Name: _____________________________________ Class: _______________

<table>
<thead>
<tr>
<th>SECTION</th>
<th>A</th>
<th>B</th>
<th>C1</th>
<th>C2</th>
<th>D</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>MARKS</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>100</td>
</tr>
<tr>
<td>STUDENT’S MARK</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ANSWER ALL QUESTIONS IN THIS SECTION
Tick the correct answer in the space provided. Each question carries 2 marks each.

1. The following can be classified as basic needs:
   (a) education, medicine, sports
   (b) food, shelter, clothing
   (c) entertainment, alcohol, parties

2. Production is that economic activity which
   (a) provides us with goods and services.
   (b) helps us to spend a lot of money.
   (c) is done in order to make machines work.

3. The following are examples of the manufacturing sector:
   (a) woodwork factories, fishing, agriculture
   (b) tailoring, mining, the restaurant industry
   (c) textile factories, construction, carpentry

4. An economy in which there are both a public sector and a private sector of almost equal importance is called
   (a) a planned economy.
   (b) a free market economy.
   (c) a mixed economy.

5. The main difference between a public limited company and a private limited company is that a public limited company
   (a) can sell shares on the Stock Exchange while a private limited company cannot.
   (b) is owned by the state while a private limited company is privately owned.
   (c) is part of the public sector and a private limited company is part of the private sector.

6. The department responsible of the welfare of workers in a firm is the
   (a) production department.
   (b) human resources department.
   (c) marketing department.

7. A successful communication process requires
   (a) a chart, a report and a graph.
   (b) words, pictures and feedback.
   (c) clarity, concentration and correctness.

8. Delegation of authority is mostly related to
   (a) an autocratic style of management.
   (b) a democratic style of management.
   (c) a laissez-faire style of management.
9. The **most suitable method of transporting fuel** from one country to another is (a) air transport. (b) through pipelines. (c) sea transport.

10. The order of a **personalised** wedding dress by a bride is an example of (a) job production. (b) batch production. (c) mass production.

**SECTION B**

**20 MARKS**

ANSWER ALL QUESTIONS IN THIS SECTION. Each question carries 2 marks. Answer in the space provided under each question.

1. What do you understand by **direct production**?

2. What is the main difference between a **good** and a **service**?

3. What is a **chain of command**?

4. What do you understand by the term **working population**?

5. What is **structural unemployment**?
6. What is the **product life cycle**?

7. What is a **wholesaler**?

8. What is **field research**?

9. What is **limited liability**?

10. What do you understand by the term **land** as a factor of production?
SECTION C

ANSWER BOTH QUESTIONS IN THIS SECTION.

Answer these questions in the space provided under each question. Each question carries 20 marks.

Question 1 – Read the following passage and then answer the questions that follow:

John and Charles intend to start a new business producing office accessories such as pen holders, paper holders, etc. They wish to be sure they make the right decision about the selection of suppliers and stock control. They approached an adviser who suggested that they should have a purchasing department.

(a) The main function of the purchasing department is ___________________________ (2 marks)

(b) TWO (2) things that should be considered when choosing suppliers are ________

__________________________________________________________________________

__________________________________________________________________________ (4 marks)

(c) A stock control card (or a stock record card) is ____________________________ (2 marks)

(d) Define the following terms:

(i) Maximum stock level ____________________________ (2 marks)

(ii) Minimum stock level ____________________________ (2 marks)

(iii) Re-order level ____________________________ (2 marks)

(iv) Just in time ____________________________ (2 marks)

(e) A disadvantage of over-stocking is ____________________________ (2 marks)

(f) A disadvantage of under-stocking is ____________________________ (2 marks)
Mary and Carmen wish to start a new firm to import a new brand of handbags. They know that they have to compete with other established brands. They intend to use a market penetration price strategy to increase demand. They intend to import enough handbags in order to be able to supply the market according to the demand level.

(a) A brand name is ________________________________
______________________________ (2 marks)

(b) Firms use also trade marks besides brand names. A trade mark is ______________
______________________________ (2 marks)

(c) Define a market penetration pricing strategy. _______________________________
______________________________ (2 marks)

(d) Define a capturing the market pricing strategy. _______________________________
______________________________ (2 marks)

(e) Define a creaming the market pricing strategy. _______________________________
______________________________ (2 marks)

(f) Define demand. ________________________________
______________________________ (2 marks)

(g) Define supply. ________________________________
______________________________ (2 marks)

(h) The point where demand is equal to supply is called ________________________ (2 marks)

(i) One factor that determines demand is ________________________________
______________________________ (2 marks)

(j) One factor that determines supply is ________________________________
______________________________ (2 marks)
SECTION D

20 MARKS

ANSWER ALL QUESTIONS IN THIS SECTION.
Answer in the space provided.

(a) What is communication? (2 marks)

(b) Mention FOUR (4) reasons why communication may be used in a business organization. (8 marks)

(c) What is feedback as used in communication? (2 marks)

(d) Why is feedback important for a firm? (2 marks)

(e) What do you understand by each of the following: (6 marks)

(i) Written communication

(ii) Verbal communication

(iii) Visual communication