



*Let the mind manage the body
Que l'esprit gère le corps*

**MAURITIUS
EXAMINATIONS
SYNDICATE**

**NATIONAL
CERTIFICATE
OF EDUCATION**

**BUSINESS &
ENTREPRENEURSHIP
EDUCATION**

Specimen paper
for first assessment in October 2020

Acknowledgements

The MES would like to place on record its gratitude and appreciation to all those who contributed to the development of the specimen assessment materials - Educators (from the mainstream and extended stream), academics from the MIE , the University of Mauritius and the Open University, representatives of the Ministry of Education and HR, TE and SR and representatives of recognized unions - who, at different stages in the development of the assessment, have been members of technical committees, validation committees and Secondary School Examination Committees that were set up by the MES. We are also grateful to the Rectors, Educators and students who took part in the trialling process of the specimen papers. The contribution of all these stakeholders provided us with vital information and feedback which fed into the production of the specimen papers.

1. Background

At the end of the Nine-Year-Continuous-Basic-Education (NYCBE) cycle, all students from the Regular and Extended programmes take the National Certificate of Education (NCE) Assessment. This assessment is in line with the philosophy defined in the National Curriculum Framework (NCF) Grades 7, 8 and 9 (MIE, 2016)¹ and the learning outcomes detailed in the Teaching and Learning Syllabus (MIE, 2017)².

The assessment will be carried out in the following subjects:

- English
- Mathematics
- French
- Science
- Information and Communication Technology
- Technology Studies
- Business and Entrepreneurship Education (BEE)
- Social and Modern Studies (SMS)
- Art and Design
- An optional core subject (Asian Languages, Arabic and Kreol Morisien, if chosen by the candidate)

A 7-point Grading structure will be used in each subject, as illustrated below:

Numerical Grade	Marks
1	85 and above
2	75 and above but below 85
3	65 and above but below 75
4	55 and above but below 65
5	45 and above but below 55
6	35 and above but below 45
7	Less than 35

¹ Mauritius Institute of Education, 2016, *National Curriculum Framework Nine-Year Continuous Basic Education Grades 7, 8 & 9*, Republic of Mauritius.

² Mauritius Institute of Education, 2017, *National Curriculum Framework Nine-Year Continuous Basic Education Syllabus Grades 7, 8 & 9*, Republic of Mauritius.

2. Purpose of the NCE Assessment

The main purpose of the NCE Assessment is to measure and certify learning that has taken place at the end of the NYCBE cycle. The information gathered from the assessment will be used for

- **Certification**

Meeting the minimum requirements on the NCE assessment (see the Award Rules in the Annual Programme) will lead to the candidate being conferred an NCE certificate which will be recognised at Level 2 on the National Qualifications Framework.

- **Promotion to Grade 10**

Assessment results from the NCE will guide schools in determining whether students get promoted to Grade 10.

- **Orientation**

The NCE assessment will provide information to guide students as to whether they want to continue in the general or in the technical/vocational stream. Within the general stream, it may guide students in their choice of subjects as from Grade 10.

- **Admission to academies.**

Performance in the NCE Assessment will determine whether candidates are admitted to academies. The following extract from the Education Act indicates the criteria for admission to academies:

Priority of admission to Grade 10 in an Academy shall be determined on the basis of the grade aggregate and the relative performance of the eligible pupil in the best 8 core subjects, including English, French and Mathematics, at the NCE assessment and the choice of the responsible party specified in paragraph (1).

3. Guiding principles in Assessment

A number of key principles of assessment guided the development of the NCE assessment.

I. Validity

Validity is a central concept in assessment. In simple terms, it refers to the extent to which an assessment measures what it is supposed to be measuring. Validity also refers to the extent to which the assessment is providing evidence of candidates' achievement levels. An assessment is considered valid if it meets its purposes (Edwards *et al.*, 2018)³.

II. Reliability

Reliability, another crucial concept in assessment, refers to producing reliable, stable and consistent results over time. Ensuring reliability requires clear and consistent processes for the setting, marking and grading of the NCE assessment.

III. Impact

The NCE Assessment aims at having positive effects on teaching and learning with positive washback into the curriculum and into the educational system. An important consideration during the development of this assessment was the potential impact that it would have on the life chances of candidates, allowing for maximum inclusion and retention of students in the system while maintaining standards.

IV. Fairness

Needs and characteristics of learners were considered in the design of the NCE assessment so as not to disadvantage any group or individual. Care has been taken to minimise cultural and gender biases and to accommodate the different abilities and the social, cultural and linguistic backgrounds of candidates.

³ Edwards, M.C., Slagle, A., Rubright, J.D. and Wirth, R.J., 2018. Fit for purpose and modern validity theory in clinical outcomes assessment. *Quality of Life Research*, 27(7), pp.1711-1720

4. The Business and Entrepreneurship Education (BEE) Curriculum

The BEE Curriculum comprises **three** distinct and key academic subjects namely Economics, Business & Enterprise and Accounting. In Grade 9, Economics, Business & Entrepreneurship will be taught in an integrated manner. However, Accounting will be taught as a stand-alone subject.

