



EXAMINATIONS COUNCIL OF ESWATINI
Eswatini General Certificate of Secondary Education

CANDIDATE
NAME

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CENTRE
NUMBER

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CANDIDATE
NUMBER

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BUSINESS STUDIES

Paper 2

6897/02

October/November 2021

1 hour 30 minutes

Candidates answer on the Question Paper.

No Additional Materials are required.

READ THESE INSTRUCTIONS FIRST

Write your candidate name, Centre number and candidate number on all the work you hand in.
Write in dark blue or black pen.

Do **not** use staples, paper clips, highlighters, glue or correction fluid.

Answer **all** questions.
You may use a calculator.

The businesses described in this question paper are entirely fictitious.

At the end of the examination, fasten all your work securely together.
The number of marks is given in brackets [] at the end of each question or part question.

For Examiner's Use	
1	
2	
3	
4	
Total	

This document consists of **11** printed pages and **1** blank page.

MOVE IT DRIVING SCHOOL

Linda is a sole trader who owns Move It Driving School in Bhunya. The business offers driving lessons for light-duty and heavy duty vehicles. As an entrepreneur Linda has identified a business opportunity in this area because there is high demand for drivers, particularly truck drivers in a recently opened forestry business.

The business is experiencing rapid growth. Linda is planning to buy two additional vehicles and hire two more driving instructors who will train learner drivers. The estimated cost of purchasing the two vehicles is E200 000.00. The business has sufficient savings to make the purchase, but Linda is thinking of using a bank loan to avoid cash flow problems.

Linda has decided to join an Employer Association so that her business could enjoy the membership benefits. The business obey the country's labour laws and conducts regular training for the workers. Linda wants to improve effective communication in the business by introducing a variety of communication methods including electronic and social media.

Appendix 1**MEMORANDUM****To: All workers****From: Management****Subject: Team Building**

All workers are invited to a training workshop to be held on the 12th to 13th June 2021 at Bulembu Game Lodge. Training will be on customer care as well as health and safety in the workplace. You will be expected to participate in different sporting activities after training sessions.

Appendix 2**E-mail****From: linda@moveit.remail****To: admin@moveit.remail****Subject: WhatsApp group**

Please be reminded to create the WhatsApp group as suggested in the previous meeting. Ensure to add all instructors and current learner drivers.

**Kind regards
Linda**

Appendix 3

Information extracted from the business's cash flow forecast 2021.

Items	(E000)	(E000)
Cash inflows	2020	2021
Opening balance	8	C
Cash Receipts	28	32
Rent received	16	20
Total cash inflows	A	52
Loan repayment	0	18
Salaries	13	14
Payments to suppliers	5	6
Utilities	2	3
Total cash outflows	20	41
Net cash flow	24	D
Closing bank balance	B	43

1 Linda is a successful entrepreneur.

(a) Identify and explain **two** characteristics of a successful entrepreneur.

Characteristic 1:

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Explanation:

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Characteristic 2:

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Explanation:

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..... [8]

(b) Do you think the sole trader is the best form of business ownership for Linda? Justify your answer.

[12]

2 The business is experiencing rapid growth.

- (a) Explain **two** ways in which the size of a driving school, such as Move It, could be measured.

Way 1:

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Explanation:

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Way 2:

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Explanation:

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..... [8]

(b) Do you think using social media networks can improve effective communication in the business? Justify your answer.

[12]

3 Move It Driving School obeys the country's labour laws.**(a)** Explain **two** reasons why the business should obey the country's labour laws.

Reason 1:

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Explanation:

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Reason 2:

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Explanation:

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..... [8]

(b) Do you think that being a member of an employers' association could benefit the business? Justify your answer.

[12]

4 Linda has organised a training workshop on customer care as well as health and safety for the workers.

(a) Explain two benefits to Move It Driving School of training the workers on customer care as well as health and safety.

Benefit 1:

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Explanation:

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Benefit 2:

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Explanation:

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..... [8]

- (b) The business is experiencing high demand for its services hence the operational costs are also increasing
- (i) Use information from **Appendix 3**, calculate the missing figures labelled **A**, **B**, **C** and **D**
- (ii) Advise Linda on whether the business will have sufficient cash if the two vehicles are purchased with cash.

2020

2021

(A) (C)

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(B) (D)

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Advise:

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Evaluation:

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..... [12]

