



EXAMINATIONS COUNCIL OF ESWATINI
Eswatini General Certificate of Secondary Education

CANDIDATE
NAME

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CENTRE
NUMBER

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CANDIDATE
NUMBER

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BUSINESS STUDIES

6897/01

Paper 1

October/November 2024

1 hour 30 minutes

Candidates answer on the Question Paper.

No additional materials are required.

READ THESE INSTRUCTIONS FIRST

Write your name, centre number and candidate number in the spaces provided.

Write in dark **blue** or **black** pen.

Do **not** use staples, paper clips, highlighters, glue or correction fluid

Answer **all** questions.

You may use a **calculator**.

The businesses described in this question paper are entirely fictitious.

The number of marks is given in brackets [] at the end of each question or part question.

For Examiner's Use	
1	
2	
3	
4	
Total	

This document consists of **9** printed pages and **3** blank pages.

- 1 Gobblers is a new restaurant in the city centre set up by Jomo. Jomo needs an assistant and has drawn up a job profile for a Deputy General Manager. He plans to offer the job to an experienced cook. The new employee will help identify effective ways of motivating young workers and advise on suitable business locations for future restaurants. The Deputy General Manager's vacancy will be advertised on several media channels. Jomo is unsure whether to use a centralised or decentralised structure for the business.

(a) Define 'job profile'.

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..... [2]

(b) Identify **two** ways of motivating workers.

Way 1:

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Way 2:

..... [2]

(c) Explain **one** advantage of centralisation and **one** disadvantage of centralisation.

Advantage of centralisation:

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Explanation:

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Disadvantage of centralisation:

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Explanation:

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..... [4]

- (d) Explain **two** media channels that Jomo could use to advertise the Deputy General Manager's vacancy.

Media 1:

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Explanation:

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Media 2:

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Explanation:

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..... [6]

- (e) Do you think that a city centre business location will affect the success of Gobblers? Justify your answer.

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- 2 Pearl is a poultry farmer. She operates her business at a medium scale to avoid diseconomies of scale. The business has three departments, each specialising in a particular management area. Pearl often encourages her marketing department to use effective sales promotion methods to improve revenue. She has increased farm workers' productivity by giving employees opportunities for on-the-job training.

Table 2.1

Extract of Pearl's production data for the poultry farm		
	2023	2024
Average number of production workers	60	65
Total output per month	480 000	650 000

- (a) Define 'diseconomies of scale'.

.....

 [2]

- (b) Calculate the output per worker for each year. Show your working.

2023

 2024
 [2]

- (c) Explain **one** advantage and **one** disadvantage of specialisation.

Advantage:

 Explanation:

 Disadvantage:

 Explanation:

 [4]

- (d) Explain **two** methods of sales promotion that the business could use.

Method 1:

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Explanation:

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Method 2:

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Explanation:

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..... [6]

- (e) Do you think that on-the-job training is the best approach for improving the skills of farm workers? Justify your answer.

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- 3** Verox is a tertiary sector enterprise based in urban areas. The business specialises in the collection and management of waste. Verox experiences high average costs of production. The urban communities appreciate the external benefits from its operations. The business has a flat organisational structure. The management of Verox is worried that the government has increased the minimum wage rate for low-paid workers.

(a) Define 'tertiary sector'.

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(b) State the formula for calculating the average costs of production.

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..... [2]

(c) Explain **two** external benefits that the urban community gets from Verox's services.

External benefit 1:

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Explanation:

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External benefit 2:

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Explanation:

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- (d) Explain **two** advantages to Verox of having a flat organisational structure.

Advantage 1:

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Explanation:

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Advantage 2:

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Explanation:

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..... [6]

- (e) Do you think that the Government's policy of increasing the minimum wage rate would benefit Verox's low-paid workers? Justify your answer.

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- 4 Jason owns a small shop selling cell phones in Manzini city centre. He has obtained a government grant to boost his working capital. He imports cell phone brands from Asia that are still at the early stages of their life cycle. The low-cost Asian imports help to keep the business operating within its annual financial budget. Jason uses penetration pricing. When the business experiences a cash flow crisis, Jason delays payment to his Asian creditors.

(a) Define 'working capital'.

.....

 [2]

(b) State **two** possible stages of a cell phone's product life cycle.

Stage 1:

 Stage 2:
 [2]

(c) Explain **two** reasons why Jason prepares the annual financial budget.

Reason 1:

 Explanation:

 Reason 2:

 Explanation:

 [4]

- (d) Explain **one** advantage and **one** disadvantage to Jason of using penetration pricing.

Advantage:

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Explanation:

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Disadvantage:

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Explanation:

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- (e) Do you think that Jason's strategy of delaying payment to creditors is the best way of managing a cash flow crisis? Justify your answer.

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