



Index Number: .....

# NATIONAL CERTIFICATE OF EDUCATION

2021-2022

## BUSINESS AND ENTREPRENEURSHIP EDUCATION (N560)

**TOTAL TIME FOR  
SECTION A AND SECTION B: 2 HOURS**

### SECTION A: BUSINESS / ENTERPRISE / ECONOMICS

Candidates answer on the Question Paper.  
Additional Materials: Calculator and Ruler

### INSTRUCTIONS TO CANDIDATES

This paper consists of two sections:

**Section A: Business / Enterprise / Economics and Section B: Accounting.**

**Ensure that you have received the booklets for Section A and Section B.**

You are advised to spend **1 hour 15 minutes** on Section A.

1. Write your index number in the space provided above.
2. Answer **ALL** questions.
3. Write in dark blue or black ink. Do not use correction fluid.
4. This section consists of **5** questions printed on **13** pages, numbered **2** to **14**.
5. The number of marks for each question is given in brackets ( ).
6. The total marks for Section A is **65**.

For Examiners' use							
Question No.	1	2	3	4	5	Total	Signature
Examiner							
Team Leader							
Quality Controller							
CE/ACE							

**SECTION A – Business/ Enterprise/ Economics****Answer ALL questions (65 marks)****Question 1A (10 marks)****Circle the correct answer. Each item carries one mark.**

1. Which one of the following is an example of **written** communication?  

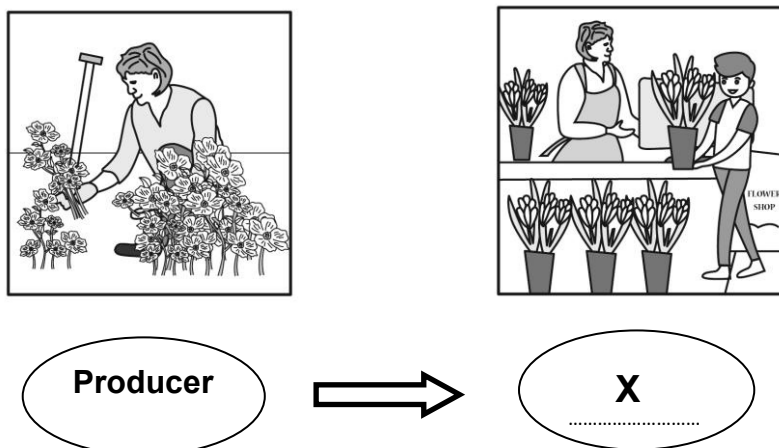
<b>A</b> Handshake	<b>B</b> Facial expression
<b>C</b> Business letter	<b>D</b> Telephone conversation
  
2. Which one of the following **stakeholders** of a business aims at maximising profits?  

<b>A</b> Owners	<b>B</b> Employees
<b>C</b> Customers	<b>D</b> Society
  
3. A **franchisee** is an enterprise that ..... a license to operate a franchise business.  

<b>A</b> borrows	<b>B</b> buys
<b>C</b> lends	<b>D</b> sells
  
4. Any factor that **threatens** the ability of an enterprise to achieve its goals is called a business .....  

<b>A</b> opportunity	<b>B</b> plan
<b>C</b> risk	<b>D</b> strategy

5. **Figure 1** shows the **channel of distribution** that a farmer usually adopts.



**Figure 1: Channel of distribution**

In **Figure 1**, which one of the following does **X** represent?

- |          |              |          |            |
|----------|--------------|----------|------------|
| <b>A</b> | Manufacturer | <b>B</b> | Competitor |
| <b>C</b> | Investor     | <b>D</b> | Consumer   |
6. **Lowering the price** of a product for a short period of time is known as .....
- A** competitive pricing  
**B** premium pricing  
**C** promotional pricing  
**D** penetration pricing
7. A **demand curve** shows the quantity demanded of a commodity at each .....
- A** output  
**B** price  
**C** input  
**D** unit

