company [1app] save on tooling costs [k]. This is because the business will not need to buy a set of all the tools for each worker, but will only buy the tools relevant to his/her field [2an]. Secondly, the business could benefit from the production of high volumes of quality services [k], as the engineers [1app] become more skilled and fast due to repetition [1an]. On the contrary, specialisation could lead to production coming to a halt if a certain worker is absent from work [k]. This is because no one would be able to carry out the tasks of the absent worker as each technician [1app] knows only what he does [2an].

In conclusion, I think ZT Telecomz should continue specialising as it reduces training costs for the business. This is because training is done for only the few people affected not the whole team, hence saving on costs [2ev].

1 advantage explained and 1 stated = 3 marks [2 + 1]

1 disadvantage explained = 2 marks [2]

3 application in 3 different points = 3 marks

2 evaluation = 2 marks

[5an, 3app, 2ev = 10 marks]

Please note: a candidate is expected to analyse 2 advantages and 1 disadvantage OR 1 advantage and 2 disadvantages. All points must have application.

Question 2

The question was derived from business management, business communication, and information technology (ICT) topics. Candidates attempted this question very well and managed to attain good marks. Most of the candidates proved to be well-prepared for the questions or topics covered.

(a) In this question, candidates were expected to state **three** qualities of a good manager at ZT Telecomz. Generally, the question was well answered as candidates were able to state at least two qualities if not the three. However, few candidates gave qualities of a successful entrepreneur, which made them lose marks. This should serve as a reminder to centres that candidates should be taught what is in the syllabus, if more is taught that is beyond the syllabus coverage, then candidates should be informed that it is not for examination purposes.

Expected answers were; self-confidence, good communication skills, determination.

(b) Candidates were asked to explain one way of overcoming communication barriers that could be used by ZT Telecomz. The performance in the question was good. Candidates were able to get all marks or 2 marks. However, some candidates explained the types of barriers and thus lost marks.

Expected answer was;

- Use simple language [1k], the CEO could stick to a language that is easy to understand during meetings with the telecommunications business managers [1app, 1k].
- Use direct communication [1k], avoid third parties and a long chain of communication as it tends to distort the message [1app] being communicated[1k].
- Select appropriate channel of communication
- Create trust between parties
- Avoid offensive language
- Provide feedback
- Avoid being defensive
- Be emotionally balanced
- Listen carefully
- Create appropriate physical conditions

(c) The question required candidates to explain **three** functions of ZT Telecomz branch managers. Most candidates were able to identify the function but failed to analyse it. The common mistake was explaining for example '**planning**' using '**plan**'. Over the years, candidates have made this mistake. A candidate is not expected to explain a term using that same term.

Expected answer;

- Planning [1k] the telecommunications business managers [1app] need to decide what
 must happen in the future, set targets, and provide timelines so that the business moves in
 the right direction [1an]
- Organising [1k] the manager must bring together the needed resources and also form
 working teams. These teams will have all the necessary workers to achieve a certain goal
 [1an]. This might mean having a team of engineers both senior and junior [1app].
- Controlling [1k] the manager is responsible for monitoring and evaluating the performance
 of the telecommunication company [1app] to determine whether the business succeeded in
 achieving its goals or not [1an].
- Commanding [1k]
- Coordinating [1k]
- (d) In this question, candidates were asked to evaluate video conferencing as a platform of holding meetings for the CEO and managers. In answering the question, candidates were expected to analyse the advantages and disadvantages of using video conferencing to hold meetings and conclude by taking a stand. Candidates performed exceptionally well in this question and scored high marks.

Model answer.

Video conferencing saves traveling costs for the telephone company [1app] as the managers do not need to leave the premises of the branch they manage and travel to another branch to attend a meeting [2an]. Moreover, video conferencing allows participants to communicate as if they are in the same room. This would allow the senior engineers [1app] to show the managers samples of the latest telephone gadgets so that they have an idea of how they look and plan properly [1an]. However, using video conferencing for meetings could be a bad idea as there could be network interruptions leading to the participants missing out on vital information and also wasting time as points would need to be repeated [2an].