5. The Business and Entrepreneurship Education (BEE) Syllabus

The BEE syllabus aims to equip learners progressively over the years with content that would shape them with skills-based knowledge in business and acumen to understand the business environment in which they are evolving. The BEE syllabus comprises 13 content areas as follows:

Unit 1	Business organisations
Unit 2	The entrepreneur as a leader
Unit 3	Entrepreneurial skills
Unit 4	Marketing
Unit 5	Business plan
Unit 6	Demand and supply
Unit 7	Money and banking
Unit 8	Spending, savings and borrowing
Unit 9	International trade
Unit 10	Recording business transactions in the ledger, Balancing off accounts
Unit 11	Trial Balance
Unit 12	Income Statement
Unit 13	Statement of Financial Position

6. Population of Candidates

The paper has been designed bearing in mind the profile of candidates who will be taking the NCE assessment. While aiming at maintaining the standard required for a Grade 9 paper, the paper also gives sufficient opportunities to students from all ability groups to work through. At the higher-end, the paper also contains some items which would stretch the ability of candidates and where they will be able to show their mastery of BEE skills at Grade 9 level.

7. Purpose of Assessment in Business and Entrepreneurship Education

The purpose of the assessment in BEE is to measure the learning achievements of Grade 9 learners in the development of knowledge, skills and competencies through an interdisciplinary approach in the context of the Nine Year Continuous Basic Education.

7.1 What will be assessed and how?

Assessment of candidates' achievement in Business and Entrepreneurship Education will be based on the Expected Learning Outcomes stated in the National Curriculum Framework (NCF) Grades 7, 8 & 9 (MIE/ MOE & HR, TE & SR, 2016) and detailed in the BEE: Teaching and Learning Syllabus Grades 7, 8 & 9 (MIE, 2017). Assessment will be based on the **learning outcomes of Grade 9 syllabus only**.

7.2 Aims of the NCE Assessment in BEE are to ensure that learners are able to:

1. understand and assess the contribution of businesses and how the main types of businesses are organized, financed and operated in Mauritius and the global economy;
2. recall and use relevant basic terminologies, concepts and principles related to business & enterprise, economics and accounting and apply them in their current environment;
3. recognise the characteristics of an entrepreneur as a leader;
4. demonstrate critical thinking, communication skills and creative/ innovative entrepreneurial skills within the context of a business;
5. demonstrate basic numeracy and literacy skills related to Economics, Business & Enterprise and Accounting;
6. demonstrate problem solving and decision-making skills needed to propose solutions in matters related to the setting and managing of enterprises.

7.3 Assessment Objectives for BEE

The assessment objectives describe the knowledge, skills and competencies that candidates are expected to demonstrate in respect of key concepts in BEE. Candidates will be assessed on their ability to analyse and discuss business and entrepreneurial activities. Candidates should also be able to demonstrate simple skills relevant to the setting up of and managing an enterprise.

Candidates will be assessed according to **four Assessment Objectives** (AOs). These are:

- **AO1:** Knowledge & Understanding
- **AO2:** Application
- **AO3:** Analysis
- **AO4:** Evaluation

Under **AO1**, candidates would be expected to demonstrate knowledge and understanding regarding:

- Entrepreneurship/ Business/Economics/Accounting terms, facts, concepts, words, conventions, skills, terminology and definitions;
- business management skills and functions.

Under **AO2**, candidates should demonstrate their ability to:

- apply their knowledge and understanding of facts, terms, concepts and techniques with respect to a particular individual, enterprise or business and country.

Under **AO3**, candidates should demonstrate their ability to:

- analyse the key factors that cause the success/failure of an enterprise;
- order, analyse and interpret information in narrative, numerical and graphical forms using appropriate techniques;
- distinguish between evidence and opinion in a business/enterprise context;
- analyse data and information.

Under **AO4**, candidates should demonstrate their ability to:

- use their knowledge and skills to evaluate situations and problems related to a particular individual, business/enterprise or country;
- present reasoned explanations and understand implication of business decisions;
- solve problems, make judgements and decisions.

Weighting of AOs

The table below gives a breakdown of the weighting allocated to the different learning areas.

Learning Area	Weighting
Knowledge and Understanding	50 %
Application	20%
Analysis	20%
Evaluation	10%

8. Paper Description

The BEE specimen paper comprises **two** sections;

- Section A (Business/ Enterprise/ Economics) and
- Section B (Accounting).

Section A comprises 5 questions and Section B 3 questions with sub-parts presented in a graded fashion in terms of difficulty level. Candidates are required to answer **all** the questions from both sections. A range of different types of questions have been set which include Multiple Choice Items, Matching, Fill in the blanks, Alternative Response (True/False items) and Open-ended questions based on contextualized case scenarios.

The paper is of a duration of **2 hours** and carries a total of **100 marks**. Section A carries 65 marks and Section B 35 marks. Candidates are advised to spend about 80 minutes in Section A and about 40 minutes in Section B.

As per the Ministry's guidelines, to ensure that all candidates are given a fair chance of showing they have acquired the necessary knowledge skills and competencies, this paper contains about 50% of marks allocated to items which are considered to be at basic level, 20% to items considered at intermediate level and 30% of items at proficient level.

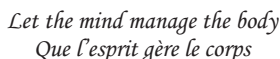
9. The Specimen Assessment Booklet

The BEE specimen paper Booklet contains the following:

- Explanatory Notes (including the Blueprint)
- The Specimen Assessment Paper
- The Specimen Mark Scheme

10. The Blueprint

Based on the above framework, the Specimen Paper has been developed using a blueprint. The blueprint is annexed to this document. It gives useful information to enable teachers to understand that a question paper is based on a sample of learning outcomes and that different question formats may be used to assess learning outcomes at different levels.