8. Which one of the following is an example of **metallic money**?

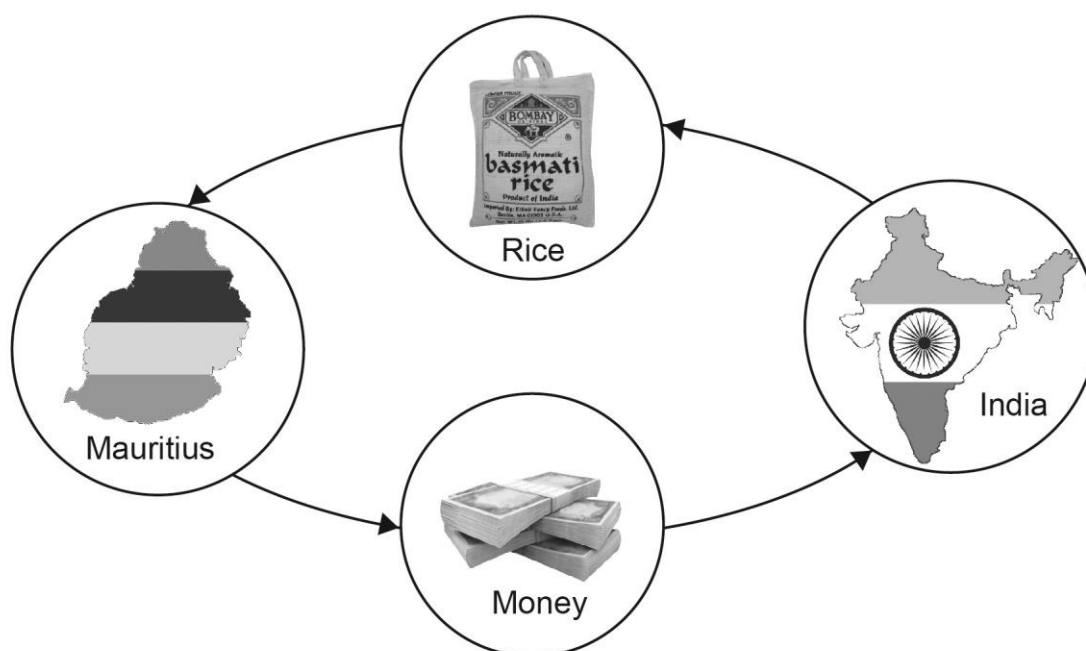


- A** Credit cards      **B** Bank notes      **C** Precious stones      **D** Silver coins

9. **Paying out money** to buy goods or hire services is known as .....

- A** borrowing      **B** investment  
**C** saving      **D** spending

10. Mauritius **buys** rice from India.



This is an example of ..... for Mauritius.

- A** money outflows      **B** internal trade  
**C** money inflows      **D** home trade

**Question 1B (5 marks)**

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

sender	receiver	share	dividend
manager	<del>trade</del>	government	

**Example:** The buying and selling of products is known as trade.

1. A ..... is part of a company's capital.
2. A ..... runs and controls a business.
3. The ..... ensures creation of jobs.
4. A person who passes on information to others is a .....
5. The part of a company's profits shared among shareholders is known as .....

**QUESTION 1C (8 marks)**

For **parts** (i) and (ii), match each **term** to its correct **description or definition**.  
**The first one has been done for you.**

(i)

	Term
1	<b>Money</b>
2	Import
3	Barter system
4	Feedback
5	Business plan

	Description / Definition
A	Sale of goods and services to foreign countries.
B	A reply from the receiver confirming receipt of a message.
<b>C</b>	<b>Is also known as currency.</b>
D	A document that helps entrepreneurs to identify the steps to set up a business.
E	Purchase of goods from other countries.
F	Direct exchange of products without using money.

[4]

(ii)

	Term
1	Marketable product
2	Selling
3	Marketing
4	Market research





	Description / Definition
A	Identifying and satisfying the needs of customers.
B	Setting a low price for a new product.
C	Collecting and analysing data about customers and the market.
D	Something which consumers need and will be ready to buy.
E	Exchanging a product for cash.

[4]

E
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CE

**QUESTION 2 (11 marks)**

- (a) For each of the following statements, **tick (✓)** the appropriate box to indicate whether it is an example of **effective** or **ineffective** communication. An **example** is given.

	Statement	Effective communication	Ineffective Communication
Example	 <p>A manager talking to the employees who are inattentive.</p>		✓
1.	 <p>A manager discussing with her colleague who is sharing her professional experiences.</p>		
2.	 <p>A manager using technical terms in his presentation which the employees cannot understand.</p>		
3.	 <p>A manager giving instructions to his assistant who responds immediately.</p>		

[3]

(b) State whether the following statements are “**True**” or “**False**”.

An **example** is given.

		True / False
<b>Example:</b> Direct marketing involves making direct contact with consumers.		<b>True</b>
1.	A Board of Directors runs a company.	
2.	Internal communication takes place with people outside the enterprise.	
3.	An innovative entrepreneur adopts new ways of doing things.	
4.	Money must be portable.	
5.	Only banks can use a business plan.	

