



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**

**6897/02**

Paper 2

**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 on 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 **10** printed pages and **2** blank pages.

## Zamani Foods (Pty)

Zamani Foods (Pty) is a restaurant based in Matsapha. The company has similar aims to other private sector businesses. The directors have recently met and decided that the restaurant needs to consider horizontal growth as a way of increasing its size.

Like other local small-scale businesses, Zamani Foods (Pty) lost many of its customers due to the COVID-19 pandemic. Government has urged SMEs to apply for grants to boost their working capital. Zamani Foods (Pty) requires E35 000 to boost its working capital. Zamani Foods (Pty) directors are wondering if the grant would be better than acquiring a bank loan.

Zamani Foods (Pty) has decided to offer a diversified menu with more food options. These will appeal to more market segments and expand the customer base. The restaurant allows customers to place their orders through written electronic communication. In other similar businesses, electronic communications with customers have increased efficiency by raising labour productivity. Management has realised a need for a marketing manager and has decided to advertise the post internally.

## APPENDIX 1

### Grants for SMEs by the National Business Restoration Fund (NBRF)

This announcement serves to notify all Small and Medium Enterprises (SMEs) that NBRF has launched a relief grant to reduce the financial effects of COVID-19 on businesses.

All interested businesses are urged to apply for the grant from the beginning of January 2025.

Terms and conditions apply.

## APPENDIX 2

### Financial information extracted from Zamani Foods (Pty)

Items	2023 (E 000)	2024 (E 000)
Net profit	50	80
Revenue	400	400
Capital employed	250	260
Current assets	40	45

1 Zamani Foods (Pty) has similar aims to other private sector businesses.

(a) Explain **two** aims of Zamani Foods (Pty) as a private sector business.

Aim 1: .....

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Explanation: .....

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Aim 2: .....

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Explanation: .....

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**(b)** Do you think horizontal growth would be a beneficial way to expand the business? Justify your answer.

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- 2 Zamani Foods (Pty) is a small-scale business that has been affected by the COVID-19 pandemic.

(a) Explain **two** ways of measuring the business size of Zamani Foods (Pty).

Way 1: .....

Explanation: .....

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Way 2: .....

Explanation: .....

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**(b)** Advise Zamani Foods (Pty) on whether to apply for the grant or the bank loan. Justify your answer.

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- 3** Zamani Foods (Pty) has decided to offer more food options. These will appeal to more market segments and expand the customer base.

**(a) (i)** Explain **one** advantage to customers of more food options.

Advantage .....

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Explanation .....

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**(ii)** Explain **one** disadvantage to Zamani Foods (Pty) of offering more food options.

Disadvantage .....

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Explanation .....

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**(b)** Do you think the use of written electronic communication with customers might improve productivity? Justify your answer.

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4 The management has decided to advertise the Marketing Manager's post internally.

(a) Explain **two** benefits of recruiting internally for this management position.

Benefit 1: .....

Explanation: .....

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Benefit 2: .....

Explanation: .....

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Using information from Appendix 2.

- (b) Calculate the company’s net profit margin for 2023 and 2024. Evaluate whether a bank would be likely to lend E35 000 to Zamani Foods to boost its working capital.

2023

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2024

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Evaluation .....

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