[illegible]

Index Number:

NATIONAL CERTIFICATE OF EDUCATION

Specimen paper for first assessment in October 2020

BUSINESS & ENTREPRENEURSHIP EDUCATION (N 560)

TIME: 2 HOURS

READ THESE INSTRUCTIONS FIRST

1. Write your Index Number in the space provided above.
2. The paper consists of Section **A** and Section **B**.
Answer all questions from both sections.
3. Write in dark blue or black ink.
4. All answers must be written in the spaces provided.
5. You may use a soft pencil for any diagrams, graphs or rough working.
6. Do not use correction fluid.
7. The total number of marks for this paper is **100**.
The number of marks is given in brackets for each question or part question.
8. Check that this assessment booklet consists of **8** questions printed on **18** pages from pages 2 to 19.
9. Any discrepancy in the document must be immediately notified to the invigilator.

SECTION A – Business / Enterprise / Economics

Answer ALL questions (65 marks)

QUESTION 1 A (10 marks)

Circle the correct answer as shown in the example.

Example: Alex enjoys gardening. Which one of the following will be a suitable business idea for him?

- | | |
|------------------|-----------------|
| A Baker | B Farmer |
| C Painter | D Singer |

1. Which one of the following documents specifies the internal rules of a company?

- | | |
|--------------------------------------|---------------------------------------|
| A Articles of Association | B Memorandum of Association |
| C Certificate of Registration | D Certificate of Incorporation |

2. Which one of the following stakeholders regulates and monitors the running of businesses?



- | | | | |
|--------------------|---------------------|--------------------|--------------------|
| A Employees | B Government | C Customers | D Suppliers |
|--------------------|---------------------|--------------------|--------------------|

3. Which one of the following is an example of an internal form of communication?

- A** Sending quotations to customers
- B** Giving an interview on TV
- C** Using a billboard to advertise products
- D** Sending emails to workers

4. **Figure 1** shows the process of **effective** communication.

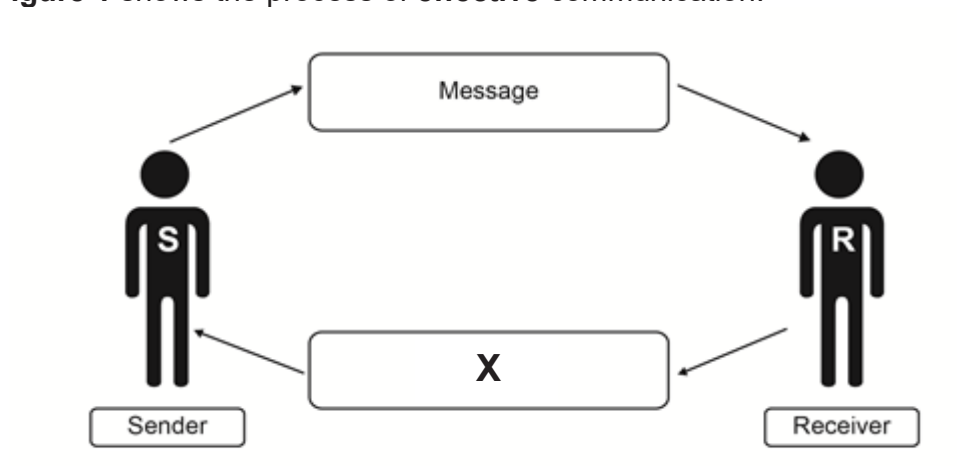


Figure 1: The communication process

Which one of the following is the appropriate word for **X** in **Figure 1**?

- | | | | |
|----------|-----------|----------|-------------|
| A | Feedback | B | Transmitter |
| C | Recipient | D | Language |

5. **Figure 2** below illustrates the four elements of marketing (4 Ps).



Figure 2: Elements of marketing: 4 Ps

Which one of the following correctly describes the 4 Ps?

- A** Product - Promotion - Price - Planning
- B** Product - Promotion - Partnership - Place
- C** Product - Price - Promotion - Place
- D** Product - Price - Production - Place

6. **Figure 3** below shows the quantity of toys supplied by an entrepreneur at different prices.

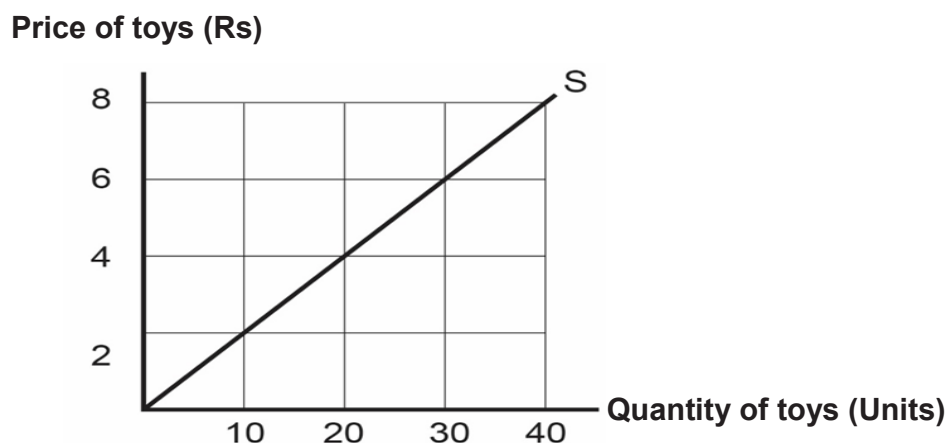
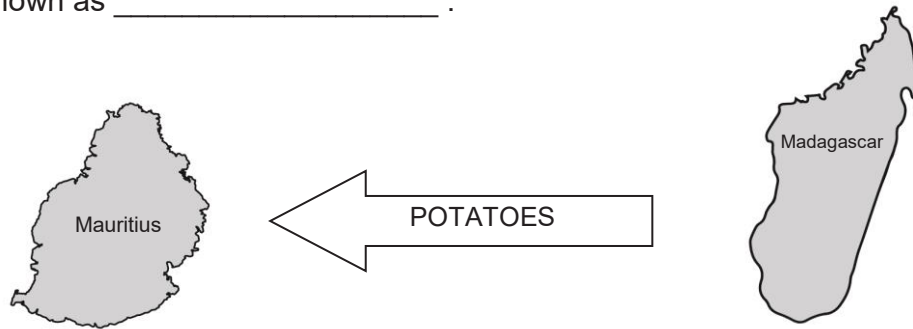


