ZIMBABWE SCHOOL EXAMINATIONS COUNCIL

General Certificate of Education Advanced Level

BUSINESS STUDIES 6025/1

PAPER 1

NOVEMBER 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.

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 State **three** ways the government can use to assist small firms. [3]

2 **(a)** Identify any **two** forms of business growth. [2]

(b) Explain the benefits to your country of joining economic groupings. [4]

3 **(a)** What is target marketing? [3]

(b) Give **two** qualitative factors which may lead to relocation of a firm. [2]

4 **(a)** List any **two** factors that influence pricing decisions. [2]

(b) Distinguish between niche marketing and mass marketing. [4]

5 **(a)** Name any **two** users of financial statements. [2]

(b) Distinguish between debt and equity. [4]

6 **(a)** State any **two** non-financial motivators. [2]

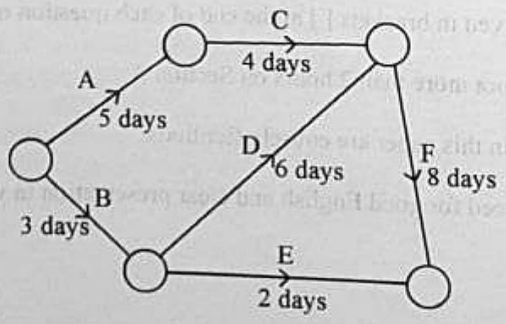
(b) Explain the importance of the Hawthorne effect to a firm's management. [4]

7 **(a)** Define the following words as used in network analysis:

(i) node, [2]

(ii) activity. [2]

(b) A project manager came up with the following network diagram.



(i) Calculate the earliest starting time of activity F. [2]

(ii) Calculate the duration of the project. [1]

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8 Assess the importance of internal recruitment to an organisation. [4]

9 **(a)** Outline the benefits of delayering to an organisation? [3]

(b) To what extent is an organisational chart of significance to a business? [5]

10 **(a)** Give **one** advantage and **one** disadvantage of grapevine to an organisation? [2]

(b) Analyse the importance of **two-way** communication in business. [4]

11 **(a)** State the purposes of working capital to a business. [2]

(b) To what extent are budgets important to a large business? [4]

12 **(a)** Define work study. [3]

(b) Describe the usefulness of quality control to an organisation. [4]

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Section B [30 marks]

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

BRICKS 2020 LTD

Bricks 2020 Ltd is an incorporated company based in Harare. It produces over 50 000 special face bricks per day. The firm employs 24 full time workers. The firm's capacity utilisation is able to satisfy current demand. Recently the local council made available many housing stands to residents. Coupled with an increase in incomes, demand for special face bricks increased.

Daily orders placed by construction firms now surpassed the firm's daily production levels. This forced the production manager to call for a departmental meeting to map the way forward. A number of possible solutions were raised which included:

1. employing additional workers and

2. computerising the production process.

The outcome of the meeting was communicated to the top management through a comprehensive report.

The production manager was invited by top management to justify the options. During the meeting the production manager preferred the option of computerisation of the production process. According to him this will allow the firm to take advantage of Computer Aided Design (CAD) and Computer Aided Manufacturing (CAM). This he argued will improve quality of bricks produced and drastically increase production levels.

The production manager, however, highlighted that this would need a high capital outlay. The finance director who was also present, indicated that the funds could not be raised internally because of the nature of the program which is highly capital intensive.

13 **(a)** **(i)** Identify **two** communication methods used in the case study. [2]

(ii) State **one** advantage of each method identified in **13(a)(i)** above. [2]

(b) Outline the costs of establishing a brick manufacturing plant to the community. [2]

(c) Explain the importance to the firm of being an incorporated business. [4]

14 To what extent is the introduction of Computer Aided Manufacturing (CAM) of importance to Bricks 2020 Ltd? [10]

15 Discuss the possible long term sources of finance Bricks 2020 Ltd might use to fund the computerisation programme. [10]

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