



BOTSWANA EXAMINATIONS COUNCIL
Botswana General Certificate of Secondary Education

CANDIDATE
NAME

CENTRE
NUMBER

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CANDIDATE
NUMBER

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BUSINESS STUDIES

0615/02

Specimen Paper 2

October/November 20XX

2 hours

Candidates answer on the Question Paper.

No Additional Materials required.

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name in the spaces provided at the top of this page.

Answer **all** questions.

Write your answers in the spaces provided on the Question Paper.

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

The number of marks is given in brackets [] at the end of each question or part question.

Calculators may be used.

For Examiner's Use	
1	
2	
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4	
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Total	

This document consists of **12** printed pages.

ZIGMA (PTY) LTD

Zigma (Pty) Ltd is a company that manufactures cell phones in Botswana. The company uses advanced technology across all areas of the business, which enables the Production Department to use mass production.

In the last 10 years, the company's sales have been high and increasing by 10% on average each year. Recently the demand for their cell phones has started falling due to competition from new businesses entering the market. Management fear that the product will soon reach its decline stage of the product cycle. The marketing manager has proposed a number of strategies to address the problem which includes entering foreign markets, changing the design of the product as well as packaging and an aggressive advertising campaign using either radio or magazines.

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During the Annual General Meeting, a proposal to convert Zigma (Pty) Ltd into a public limited company was voted on by the shareholders. This would mean the company will be listed on the stock exchange. It was also proposed that management enter into productivity agreements with employees to encourage them to be more productive. However, the management was reluctant because the demand for their cell phones has started falling.

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The conversion into a public limited company might affect the span of control of the General Manager as more employees, including Information and Communication Technology (ICT) Manager and a Public Relations Officer, will be recruited. The General Manager is currently supervising the Human Resources, Production, Marketing and Finance Managers.

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Like many other businesses in the world, Zigma (Pty) Ltd has been affected by changes in monetary policies as the Government of Botswana often reviews its monetary policies to regulate economic activities.

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1 (a) Explain **two** benefits to Zigma (Pty) Ltd of listing on the stock exchange.

Benefit 1:.....

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Explanation:.....

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Benefit 2:.....

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Explanation:.....

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(b) Would you advise Zigma (Pty) Ltd to enter into productivity agreement with employees? Justify your answer.

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2 (a) Explain **two** reasons why Zigma (Pty) Ltd should hold an Annual General Meetings

Reason 1:.....

Explanation:.....

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Reason 2:.....

Explanation:.....

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(b) Recommend whether Zigma (Pty) Ltd should use retained profits or sell existing assets in order to raise finance to acquire more advanced technology. Justify your answer.

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3 (a) Explain **two** benefits of being a shareholder at Zigma (Pty) Ltd.

Benefit 1:.....

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Explanation:.....

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Benefit 2:.....

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Explanation:.....

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(b) Discuss the effects of technology on skills of workers at Zigma (Pty) Ltd and Recommend whether the business should continue using advanced technology.

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4 (a) Describe **two** functions that might be performed by the Marketing Manager of Zigma (Pty) Ltd.

Function 1:.....

Description:

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Function 2:.....

Description:.....

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(b) Would you recommend to Zigma (pty) Ltd that they should change the designs of the phones or sell into foreign markets in order to extend the life cycle of the cell phones? Justify your answer.

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