

BUSINESS STUDIES

SUBJECT 9198

PAPER 1

GENERAL COMMENTS

Generally, candidates performed much better than those of the previous year. There was a lot of evidence of mental preparedness in their responses to the question.

Most questions were done fairly well although the same cannot be said about the questions on quantitative aspects. Further candidates are advised to prepare thoroughly on the questions in order to avoid unnecessary loss of marks.

Overall, the quantity of the answers from most candidates was quite encouraging. This was evidenced in their good performance in the case study which might be rated the best in recent years.

COMMENTS ON INDIVIDUAL QUESTIONS

QUESTION 1

Performance on this question was average. Those candidates who got it right were able to show that de-industrialization is the decline in the importance of the secondary (manufacturing) sector of an economy.

A few mistook it to be a total removal of the sector, while others thought it was a form of integration.

QUESTION 2

- (a) This question was done extremely well. Only a few candidates lost marks if they treated directors and managers as different stakeholders. These are just managers at different levels in an organization.
- (b) Correct factors were given by most candidates and common were market share sales, capital employed and profits earned. However, some candidates had some difficulties in explaining the identified factors.

QUESTION 3

- (a) Almost every candidate obtained full marks on this question perhaps due to their practical Zimbabwean example.

- (b) Although most candidates were able to identify the difficulties faced by small firms, they also had difficulties in explaining them. Otherwise, the performance was good on this question.

QUESTION 4

Only a few candidates got this question right. Most did not take note of the word 'cash-flow' and this ended up giving ways of improving sales or performance in general.

QUESTION 5

- (a) Most candidates were able to distinguish marketing from selling by way of definitions only. Other important elements were difficult to come by. The following were expected:
- Marketing is market oriented while selling is product oriented or,
 - Marketing is profit oriented whereas selling is sales oriented.
- (b) Most candidates obtained 50% of the marks on this question. The commonest mistake was the identification of quality as a factor that influence demand for a product. No marks were awarded for this point since it is technically not correct.

QUESTION 6

Generally candidates were unable to deal with this question. The expected answers were basically an increase in selling price and decrease in variable costs, basing on the formula:

$$\frac{\text{Fixed Costs}}{\text{Selling price} - \text{variable costs}} = \text{break} - \text{even out}$$

QUESTION 7

Most candidates were able to see that the question was mainly focused on job production and they were able to give its advantages and disadvantages to Mr B. Banda's business. However, a few had their main focus on the business being a sole trader and hence they lost some marks.

QUESTION 8

- (a) Some candidates had problems with internal sources although retained profits, was a common answer. Others which were not common were reduction in working capital, rights issue, sale of surplus assets, etc.

Positively most candidates got the external sources of finance right.

However, answers like banks and government were not awarded marks as they are not sources of finance.

- (b) Most candidates were able to give an on-time of the factors and obtained full marks. However, those who tried to give some developments were found wanting on that aspect. Otherwise the question was managed well.

QUESTION 9

This was a two-sided question which most candidates did quite well. However, only a few had problems in giving the dark side of published accounts to a potential investor.

QUESTION 10

- (a) The expected definition was: 'A training programme is a process designed to maintain or improve current job performance'.

Since the question had no part marks most candidates struggled to come up with anything of substance. Some were defining training or giving its benefits to an organisation.

- (b) Most candidates were able to state the reasons for high labour turnover, while others had problems in explaining them.

Only a few candidates did not obtain a single mark for this question as they were looking at the turnover as in sales turnover. Some simply gave generalized answers like poor motivation hence loss of marks.

QUESTION 11

- (a) Generally candidates managed to show what an autocratic leadership style is making reference to the relationship between the manager and his subordinates.

However, some candidates lost marks because their answers were pointing at centralization.

- (b) Appropriate circumstances were given by many candidates accompanied by good explanations.

QUESTION 12

(a) & (b) Candidates were basically in two categories: those who had done this topic and those who had not, with the latter having the greater percentage. Presenting the information on a decision tree diagram was a real nightmare for many hence they could make a choice.

Those who managed to draw the diagram and make mistakes in their calculations could obtain marks for making the right choice from their wrong figures (own figure rule).

QUESTION 13

This question was done quite well by most candidates. They did manage to identify the stakeholders and show how they were affected by the strike. Contextual examples were given.

Only a few candidates were not able to identify the stakeholders hence loss of marks.

Some identified two stakeholders which belonged to the same category: passengers and industrialists (both are customers) hence they lost marks.

Other most of them obtained very high marks if not full marks.

QUESTION 14

The question required a detailed discussion of the merits and demerits of rail transport which most candidates gave.

However, full marks could only be obtained if reference was made to the region and products delivered through the rail and some candidates did not to justice to this aspect.

Generally, the question was done well.

QUESTION 15

Candidates were expected to give an evaluation of motivational factors using appropriate theories in context of the case.

Most candidates could give the factors as well as appropriate theories but the flip side was hard to come.

Only a few extremely brilliant candidates included that aspect in their responses to the question.

On the whole, candidates obtained good marks on this question.