DIRECTORATE FOR QUALITY AND STANDARDS IN EDUCATION
Department of Curriculum Management
Educational Assessment Unit

Annual Examinations for Secondary Schools 2014

FORM 3 BUSINESS STUDIES TIME: 1h 30min

Name: ___________________________ Class: ______________

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STUDENT’S MARK

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MARKS
SECTION A [10 marks]

Match the following terms by writing down the appropriate number in the middle column. One is already done for you.

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<tr>
<td>1.</td>
<td>Human Resources</td>
<td>Portable</td>
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<td>2.</td>
<td>Basic Needs</td>
<td>Paper napkins</td>
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<td>3.</td>
<td>Capital Goods</td>
<td>Ending employment</td>
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<td>Main reason for business activity</td>
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<td>5.</td>
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<td>Characteristic of Money</td>
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<td>Communication</td>
<td>Factor payment for land</td>
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<td>8.</td>
<td>Retirement</td>
<td>Food, clothing, shelter</td>
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<td>9.</td>
<td>Sea Transport</td>
<td>Passing of information</td>
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<td>10.</td>
<td>Wholesaler</td>
<td>Profit</td>
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<td>11.</td>
<td>Rent</td>
<td>Sells in bulk</td>
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SECTION B [10 marks]

Fill in the blanks below with the appropriate words or terms from the list.


In our life we have unlimited ______________________ and limited ______________________. This economic problem is called ____________________. And because of this problem we have to make ______________________ which are based on our scale of ____________________. This means that we decide on the basis of what gives us the most ____________________. For examples, we need food, entertainment and computer games. ______________________ is an example of basic needs, while ______________________ and ______________________ are examples of luxurious wants. Every decision that we make has ______________________ which is the sacrifice in terms of the next best option left unsatisfied.
SECTION C

ANSWER ALL QUESTIONS IN THIS SECTION.
Tick (✔) the correct answer in the space provided.

1. The following form part of the extractive sector
   (a) farming, fishing, house building
   (b) woodcutting, carpentry, teaching
   (c) mining, quarrying, agriculture

2. The span of control shows
   (a) the number of people under the authority of an official
   (b) how instructions are passed on from one level to another
   (b) how a firm is organised into different departments

3. The letter is a form of
   (a) visual communication
   (b) graphic communication
   (c) written communication

4. The product life cycle is a diagram which shows
   (a) the marketing strategy which should be used for particular products
   (b) the stages of a product from introduction up to removal from the market
   (c) how a product is developed until it is ready for sale to the public

5. A pie chart shows
   (a) absolute numbers
   (b) percentage values
   (c) exact amounts
“Trendy Hair” is a hair salon owned by one person. The business was doing well and the owner could not cope with all the work by himself. He had a dilemma whether to turn his business into a partnership or just employ some staff to help him out. He decided to issue a Call for Applications in the daily newspapers to employ young hairdressers. The call included a Job Description and a Job Specification. When he would recruit the new staff, he would see that they are motivated to work and he would think of financial as well as non-financial incentives to offer them. He would also provide training – mostly Off-the-Job.

(a) What type of business is “Trendy Hair”, considering that it has one owner? (2 marks)

(b) In which sector of the economy does this business operate? (1 mark)

(c) In what stage of production does the work of “Trendy Hair” fall? (1 mark)

(d) Give the meaning of the four (4) terms in the passage which are typed in bold. (8 marks)

(e) Briefly explain what would be the main difference between turning “Trendy Hair” business into a partnership or employing staff in the same business. (2 marks)

(f) The recruitment of staff is usually done by a particular department of a firm. Name the department and state one other function of this department. (2 marks)

(g) Motivation of workers is very essential in business. Take up a motivation theory and explain it in some detail. (5 marks)

(h) Mention one (1) non-financial incentive. (2 marks)

(i) Why are non-financial incentives also important? (2 marks)
Question 2 – Read the following passage and then answer the questions that follow:

Two people have decided to set up their own business organisation with the aim of producing chocolate bars.

The first thing they have to decide is a name for their business and a **brand name** for the chocolates that they would be producing.

They would also like to create a **trade mark** for their business to be used on all their products.

Since the firm is new in the market and their products are not yet known, they decided to use **penetration pricing** strategy at first.

They will also need to advertise their products so that people get to know about their products.

(a) What is advertising?  
(2 marks)

(b) What is the difference between **informative advertising** and **persuasive advertising**?  
(4 marks)

(c) Firms can use different forms of hidden persuaders in advertising. Mention three (3) of them.  
(3 marks)

(d) Mention one (1) **advantage** AND one (1) **disadvantage** of **EACH** of the following:  
(i) advertising on TV  
(ii) advertising on newspapers  
(iii) advertising on radio  
(iv) advertising on bill boards  
(2 marks)

(e) Explain the following terms (found in **bold** in the passage) as used in marketing:  
(i) **brand name**  
(ii) **trade mark**  
(iii) **penetration pricing**  
(2 marks)

(f) Mention one (1) **other** type of pricing strategy **apart from** penetration pricing.  
(2 marks)
SECTION E

Choose ONE of the following titles and write 100 words about it.

1. Shortcomings of the Barter System
   ❖ Which are the main disadvantages of this system?

   OR

2. The businesses in the Public Sector of an economy
   ❖ Mention and explain the three types of business considered under this section.

   OR

3. The Research & Development Section of a firm
   ❖ Describe the work done in this department and explain its importance to other sections of the firm.