Figure 3: Supply curve for toys

What will be the quantity of toys supplied when the price is Rs 4?

- | | |
|---|---|
| <p>A 10 units</p> <p>C 30 units</p> | <p>B 20 units</p> <p>D 40 units</p> |
|---|---|
7. The willingness and ability of customers to pay a given price for a good or service over a given period of time is known as _____ .
- | | |
|--|---|
| <p>A needs</p> <p>C effective demand</p> | <p>B wants</p> <p>D law of demand</p> |
|--|---|
8. Which one of the following is a characteristic of money?
- | | |
|--|---|
| <p>A Store of value</p> <p>C Unit of account</p> | <p>B Indivisibility</p> <p>D Durability</p> |
|--|---|
9. Part of the income that is kept for future use is known as _____ .
- | | |
|---|--|
| <p>A loan</p> <p>C saving</p> | <p>B borrowing</p> <p>D investment</p> |
|---|--|

10. Mauritius buys potatoes from Madagascar. The exchange of goods between countries is known as _____ .



- A** international trade **B** home trade
C internal trade **D** export trade

QUESTION 1 B (5 marks)

Fill in the blanks with a suitable word from the list given below. An example is given.

spending	decrease	central	increase
communication	commercial	marketing	planning

Example: An entrepreneur uses his/her **communication** skills to liaise effectively with different stakeholders of his/her business.

1. The role of _____ is to ensure that the product of a business meets customers' needs.
2. A fall in population may _____ the demand for housing.
3. The organisation responsible for the issue of notes and coins in a country is the _____ bank.
4. The process of choosing a business idea, setting objectives and anticipating risks is known as _____ .
5. Paying out money to buy or hire goods and services is known as _____ .

QUESTION 1 C (8 marks)

Match each term to its definition / description. Write your answers in the table below. The first one has been done for you.

	Terms		Definitions / Descriptions
1	Factory	A	Selling goods and services to foreign countries.
2	Franchisor	B	Informing consumers about a product or service or persuading them to buy it.
3	Market	C	A place where goods are manufactured.
4	Commercial bank	D	Buying and selling of products.
5	Money	E	A place where buyers and sellers interact to exchange goods and services against payment.
6	Trade	F	A tax to be paid on an imported good.
7	Exports	G	Anything generally acceptable as a medium of exchange against goods and services.
8	Business plan	H	A firm that gives the right to another firm to use its brand name in return for a licence fee.
9	Advertising	I	An institution which receives deposits.
		J	A document providing detailed information about the activities that an enterprise intends to do.

Term	1	2	3	4	5	6	7	8	9
Definition	C								

QUESTION 2 (10 marks)

Zoya and Ken want to be entrepreneurs.

- (a) (i) By choosing the appropriate words from the list given below, complete **Figure 4** to show the basic functions they should perform as entrepreneurs.

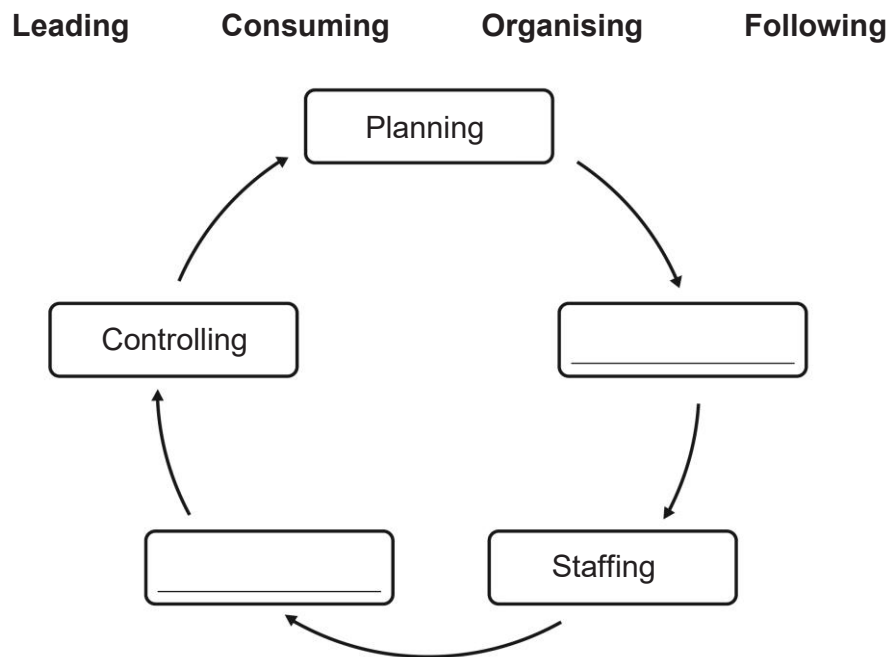


Figure 4: Basic functions of entrepreneurs

- (ii) Zoya and Ken decide to set up their enterprise as a **private limited company**.