In conclusion, I would advise ZT Telecomz to use video conferencing for meetings as it saves time for the business. This is because the managers would not leave the premises to travel long distances for the meeting, they just attend in the comfort of their offices saving production time [2ev].

1 advantage explained and 1 stated = 3 marks [2 + 1]

1 disadvantage explained = 2 marks [2]

3 application in 3 different points = 3 marks

2 evaluation = 2 marks

[5an, 3app, 2ev = 10 marks]

Please note: a candidate is expected to analyse 2 advantages and 1 disadvantage OR 1 advantage and 2 disadvantages. All points must have application.

Question 3

The question was on business costs and trade unions. Most candidates were ill-prepared in this question, and as a result, they scored low marks.

(a) This question required candidates to identify **three** fixed costs incurred by ZT Telecomz branches. The question was poorly attempted as candidates identified types of costs instead of fixed costs.

Expected answers was: Rent, loan interest, insurance premium.

(b) In this question, candidates were expected to explain **one** advantage of budgeting to ZT Telecomz. Most candidates were able to identify and explain the advantage but could not apply to the case, hence losing the 1 mark for application.

Example answer:

- Use of money effectively [1k] the business is able to effectively use funds according to allocations so that funds for buying telephone gadgets are not used to buy cars [1app, 1k].
- Develop discipline [1k] ZT Telecomz CEO [1k] is able to control how the money is used
 which leads to avoidance of mismanagement of funds and using funds on unauthorized
 expenditures [1k].
- Way of communicating plans [1k]
- Helps set priorities [1k]
- Develop financial confidence [1k]
- Help achieve short- and long-term goals [1k]
- (c) Candidates were asked to analyse **three** types of industrial action that the union could organise for ZT Telecomz workers. This question was not well attempted. A majority of candidates analysed types of strikes instead of types of industrial action. This made the candidates lose a lot of marks as most of them got 1 correct industrial action. Some of those who got the industrial action correct failed to apply in their analysis and lost the application mark.

Expected answer was:

- strikes [1k] TWU could order the telecommunications workers [1app] to stop work until their demands have been met by management. This leads to a reduction in output [1an].
- Picketing [1k] the union can order the engineers [1app] and other employees to have demonstrations during certain times, such as lunch time. This does not interrupt the hours worked [1an].
- Go slow [1k] the tellers [1app] could deliberately work slower than usually thus affecting
 the number of transactions completed [app] in a day and frustrating the management [1an].
- Lock-out [1k]
- Work-to-rule [1k]

(d) The candidates were required to evaluate the advantages and disadvantages of ZT Telecomz having workers who are members of a trade union. A majority of the candidates did not perform well in the question. Most candidates failed to understand the stakeholder in question and thus missed the point. Centres are encouraged to teach candidates the importance of reading a question carefully and understanding the stakeholder so that they can answer questions correctly. Candidates seemed to have assumed the question was on the advantages and disadvantages of trade unions to employees. The candidates were expected to evaluate two advantages and two or one disadvantage of having employees that belong to a trade union, to the business, apply to the case in all points, and conclude.

Model answer

If the workers of ZT Telecomz belong to a trade union, valuable production time will not be lost negotiating with each employee. The business will negotiate with TWU Executive [1app] thus saving production time as the employees will continue working whilst management and union representatives negotiate [2an]. On the other hand, when members are unionised, the union could make unreasonable demands on wages of the telecommunications company workers [1app], which the business might not afford thus leading to an industrial action [2an]. Secondly, the negotiations process might take long as the union might need to touch base with TWU members [1app] during the course of the negotiations process, thus halting production [1an].

In conclusion, I would not advise ZT Telecomz to have workers who belong to a trade union. This is because there could be inter-union disputes thus leading to disruptions and delayed decisions [2ev].

