

EXAMINATIONS COUNCIL OF ESWATINI Junior Certificate Examination

CANDIDATE NAME		
CENTRE NUMBER	CANDIDATE NUMBER	

BUSINESS STUDIES

Paper 2

521/02 October/November 2021 1 hour 45 minutes

READ THESE INSTRUCTIONS FIRST

- **1.** Write your candidate name, centre number and candidate number in the spaces provided.
- 2. Answer all questions.
- **3.** Write your answers using **blue** or **black** pen in the spaces provided.
- **4.** Marks are given in [] at the end of each question or part question.
- 5. Special attention must be paid to legibility and neatness.
- 6. Name(s) of businesses/persons used in this paper are fictitious.
- 7. You may use a calculator.

For Examiner's	use
1.	
2.	
3.	
4.	
TOTAL	

REAL INSURERS PLC.

Real Insurers PIc is a local insurance firm that sells different types of insurance policies to individuals and organisations (indirect production). The policies are meant to compensate financial losses to customers who may have suffered injury, car theft, and retrenchment. Real Insurers PIc has expanded its business through external growth. The growth has led to changes in the company's factors of production. However, some of the directors don't want Real Insurers PIc to continue trading as a public limited company.

Real Insurers PIc uses modern ICT tools. It also runs a website to improve effective communication with its stakeholders. Some stakeholders like to communicate with Real Insurers PIc. using e-mails and video conferencing. However, a large number of the customers still use oral communication.

Real Insurers Plc promotes its products by awarding money prizes to customers who win competitions during road shows. Real Insurers Plc banks with VMB Bank. The two businesses advertise in each other's websites without exchanging money (barter trade). VMB Bank allows the company and its customers to use MoneyGram and online banking functions (services) when making transactions between each other.

The workers of Real Insurers PIc are members of the Eswatini Insurance Workers Union (EIWU). EIWU is affiliated to the Conglomerate Federation of All Workers (COFAW), which is known for organising joint industrial actions. Real Insurers PIc's CEO believes that workers should be motivated. The CEO suggested that the organisation's managers should use more of McGregor's Theory Y views instead of Theory X to motivate the workers.

APPENDIX A

	MONEYGRAM		ONLINE BANKING	
	Amount paid	Bank charges	Amount paid	Bank charges
Per day	E1 000 000	E 30 000	E 500 000	E 2000
Per week	E8 000 000	E110 000	E4 000 000	E 5000

Real Insurers Pic's payments to customers and VMB Bank's related charges

QUESTION 1

Real Insurers PIc expanded through external growth.

(a) Identify three forms of external growth that Real Insurers PIc could have used.

Form 1	
Form 2	
Form 3	[3]

3

(b) Explain one advantage of using indirect production to Real Insurers Plc.

Advantage	
Explanation	
	[3]

(c) Explain any three reasons why Real Insurers PIc may have decided to grow.

Reason 1
Explanation
Reason 2
Explanation
· · · · · · · · · · · · · · · · · · ·
Reason 3
Explanation
L

Some of the directors don't want Real Insurers Plc to operate as a public limited company.

(d) Do you think Real Insurers Plc should continue trading as a public limited company? Justify your answer.

[10]

[Total: 25]

QUESTION 2

Real Insurers PIc runs a website to improve communication with its stakeholders.

(a) Identify three useful pieces of information that could be found in Real Insurers PIc's website.

5

Information 1	
Information 2	
Information 3[3]	

(b) Explain one need for effective communication at Real Insurers Plc.

Need for communication
Explanation
[3]

Real Insurers Plc. uses different tools to communicate with its stakeholders.

(c) Analyse three Information and Communication Technology (ICT) tools that Real Insurers Plc could use to communicate with the stakeholders.

ICT tool 1
Explanation
ICT tool 2
Explanation
ICT tool 3
Explanation
[9]

6	For
Real Insurers PIc still uses oral communication methods such as phone calls to communicate with its customers.	Examiner's Use
(d) Do you think Real Insurers Plc should continue using oral communication with its customers? Justify your answer.	
[10]	
[Total: 25]	

For Examiner's Use

QUESTION 3

Real Insurers Plc promote its products by awarding money prizes to customers who win competitions during road shows. It also engage in barter trade with VMB bank.

(a) Identify three characteristics of money.

Characteristic 1	
Characteristic 2	
Characteristic 3[3]

(b) Explain one advantage of barter trade to Real Insurer's Plc.

/antage	
planation	
	[3]

VMB Bank provides a payment function (service) to help Real Insurers PIc customers when making payment.

(c) Analyse three other functions that VMB Bank could provide to Real Insurers Plc.

Function 1
Explanation
Function 2
Explanation
Function 3
Explanation
[9]

Real Insurers Plc chooses to pay its customers using VMB Bank's MoneyGram and online banking services.

(d) Using information from Appendix A and any other relevant information, recommend a payment method which is more suitable for Real Insurers PIc? Justify your answer.

[10] [Total: 25]

For Examiner's Use

The workers of Real Insurers PIc are members of the Eswatini Insurance Workers Union (EIWU). EIWU is affiliated to COFAW.
(a) Identify three types of trade unions in Eswatini.
Туре 1
Туре 2
Туре 3[3]
(b) Explain one benefit to Real Insurers Plc of having workers who are members of EIWU.
Benefit 1
Explanation
[3]
COFAW, as a federation, is known for organising joint industrial action.
(c) Analyse three types of industrial action that Eswatini Insurance Workers Union (EIWU)members may engage in.
Industrial action 1
Explanation
Industrial action 2
Explanation
Industrial action 3
Explanation
[9]

Real Insurers PIc's CEO suggested that the organisation's managers should use more of McGregor's Theory Y instead of Theory X to motivate the workers.

10

(d) Do you think Real Insurers Plc's managers should use McGregor's Theory Y instead of Theory X to motivate the workers? Justify your answer.

 	 [10]
	[Total: 25]

BLANK PAGE

11

BLANK PAGE

12

Permission to reproduce items where third party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (ECESWA) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.