Tick (✓) the correct boxes to indicate whether each of the following statements about a private limited company is an **advantage** or **disadvantage** to the owners.

Statements about a private limited company		Advantage	Disadvantage
1.	Additional capital can be raised by selling shares to family members.		
2.	There are many legal formalities when setting up a private limited company.		
3.	Zoya and Ken will have limited liability.		

[3 marks]

- (b) State whether the following are 'True' or 'False'.

An **example** has been done for you.

		True / False
Example: A producer usually aims at making maximum profits.		True
1.	Owners of a cooperative are known as partners.	
2.	For barter to take place, there should be double coincidence of wants.	
3.	Commercial banks usually provide advice to customers.	
4.	The cost of borrowing money is known as dividend.	
5.	Goods and services bought and sold within a country is known as home trade.	

[5 marks]

QUESTION 3 (13 marks)

- (a) (i) Atish owns a small gift shop in Port Louis. His enterprise is successful as he communicates effectively with different stakeholders. **Table 1** shows the different forms of communication used by Atish.

Table 1: Forms of communication with stakeholders

Sending emails	Distributing leaflets
	
Health and Safety signs	Telephone calls
	

From **Table 1**, identify **one** example of the following forms of communication used by Atish:

Written communication:

Verbal communication:

Visual communication:

[3 marks]

- (ii) Atish is planning to open another gift shop in Grand Bay. His friend told him to carry out a market research before opening this new shop.

Explain **two** reasons why it is important for Atish to do a market research.

Reason 1:

.....

.....

Reason 2:

.....

.....

[4 marks]

- (b) Atish's friend, Salim, grows and sells carrots. **Table 2** shows the demand and supply schedules for carrots.

Table 2: Demand and supply schedules for carrots

Price per kg (Rs)	Quantity demanded per week (kg)	Quantity supplied per week (kg)
10	120	40
20	100	50
30	80	60
40	70	70
50	60	80
60	50	90
70	40	110

Use **Table 2** to answer questions (i) to (iv) below.

- (i) What is the equilibrium price? Explain your answer.

.....
.....
..... [2 marks]

- (ii) What is the equilibrium quantity?

.....
[1 mark]

- (iii) What will be the quantity demanded if the price is Rs 60 per kg?

..... [1 mark]

- (iv) **Price** is one factor which affects the supply of carrots. Identify any **two** other factors which might influence the supply of carrots.

Factor 1:.....

Factor 2:.....

[2 marks]

QUESTION 4 (11 marks)

Ah-Moy produces shirts which he sells in his home country. He is now planning to expand his business and sell his products to foreign countries. To finance the expansion, he needs to borrow money from a local bank. Before meeting the bank manager, Ah-Moy prepares a business plan.

- (i) Define the term 'borrowing'.

.....
..... [2 marks]

- (ii) Identify **one** factor that Ah-Moy will consider when borrowing money from the bank.

..... [1 mark]

- (iii) Explain **one** reason why the Mauritian government encourages entrepreneurs like Ah-Moy to sell their products to foreign countries.

.....

.....

.....

[2 marks]

- (iv) Identify and explain **one** reason for Ah-Moy to prepare a business plan before meeting the bank manager.

Reason:

Explanation:.....

.....

.....

[3 marks]

- (v) The use of technology such as automated machinery, as shown in **Figure 5**, has allowed Ah-Moy's enterprise to reduce its costs of production.



Figure 5: Use of technology

Identify and explain **one** possible effect of using technology on the supply of shirts.

Effect on supply of shirts:..... [1 mark]

Explanation:.....

.....

.....

[2 marks]

QUESTION 5 (8 marks)

Jennifer manufactures and sells cocolouda; a drink made with coconut milk. Recently, she has faced a risk due to a lack of appropriate planning of raw materials. She finds it difficult to meet the increase in the number of orders. The excess orders were due to the use of internet (e-marketing) for the marketing of her cocolouda.



- (i) Name the risk faced by Jennifer's business.

..... [1 mark]

- (ii) Explain **one** way in which Jennifer can overcome the risk identified in part (i).

.....
.....

[2 marks]

- (iii) Name **one** method of e-marketing that Jennifer might have used to promote her product.

..... [1 mark]

- (iv) Explain **one** way in which e-marketing is important for Jennifer's business.

.....
.....

[2 marks]

- (v) Jennifer is experiencing conflict with her sales staff regarding long working hours and low pay. Explain **one** way in which the conflict can be resolved.

.....
.....
.....

[2 marks]

SECTION B: Accounting
Answer ALL questions [35 marks]

QUESTION 6 A (5 marks)

Circle the correct letter as shown in the example.

Example: Activities that take place in a business are called _____ .