1 advantage explained and 1 stated = 3 marks [2 + 1]

1 disadvantage explained = 2 marks [2]

3 application in 3 different points = 3 marks

2 evaluation = 2 marks

[5an, 3app, 2ev = 10 marks]

Please note: a candidate is expected to analyse 2 advantages and 1 disadvantage OR 1 advantage and 2 disadvantages. All points must have application.

QUESTION 4

The question was from barter trade and money and banking and means of payment topics. Generally, the performance in this question was not good. Most candidates managed to score half the marks or just below half. Most candidates failed to read the questions carefully and as a result they were answering what had not been asked. Even in this question, the stakeholders confused the candidates as they were not able to identify the stakeholder affected.

- (a) Candidates were asked to state **three** features of a commercial bank such as BN Bank. It was disappointing to see candidates failing to state the features of commercial bank but instead gave functions of a commercial bank. This made the candidates lose marks unnecessarily.
 - The **expected answers** Include; more than one commercial bank in a country, found in busy towns and streets, owned by shareholder, profit motive.
- (b) The question required candidates to explain one function of the money collected by ZT Telecomz. The performance of candidates in this question was highly varied. Some candidates explained characteristics of money whilst other identified the function but could not explain it. The problem of explaining using the key word was observed in this question again e.g. medium of exchange, money is used in the exchange of goods and services. This led to a loss of marks.

An **expected answer**;

- the medium of exchange [1k] it is used to facilitate the transfer of telecommunication services [1app] between clients and the parastatal [app, 1k].
- Store of value [1k] rewards for current labour can be saved in BN bank [1app] and used in future [1k].
- Unit of account [1k]
- Standard of deferred payment [1k]
- (c) In this question candidates were to explain **three** functions of the Central Bank of Country X. The question was well attempted though some candidates explained the functions of a commercial bank whereas others failed to apply thus losing marks.

An example of a correct answer;

- Prints notes and mints coins [1k] the bank is responsible for issuing the currency of Country X such that even when it is worn out, businesses such as the telecommunications one [1app] can easily exchange it at the bank for a new or better one [1an].
- Government bank [1k] it keeps government funds in safe custody and also manages the government account for the citizens of Country X [1an] [1app].
- Lender of last resort [1k] provides commercial banks with liquidity when the commercial banks have run short of cash yet clients like the communication business [1app] need cash [1an].
- Controls interests' rates [1k]
- Manages the national debt [1k]
- Regulates the banking system [1k]
- Advisor to the government [1k]

(d) The ability of candidates to evaluate the advantages and disadvantages of facilitating payment through cell phone banking at ZT Telecomz was sought. Some candidates confused cell phone banking for online banking. Most candidates ignored the stakeholder (ZT Telecom) thus giving wrong points, a majority of the candidates did not bother about the Appendix as a result could not provide the application from it, even some good candidates. The candidates were expected to evaluate two advantages and two or one disadvantage of facilitating payments through cell phone banking, apply to the case in all points (1 application should be from the appendix), and conclude.

Model answer

Facilitating payment through cell phone banking is safe for the communication business [1app] as there will be very little cash held in the premises [2an]. Secondly, it is convenient and fast as the tellers need not count money or change thus enabling the business to conclude 6000 more transactions per hour compared to cash transactions [1app, 1an]. On the other hand, cell phone banking could expose the business to fraud as hackers may hack the business account or scammers pretend they have paid leading to the telephone company [1app] losing a lot of money [1app].

In conclusion, I would advise the business to use the cell phone banking and not the cash as the money is instantly transferred to the business bank account thus saving the business trips to the bank [2ev].

1 advantage explained and 1 stated = 3 marks [2 + 1]

1 disadvantage explained = 2 marks [2]

3 application in 3 different points = 3 marks

2 evaluation = 2 marks

[5an, 3app, 2ev = 10 marks]

Please note: a candidate is expected to analyse 2 advantages and 1 disadvantage OR 1 advantage and 2 disadvantages. All points must have application, 1 application should be rom the appendix.