ZIMBABWE SCHOOL EXAMINATIONS COUNCIL

General Certificate of Education Advanced Level

BUSINESS STUDIES 6025/2

PAPER 2

JUNE 2019 SESSION 3 hours

Additional materials:
Answer paper

TIME 3 hours

INSTRUCTIONS TO CANDIDATES

Write your name, centre number and candidate number in the spaces provided on the answer paper/answer booklet.

Answer **all** questions in Section A and any **three** from Section B.

Write your answers on the separate answer paper provided.

If you use more than one sheet of paper, fasten the sheets together.

INFORMATION FOR CANDIDATES

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

You are advised to spend not more than 45 minutes on Section A.

The businesses described in this paper are entirely fictitious.

You are reminded of the need for good English and clear presentation in your answers.

Calculators may be used.

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Section A: Data Response [25 marks]

Answer **all** questions in this section.

1 Read the passage below and answer the questions that follow.

Sigma Pastries

Sigma Pastries was established several years ago by Sign Maka, its founder. The Harare based business produces pastry products mainly sold to fast food outlets in the capital's Willowvale Industries area. Competition is stiff in this area as several businesses ply their trade there.

Despite the high level of competition in the pastry market, the sales of Sigma Pies continue to grow. The latest monthly sales for the year ended 31 December 2018 (see Appendix below), are by far the highest to date. This was confirmed by Willowvale Industries Business Association (WIBA), an association to which Sigma Pastries belongs. WIBA indicated that its market share was at 20%. The trend in sales has been attributed to the owner's personal involvement in the day to day running of the business and the commitment of his employees.

However, the noted increase in Sigma Pastries sales has been made insignificant by a more than proportionate increase in market sales as revealed in WIBA's latest publication. Sigma Pastries stakeholders have been baffled to notice that their business' market share has declined to 10%, yet sales have continued to rise. This has prompted Sign Maka to seek clarification from a marketing expert.

Appendix

Sigma Pastries monthly sales for the year ended 31 December 2018

	$
January	12 000
February	11 600
March	11 400
April	11 300
May	10 200
June	9 400
July	9 500
August	10 800
September	11 200
October	12 000
November	12 000
December	13 000

(a) Explain the meaning of the following terms as they are used in the passage.

(i) market share, [3]

(ii) stakeholders. [3]

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(b) From the Appendix, calculate the following measures of central tendency:

(i) mean sales, [2]

(ii) median sales, [2]

(iii) modal sales. [1]

(c) Suggest explanations the marketing expert might give for the decline in market share despite growing sales. [4]

(d) Evaluate the benefits of Sigma Pastries' form of business ownership. [10]

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Section B: Essays [75 marks]

Answer any **three** questions from this section.

2 Assess the appropriateness of criteria that might be used for comparing the size of any **two** businesses. [25]

3 **(a)** Explain the advantages of having state-owned enterprises. [10]

(b) Evaluate the significance of privatisation to an economy. [15]

4 Critically examine non-financial methods of motivation that a bank might employ for its workers. [25]

5 **(a)** Justify why some organisations adopt the hierarchical organisational structure. [10]

(b) Evaluate the benefits of decentralisation to a business. [15]

6 **(a)** Explain why a manufacturer might segment the market for shoes. [10]

(b) Evaluate the appropriateness of primary research methods to a business. [15]

7 **(a)** Explain why a manufacturer of detergents might develop new products. [12]

(b) Discuss the factors that can influence price of a new detergent brand. [13]

8 **(a)** Suggest why quality products are important to an organisation. [10]

(b) Assess the importance of benchmarking in setting quality standards. [15]

9 **(a)** Describe circumstances under which a business might require finance. [10]

(b) Discuss the effectiveness of methods that a business might employ to improve control of its working capital. [15]

10 With the aid of a suitable diagram, discuss the importance of Break-even analysis. [25]

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