A inflows

B capital

C transactions

D outflows

1. The double entry system implies that each business transaction affects _____ .

A one account

B two accounts

C three accounts

D four accounts

2. 'Paid sundry expenses by cash' requires which one of the following entries:

	Account Debited	Account Credited
A	Sundry Expenses	Cash
B	Purchases	Cash
C	Cash	Purchases
D	Cash	Sundry Expenses

3. Which one of the following is a list of debit and credit balances?

A Cash Account

B Income Statement

C Revenue Account

D Trial Balance

4. Gross profit is earned when _____ .

A assets exceed liabilities

B capital exceeds assets

C revenue exceeds cost of sales

D revenue exceeds expenses

5. Which one of the following is classified under non-current assets in the Statement of Financial Position?



A Cash

B Closing inventory

C Loan

D Motor vehicle

[5 Marks]

QUESTION 6 B (5 marks)

Match the terms below to their correct definitions / descriptions. Write your answers in the table below. The first one has been done for you.

	Terms		Definitions / Descriptions
1	Trade receivables	A	Amount the owner invests in his/her firm.
2	Drawings	B	What a business owns.
3	Revenue (Sales)	C	Amount the owner takes from the firm for his/her personal use.
4	Expenses	D	Total income earned from the sale of goods.
5	Capital	E	Payments made for the day-to-day running of the business.
6	Assets	F	Amount owed by credit customers.
		G	What a business owes.

Insert your answer below:

Term	1	2	3	4	5	6
Definition/ Description	F					

QUESTION 6 C (4 marks)

Fill in the blanks with a suitable word from the list given below. The first one has been done as an example.

balance c/d	debit	statement of financial position
credit	ledger	cash transaction

Example: A cash transaction is a transaction that occurs when money is received or paid in cash immediately.

1. A _____ is a book which consists of different accounts.
2. The _____ of an account is the difference between the total of debit entries and the total of credit entries.
3. The _____ is a list of assets, liabilities and owner's capital in an enterprise at a particular date.
4. Balances of income are entered in the _____ column of the trial balance.

QUESTION 6 D (4 marks)

Complete the table below with the 'Account to be debited' and the 'Account to be credited' for each of the transactions given. **The first one has been done for you.**

Date 2019	Transaction	Account to be debited	Account to be credited
July 1	Started business with Rs 50 000 cash in hand	Cash	Capital
July 5	Bought goods on credit from PKL Company Ltd Rs 15 000		
July 9	Sold goods for cash Rs 25 000		

QUESTION 7 (7 marks)

Rajesh is a sole trader. He had the following balances on 1 October 2019:

Cash Account - Rs 6 000

Bank Account - Rs 20 000 Debit

Table 3 shows the transactions which took place during the month of October 2019.

Table 3: Transactions for the month of October 2019

Date October 2019	Transactions	Amount (Rs)
2	Purchased goods by cheque	7 000
8	Cash sales	2 000
17	Bought goods on credit from General Suppliers	4 000
19	Paid wages by cash	1 000
29	Bought office equipment by cheque	3 000
30	Received commission in cash	100
31	Sold goods on credit to Carol	1 000

- (a) Select the appropriate transactions from **Table 3** and make the relevant entries in the following **Cash Account**.

Dr CASH ACCOUNT Cr					
Date 2019	Details	Rs	Date 2019	Details	Rs
October 1	Balance b/d	6 000			

[3 marks]

- (b) Select the appropriate transactions from **Table 3** and make the relevant entries in the following **Bank Account**. Balance off the Bank Account and **bring down** the balance on 1 November 2019.

Dr		BANK ACCOUNT				Cr
Date 2019	Details	Rs	Date 2019	Details	Rs	
October 1	Balance b/d	20 000				

[3 marks]

- (c) What does the **balance** in the **Bank Account** on 1 November 2019 represent?

.....

.....

[1 mark]

QUESTION 8 (10 marks)

The following Trial Balance has been prepared for the business of Aslam.

Aslam
Trial balance as at 31 October 2019

	Debit Rs	Credit Rs
Revenue (Sales)		126 100
Inventory 1 November 2018	14 500	
Purchases	76 000	
Bank overdraft		2 300
Equipment	9 000	
Trade receivables	1 700	
Trade payables		2 800
Rent	12 500	
Salary	25 000	
Capital		15 500
Drawings	8 000	
Total	----- 146 700 =====	----- 146 700 =====

Additional information:

Aslam had an inventory of Rs 18 000 as at 31 October 2019.

- (a) Using the information from the Trial Balance of Aslam, prepare the **Income Statement** for the year ended 31 October 2019.

Aslam

Income Statement for the year ended 31 October 2019

	Rs	Rs
Revenue		126 000
Cost of Sales		
Opening inventory (i)		
Purchases	76 000	
Closing inventory (ii)		
Cost of Sales	(iii)	
Gross Profit	(iv)	
Expenses:		
_____ (v)		
_____ (vi)		
	(vii)	
Profit / (loss) for the year	(viii)	

[8 marks]

- (b) Briefly explain the effect of an **increase in salary** on the profits of Aslam's enterprise.

.....

.....