[5]

(c) In the table below, indicate whether **each** of the following statements is an **advantage** or a **disadvantage** to a company. An **example** is given.

Statement about a Company		Advantage / Disadvantage
<b>Example:</b> More capital can be raised through the issue of shares.		<b>Advantage</b>
1.	The registration of a company takes a lot of time.	
2.	A company has an identity separate from the shareholders.	
3.	Shareholders of a company have limited liability.	

[3]

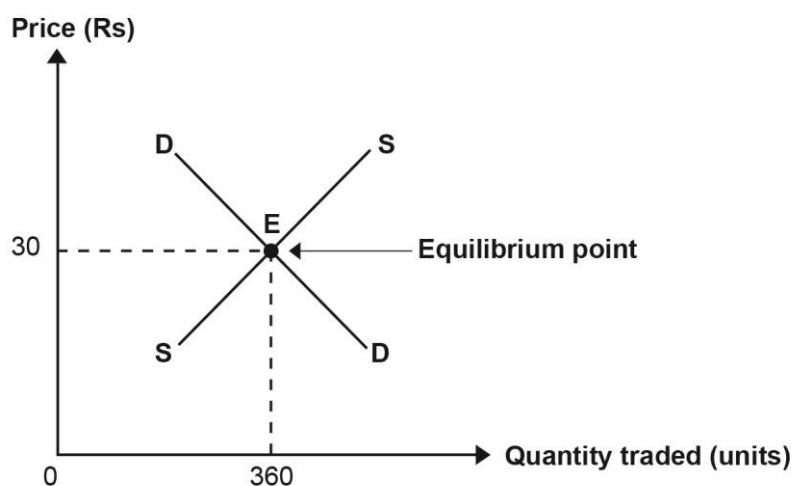
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**QUESTION 3 (9 marks)**

*Fleur de Zil* is a small florist shop run by Florence in Rodrigues.

**Figure 2** shows the **demand and supply curves of flowers**.



**Figure 2: Demand and Supply curves of flowers**

(a) From **Figure 2**, identify the:

(i) equilibrium price: ..... [1]

(ii) equilibrium quantity: ..... [1]

(b) A recent **cyclone** has destroyed many flower plants of *Fleur de Zil*.

What will happen to the **supply curve (SS)** of flowers shown in **Figure 2**?

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

[2]

- (c) Use arrows ↑ and ↓ to illustrate the **law of supply** in the table below.

Law of Supply	
Price ↑	Quantity supplied .....
Price ↓	Quantity supplied .....

[2]

- (d) Identify and explain **one factor**, other than price, that might influence the **demand** for flowers of *Fleur de Zil*.

Factor: ..... [1]

Explanation: .....

.....

.....

[2]

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# QUESTION 4 (12 marks)

## Craft Wood Design – (CWD)

Allan is an artist who has set up an enterprise – *Craft Wood Design (CWD)* to produce and sell decorative items using wood.



- (a) State **two qualities** of Allan that may have contributed to the success of *CWD*.

1. ....
2. ....

[2]

- (b) Identify **two functions** that Allan performs as an entrepreneur.

1. ....
2. ....

[2]

- (c) To expand his business, Allan decides to borrow money from a bank.

- (i) Define the term **borrowing**.

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

[2]

- (ii) Give **two factors** which may influence Allan's decision to **borrow** money from the bank.

1. ....
2. ....

[2]

- (d) Describe how **advertising**, as a means of promotion, can help Allan's business.

.....

.....

.....

[2]

- (e) Explain **one factor** that Allan must consider when setting the **price** of the products at *CWD*.

.....

.....

.....

[2]

E
TL
QC
CE

# QUESTION 5 (10 marks)

## Spices World

*Spices World* is owned and managed by a group of women as a cooperative society in Mauritius. The main activity of the enterprise is to produce homemade spices for local trade.



- (a) Define the term '**local trade**'.

.....

.....

.....

[2]

- (b) Explain **two advantages** of running *Spices World* as a **cooperative**.

1. ....

.....

.....

2. ....

.....

.....

[4]

- (c) During meetings at *Spices World*, **conflicts** usually arise among members. Give **two ways** in which **conflicts** at *Spices World* can be resolved.

1. ....

2. ....

[2]

(d) *Spices World* is now planning to export its products to other countries.

Describe **one way** in which **exports** by *Spices World* can be beneficial to Mauritius.

.....

.....

.....

[2]

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TL
QC
CE

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