

ZIMBABWE SCHOOL EXAMINATIONS COUNCIL

General Certificate of Education Advance Level

BUSINESS STUDIES

9198/1

PAPER 1

NOVEMBER 2010 SESSION

3 hours

Section A [70 marks]

Answer **all** questions.

1. (a) State any **three** forms of disintegration. [3]
(b) Distinguish between the public sector and the private sector of an economy. [4]
2. (a) What are the main causes of business failure? [3]
(b) Explain any **two** features of effective Management By Objectives programmes. [4]
3. Explain any three benefits of formal meetings in an organization. [6]
4. (a) What is an organization chart? [2]
(b) Outline any **three** essential organizational elements that can be identified on the organization chart. [3]
5. Comment on the importance of trading to an organization. [5]
6. (a) What are the physical attributes of a product? [3]
(b) Evaluate the usefulness of desk research. [4]
7. (a) What is quality control? [2]
(b) Explain any **two** benefits of quality control. [4]
8. (a) Define the term lean production. [2]
(b) Explain any **two** practices used in lean production. [4]
9. (a) What application does, marginal (contribution) costing have on decision-making in an organization? [3]
(b) Show the difference between debt and equity financing. [4]
10. (a) What is a budget? [2]
(b) How useful is budgeting in the management of business? [4]
11. Outline the benefits and drawbacks of mode as a measure of central tendency. [4]
12. To what extent are probability tree diagrams useful in decision-making? [4]

Section B [30 marks]

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

For many years, illegal gold panners ravaged the land of Chief Chikosi causing irreparable damage to the landscape. Beginning of year 2010 has become the turning point as the Government has intervened. Operation code named “Restore Order” has been put into place and there is no more illegal gold panning.

The Government has decided to build low cost housing, shops and ready-built factory shells on the site of the rehabilitated land. It has contacted local building firms who might be interested in doing this work. The Government’s noble idea is meant to encourage investment by the emerging indigenous business entrepreneurs.

Johnson, the sole owner of Johnson the Building contractors, is wondering whether to apply for the contract. Of late, he has been concentration on building one luxury house at a time in posh suburbs like Zimre Park. He has eight employees and a supervisor.

Johnson knows well that the government contract will increase capacity utilization of his business although the profit margin per house will be lower than for luxury houses. Since his business is small, the organizational structure has been simple with Johnson and the supervisor dealing with problems as they arise.

Winning the contract will mean a rapid expansion of Johnson’s business. As a result, he will have to employ more staff, change the firm’s structure and raise more capital.

The Government wants the job to be completed in twenty weeks, thus Johnson is concerned at the short time period allowed. Having done a thorough analysis of the project, he came up with the following table of estimates of durations of each activity of the contract.

| Activity | Preceded by | Duration (weeks) |
|----------|-------------|------------------|
| A | - | 5 |
| B | - | 4 |
| C | B | 5 |
| D | A, C | 6 |
| E | D | 5 |
| F | B | 8 |
| G | F | 4 |

13. (a) Using the information given in the table
- (i) draw the network diagram for Johnson, [4]
 - (ii) identify the critical path and the total project duration. [2]
- (b) Explain the significance of network analysis of Johnson. [6]
14. Discuss the likely objectives of the stakeholders in Johnson's business. [8]
15. Examine the problems that Johnson might experience from expanding the business. [10]