[2 marks]

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MARK SCHEME

BUSINESS & ENTREPRENEURSHIP EDUCATION

Specimen paper Mark scheme
for first assessment in October 2020

BEE SPECIMEN PAPER 2020- SECTION A - BUSINESS/ ENTERPRISE/ ECONOMICS (65 marks)			
Item	Answer	Mark	Remark
1A 1	A	1 mark	
1A 2	B	1 mark	
1A 3	D	1 mark	
1A 4	A	1 mark	
1A 5	C	1 mark	
1A 6	B	1 mark	
1A 7	C	1 mark	
1A 8	D	1 mark	
1A 9	C	1 mark	
1A 10	A	1 mark	
1B	<p>Fill in the blanks with a suitable word given in the list below.</p> <ol style="list-style-type: none"> The role of marketing is to ensure that the product of a business meets customers' needs. A fall in population may decrease the demand for housing. The organisation responsible for the issue of notes and coins in a country is the central bank. 		1 mark for each suitable word

	<div>4. The process of choosing a business idea, setting objectives and anticipating risks is known as <u>planning</u>.</div> <div>5. Paying out money to buy or hire goods and services is known as <u>spending</u>.</div>																																													
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Term	1	2	3	4	5	6	7	8	9														
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2 (a)(i)	<pre>graph TD; Planning --- Organising; Organising --- Staffing; Staffing --- Leading; Leading --- Controlling; Controlling --- Planning;</pre>	1 mark for correct placement of the word Organising 1 mark for correct placement of the word Leading in the figure	No other answer is acceptable																				

2 (a)(ii)	<table><tr><th>Statements about a private limited company</th><th>Advantage</th><th>Disadvantage</th></tr><tr><td>1. Additional capital can be raised by selling shares to more people.</td><td>✓</td><td></td></tr><tr><td>2. There are many legal formalities in setting up a private limited company.</td><td></td><td>✓</td></tr><tr><td>3. Zoya and Ken have limited liability.</td><td>✓</td><td></td></tr></table>	Statements about a private limited company	Advantage	Disadvantage	1. Additional capital can be raised by selling shares to more people.	✓		2. There are many legal formalities in setting up a private limited company.		✓	3. Zoya and Ken have limited liability.	✓		1 mark for each correct tick (3 x 1) marks									
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2(b)	<p>State whether the following are ‘True’ or ‘False’ . An example has been done for you.</p> <table><tr><th colspan="2">Example</th><th>True / False</th></tr><tr><td colspan="2">A producer usually aims at making maximum profits.</td><td>True</td></tr><tr><td>1.</td><td>Owners of a cooperative are known as partners.</td><td>False</td></tr><tr><td>2.</td><td>For barter to take place, there should be double coincidence of wants.</td><td>True</td></tr><tr><td>3.</td><td>Commercial banks usually provide advice to customers.</td><td>True</td></tr><tr><td>4.</td><td>The cost of borrowing money is known as dividend.</td><td>False</td></tr><tr><td>5.</td><td>Goods and services bought and sold within a country is known as home trade.</td><td>True</td></tr></table>	Example		True / False	A producer usually aims at making maximum profits.		True	1.	Owners of a cooperative are known as partners.	False	2.	For barter to take place, there should be double coincidence of wants.	True	3.	Commercial banks usually provide advice to customers.	True	4.	The cost of borrowing money is known as dividend.	False	5.	Goods and services bought and sold within a country is known as home trade.	True	1 mark for each correct answer
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3(a) (i)	<p>From Table 1, identify <u>one example</u> of the following forms of communication used by Atish:</p> <p><u>Written communication</u></p> <ul style="list-style-type: none"> • Sending emails • Distributing leaflets <p><u>Verbal communication</u></p> <ul style="list-style-type: none"> • Telephone calls <p><u>Visual communication</u></p> <ul style="list-style-type: none"> • Health & Safety signs 	<p>1 mark for any one correct answer</p> <p>1 mark for the correct answer</p> <p>1 mark for the correct answer</p>	<p>No other answer is acceptable</p>
3(a) (ii)	<p>Explain <u>two reasons</u> why it is important for Atish to do a market research?</p> <p>Reasons may include:</p> <ul style="list-style-type: none"> • To help in identifying the needs / wants / preferences of customers. • To allow Atish/ an enterprise to respond quickly to changing needs of customers. • To help Atish/ an enterprise to design his / its marketing activities. • To allow Atish/ an entrepreneur to launch new products with great confidence. 	<p>2 marks each for any two correct answers</p> <p>(2 x 2 marks)</p>	<p>Award marks for any other acceptable answers.</p>
3(b)(i)	<p>What is the equilibrium price? Explain your answer</p> <p>Rs 40 per kg</p>	<p>1 mark for identifying the</p>	<p>Allow mark even if 'per kg' is missing</p>

		correct equilibrium price and	No other answer is acceptable
	Explanation: Because it is the price at which quantity demanded is equal to quantity supplied.	1 mark for the explanation.	
3b(ii)	What is the equilibrium quantity? 70 kg per week	1 mark for the correct answer	Allow mark even if 'per week' is missing No other answer is acceptable
3b(iii)	What will be the quantity demanded if the price is Rs 60 per kg? 50 kg per week	1 mark for the correct answer	Allow mark even if 'per week' is missing No other answer is acceptable
3b(iv)	Price is one factor which affects the supply of carrots. Identify any <u>two</u> other factors which might influence the supply of carrots. <u>Factors may include:</u> Climate/ Weather Cost of production Technology Tax	1 mark each for any 2 of the answers	Award marks for any other acceptable answers. No mark for “ Price of the product itself ”
4 (i)	Borrowing can be defined as taking money from a person or a financial institution/ bank (1) which must be repaid in the future (1).	2 marks for the correct definition	Award marks for any other acceptable definition.

