ZIMBABWE SCHOOL EXAMINATIONS COUNCIL

General Certificate of Education Advanced Level

BUSINESS STUDIES 6025/1

PAPER 1

NOVEMBER 2022 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.

This question paper consists of 5 printed pages and 3 blank pages.

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Section A: [70 marks]

Answer **all** questions.

1	(a)	Name any **two** forms of non-financial motivators managers may use.	[2]
	(b)	Evaluate the importance of McGregor's Theory X to a firm's management.	[4]
2	(a)	State any **two** measures of central tendency.	[2]
	(b)	Analyse the importance of a network diagram to a construction firm.	[5]
3	(a)	Identify any **two** problems encountered when drawing up a project proposal.	[2]
	(b)	Explain the purpose of the Executive Summary in a business plan.	[4]
4	(a)	State any **two** unethical issues practised by businesses.	[2]
	(b)	Explain the advantages of lean production to a firm.	[4]
5	(a)	Give any **two** approaches to costing.	[2]
	(b)	Assess the usefulness of Accounting Rate of Return (ARR).	[4]
6	(a)	Distinguish between time-rate and piece-rate systems of remuneration.	[4]
	(b)	Evaluate the significance of forecasting to a business.	[4]

7 **(a)** Define a cost centre. [2]

(b) A retailer sells his furniture on credit and provides the following information for a month.

	$
Trade receivables	30 000
Total credit sales	120 000
Total cash sales	90 000

(i) Calculate the debtors' / trade receivables' collection period. [2]

(ii) What are the benefits of calculating trade receivables' collection period to the business. [2]

8 **(a)** Explain the problems of grapevine in business communication. [4]

(b) Describe the role of Information and Communication Technology to the Human Resources Department. [4]

9 Examine the relevance of a matrix structure to a large organisation. [4]

10 Evaluate the importance of privatisation to the economy of your country. [4]

11 Justify the reasons why managers may use memos in business communication. [4]

12 Evaluate the benefits of all channel communication network to an educational institution. [5]

Section B [30 Marks]

Read the following Case Study and answer **all** the questions that follow.

SITSHWE BAKERY

Sitshwe Bakery was formed in 2010 by two friends, Phulan and Notts, who had been retrenched from one of the biggest bakeries in the city. After receiving their retrenchment packages, they considered a number of business options. In the end they settled for a moderate size bakery.

They teamed up with other shareholders to form a private limited company. Notts, because of his qualifications, became the marketing manager while Phulan was appointed the chief Executive Officer of the firm. Other department positions were filled in by well qualified personnel from the initial shareholders. The bakery, according to Notts, was going to take advantage of gaps in the market in order to increase the appeal of their products, market share and the firm's profits.

In a board meeting convened before the firm's operations started, the marketing manager explained two main options he envisaged their firm to take. One option was to produce confectionary products which appeal to the majority. This may take the form of producing ordinary bread and other related products. These will be sold at low prices. This is expected to increase the firm's sales as well as increasing the chances of business expansion.

The other option was to produce special type of products. The examples explained by Notts included producing high quality milk bread and the production of unique special function cakes. These products will be sold to those special parts of the market which can pay the price. This is expected to yield huge profits for the firm.

Both options presented by Notts were accepted. These two options have been put to practice and are now the reason why the firm is performing so well in the market.

Sitshwe Bakery's improving performance has forced the Chief Executive Officer to ask the finance manager to make an application for a bank loan for expansion. Below is a table of information prepared and forwarded to Acca bank manager, together with other relevant documents.

Year	**2012**	**2013**	**2014**
Sitshwe Sales ($)	50 000	150 000	450 000
Sitshwe Profits ($)	20 000	90 000	200 000
Industry Sales ($)	500 000	630 000	650 000

Despite the seemingly attractive performance of the firm, Notts feels that the sales can still be improved in one way or the other.

13 **(a)** State any **two** functional managers mentioned in the passage and any **one** not mentioned. [3]

(b) **(i)** Using the table in the passage, calculate Sitshwe Bakery's market share for the years 2013 and 2014. [2]

(ii) Explain the possible reasons why the firm's market share identified in **b(i)** above changed over the two years. [5]

14 Analyse the pricing strategies used by the firm to increase its sales. [10]

15 Evaluate the benefits of producing quality products to Sitshwe Bakery. [10]