ZIMBABWE SCHOOL EXAMINATIONS COUNCIL

General Certificate of Education Advanced Level

BUSINESS STUDIES 6025/1

PAPER 1

NOVEMBER 2018 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.

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 2 hours 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 [70 Marks]

Answer **all** questions.

1 (a) Name any **two** types of businesses found in the private sector. [2]

(b) Explain the effect of corporate culture to a business. [4]

2 Two giant shoe manufacturing firms are considering a merger. Analyse the likely impact of this decision to consumers. [5]

3 (a) Draw a typical example of a matrix organisational structure. [3]

(b) Explain **one** advantage and **one** disadvantage of a matrix organisational structure. [4]

4 Assess the effectiveness of induction training to a car manufacturing firm. [4]

5 (a) Give any **two** advantages of desk research. [2]

(b) How important is research and development to an airline firm? [5]

6 (a) Explain the importance of promotional budget. [4]

(b) Evaluate the usefulness of the Boston Matrix to a firm which offers a wide range of products. [4]

7 (a) A firm bought a vehicle costing $20 000 with an estimated life span of five years and a scrap value of $5 000. Calculate the net book value of the vehicle at the end of year two, using the following depreciation methods:

(i) the straight line method [2]

(ii) the reducing balance method at 20% per annum. [3]

(b) Outline any **two** causes of depreciation. [2]

8 (a) What are the advantages of using average rate of return in making an investment decision? [4]

(b) How useful is sale and lease back to a carpentry firm that is struggling to improve its cash flows? [4]

9 (a) Why is it important for a firm to benchmark its products against those of its competitors? [3]

(b) Explain **one** advantage and **one** disadvantage of quality assurance. [4]

10 Comment on the effectiveness of just in time as a stock control method to a timber processing firm. [4]

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11 What is the importance of time series analysis in sales forecasting, to a firm that manufactures umbrellas? [4]

12 Assess the role of computers to a clothing manufacturing firm. [4]

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Section B [30 marks]

Read the following case study and answer **all** the questions that follow.

KEMBO TILES LTD

Kembo Tiles Ltd is a reputable manufacturing company in Zimbabwe which produces quality and reliable roofing products, mainly roofing tiles.

The harsh economic climate has presented some challenges to most manufacturing businesses in Zimbabwe and Kembo Tiles Ltd has not been spared. Some of the challenges include increasing level of unemployment, limited access to credit facilities and increasing competition from cheaper imports.

Recently Faith Rudairo, the Managing Director of Kembo Tiles Ltd, attended a workshop whose theme was centred on survival strategies for businesses in harsh economic environments. At the workshop Faith was mostly interested in the presentation by a Japanese team which dealt on production techniques in line with lean manufacturing.

In her feedback meeting with her immediate managers Faith explained her new approach to business which would change the fortunes of Kembo Tiles Ltd. This approach involved adopting and implementing lean production methods like just in time, computer aided designs, time based management, Kaizen (continuous improvement) and team working.

All the managers present at the meeting were excited by the envisaged change except for the Human Resources Manager who looked worried, questioning himself, "How is the workforce at large going to react to this envisaged change?"

13 Explain the elements in the harsh economic climate that affected Kembo Tiles Ltd. [10]

14 Discuss the likely reactions to the envisaged change by the workforce of Kembo Tiles Ltd. [10]

15 With reference to the lean production methods mentioned by the Managing Director of Kembo Tiles Ltd, evaluate lean production. [10]

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