4 (ii)	<p>Identify <u>one factor</u> that Ah-Moy will consider when borrowing money from the bank.</p> <p>Factors might include:</p> <ul style="list-style-type: none"> • Rate of interest • Availability of loans • Expectations (if Ah-Moy expects to make profits after expansion of his business) • Social attitudes (if Ah-Moy is willing to increase his debts) 	1 mark for any one of the factors	Award 1 mark for any other acceptable answer
4(iii)	<p>Explain <u>one reason</u> why the Mauritian government encourages entrepreneurs like Ah-Moy to sell their products to foreign countries.</p> <p>Reasons might include:</p> <ul style="list-style-type: none"> • Inflow of foreign currencies (1) that can be used to pay for imports (1) • Creation of jobs (1) that can reduce unemployment (1) • Revenue from exports (1) that can help to promote economic development (1) 	Maximum of 2 marks for any one correctly explained reason	Award marks for any other acceptable answer
4 (iv)	<p>Identify and explain <u>one reason</u> for Ah-Moy to prepare a business plan before meeting the bank manager.</p> <p>Reason:</p> <ul style="list-style-type: none"> • To obtain a loan easily <p>Example of explanation: The business plan can help Ah-Moy to obtain a loan easily (1) to finance his expansion project (1) as details in a carefully prepared business plan can convince the bank manager to lend him money (1).</p>	1 mark for the identified reason Maximum of 2 marks for explanation	No other answer is acceptable

4 (v)	<p>Effect on supply of shirts:</p> <p>Rise/ Increase in supply of shirts</p> <p>Explanation may include:</p> <ul style="list-style-type: none"> • Technology will reduce cost of production (1) and therefore supply of shirts will increase which will shift the supply curve to the right (1). Or • Technology will allow Ah-Moy to replace labour by machines (1) which might be less costly (1) and supply curve will shift to the right. Or • Technology will allow Ah-Moy to produce more shirts in less time (1) and with less waste of resources (1) and supply curve will shift to the right. 	1 mark for identification of the correct effect	No other answer is acceptable
5(i)	<p>Name the risk faced by Jennifer's business.</p> <p>Operational risk</p>	1 mark for identifying the risk	No other answer is acceptable
5(ii)	<p>Explain <u>one way</u> in which Jennifer can overcome the risk identified in part (i).</p> <p>Risk can be overcome as follows:</p> <ul style="list-style-type: none"> • Through better planning (1), proper amount of raw materials has to be ordered and delivered in due time (1). • Better management of resources (1) so as to avoid delays in the delivery of raw materials (1). 	2 marks for any one correct explanation	Award marks for any other acceptable answer relevant to the case
5 (iii)	<p>Name <u>one method</u> of e-marketing that Jennifer might have used to promote her product.</p> <p>Methods of e-marketing could include:</p> <ul style="list-style-type: none"> • Web marketing • Social media marketing • Email marketing 	1 mark for any one correct method	No other answer is acceptable

5 (iv)	<p>Explain <u>one way</u> in which e-marketing is important to Jennifer's business.</p> <p>Importance of e-marketing may include:</p> <ul style="list-style-type: none"> • Less costly (1) because a large number of customers can be reached through electronic means (1). • Sales may increase (1) as the business can operate on a 24/7 basis (1). • Can be used for advertising (1) and can change advertisements quickly (1). • Can be used for promotions (1) and can update information/pictures/prices (1) 	<p>1 mark for identifying any importance</p> <p>1 mark for explaining the mentioned importance</p>	Award marks for any other acceptable answer
5 (v)	<p>Jennifer is experiencing conflict with her sales staff regarding long working hours and low pay. Explain <u>one way</u> in which the conflict can be resolved?</p> <p>Ways of resolving conflicts may include:</p> <ul style="list-style-type: none"> • Agree on the problem (1) and find a common solution to the problem (1) • Show willingness to solve the problem (1) through effective communication (1) • Develop a win-win situation (1) so that both parties come to a consensus (1) 	<p>1 mark for identifying any one way</p> <p>1 mark for explaining the mentioned way</p>	Award marks for any other acceptable answer

Section B – Accounting (35 marks)

6 A 1	B		1 mark																																
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6C	<ol style="list-style-type: none">1. A ledger is a book which consists of different accounts.2. The balance c/d of an account is the difference between the total of debit entries and the total of credit entries.3. The statement of financial position is a list of assets, liabilities and owner's capital in an enterprise at a particular date.4. Balances of income are entered in the credit column of the trial balance.	1 mark for each correct answer (1x 4) marks																	
6D	<table><tr><td>Date</td><td>Transaction</td><td>Account to be debited</td><td>Account to be credited</td></tr><tr><td>2019</td><td></td><td></td><td></td></tr><tr><td>July 5</td><td>Bought goods on credit from PKL Company Ltd Rs 15 000</td><td>Purchases</td><td>PKL Company Ltd</td></tr><tr><td>July 9</td><td>Sold goods for cash Rs 25 000</td><td>Cash</td><td>Revenue/ Sales</td></tr></table>	Date	Transaction	Account to be debited	Account to be credited	2019				July 5	Bought goods on credit from PKL Company Ltd Rs 15 000	Purchases	PKL Company Ltd	July 9	Sold goods for cash Rs 25 000	Cash	Revenue/ Sales	Award 1 mark for each correct answer No other answers are acceptable (1x4) marks	
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7(c)	<div>Opening bank balance on 1 November 2019 or Cash at bank on 1 November 2019</div>	1 mark	Accept any other relevant answer																																										

8 (a)	Aslam Income Statement for the year ended 31 October 2019			<div>(1x 8) marks</div> <div>Award marks only where the right figure is indicated as (i) to (viii) in the Income Statement</div>																																																								
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8 (b)	The increase in salary will increase total expenses (1) and therefore the profits for the year will decrease (1).			Award a maximum of 2 marks for the correct answer																																																								

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