



Index Number:

NATIONAL CERTIFICATE OF EDUCATION

2023

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.

You should ensure that you have received the booklets for both Section A and Section B.

Instructions for Section A

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 **15** pages, numbered **2** to **16**.
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 | | | | | | | |
| 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. Who of the following is an **entrepreneur**?



A Fireman



B Policeman



C Ice cream seller



D Postman

2. A **franchisee** is an enterprise that the license from a franchisor.

- A** hires
- B** lends
- C** sells
- D** buys

3. Personal selling is

- A** giving free gifts
- B** reducing price
- C** face-to-face selling
- D** reducing sales

4. Which of the following is a method of **online-marketing**?



A Billboards



B E-mails

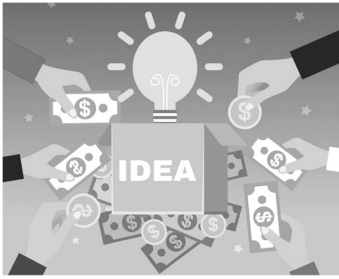


C Newspapers



D Pamphlets

5. Which of the following are **users** of a business plan?



A Investors



B Consumers



C Families



D Suppliers

6. A **sole trading business** is owned and controlled by entrepreneur(s) only.

A four

B three

C two

D one

7. What does P represent in the following formula?

$$\boxed{P} - \boxed{\text{Tax}} = \boxed{\text{Disposable income}}$$

A Dividend

B Loan

C Interest

D Income

8. Paying out money to buy goods refers to

- | | | | |
|----------|-----------|----------|---------|
| A | borrowing | B | saving |
| C | spending | D | earning |

9. refers to the part of profit shared among the shareholders.

- | | |
|----------|----------|
| A | Share |
| B | Tax |
| C | Dividend |
| D | Capital |

10. Which of the following is an example of a **franchise business**?



- A** A government organisation



- B** A small market seller



- C** A local shop



- D** Kentucky Fried Chicken (KFC)

Question 1B (4 marks)

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

Example: A share is a voucher that represents a unit of capital.


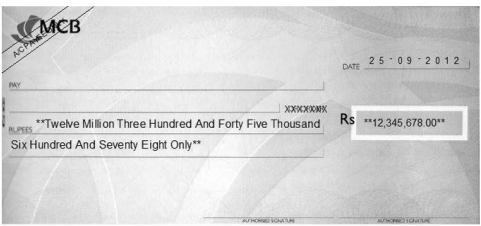



1. A person becomes a by buying shares.
(shareholder, buyer)
2. In a cooperative, earned is shared among its members.
(profit, capital)
3. The possibility of making a loss instead of a profit is known as a
(risk, money)
4. In a, there is joint ownership of the business.
(partnership, sole trading)

Question 1C (8 marks)

For parts (i) and (ii), match each term to its corresponding picture. Write your answers in the grid provided below.

The first one has been done for you.

(i)

| | Term | Picture |
|---|-----------------|--|
| 1 | Commodity money | A  |
| 2 | Barter system | B  |
| 3 | Metallic money | C  |
| 4 | Paper money | D  |
| 5 | Cheques | E  |


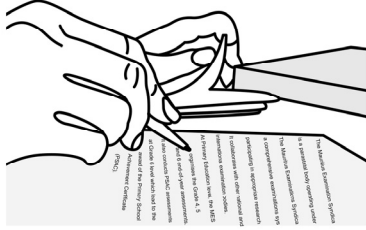

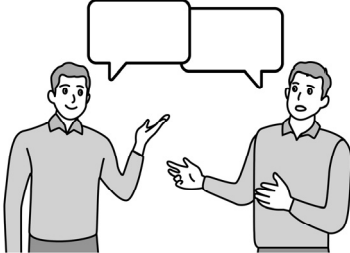
[4]

Answer grid

| Term | 1 | 2 | 3 | 4 | 5 |
|------------------------|---|---|---|---|---|
| Definition/Description | D | | | | |

(ii)

| | Term |
|---|--------------------------|
| 1 | Verbal communication |
| 2 | Non-verbal communication |
| 3 | Visual communication |
| 4 | Written communication |

| | Picture |
|---|--|
| A |  |
| B |  |
| C |  |
| D |  |

[4]

Answer grid

| Term | 1 | 2 | 3 | 4 |
|------------------------|---|---|---|---|
| Definition/Description | | | | |

E



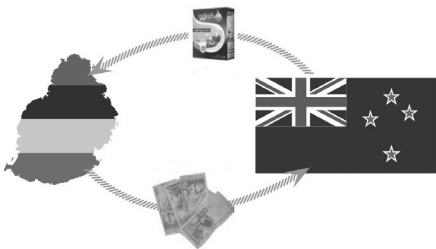
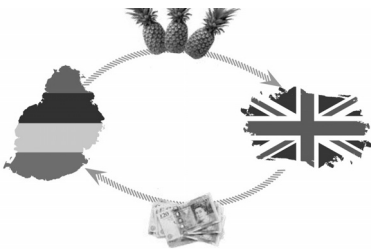
TL

CE

Question 2 (11 marks)

- (a) Complete the table below by giving the key terms used in trade for each of the given description. The first one has been done for you. Choose from the list of word(s) provided.

| Import | Export | Home trade |
|--------|--------|------------|
|--------|--------|------------|

| | Description | Key Term |
|---|---|--|
| 1 | Two countries buying and selling goods with each other  | International Trade |
| 2 | Buyer and seller are in the same country  | |
| 3 | Buying of products from other countries  | |
| 4 | Selling products to other countries  | |

[3]

- (b) State whether the following statements are **True** or **False**.
An example is given.

| | Statement | True / False |
|----|---|--------------|
| | Example: A seller usually aims at making profit. | True |
| 1. | Suppliers provide raw materials to an enterprise. | |
| 2. | Central banks accept deposits from individuals. | |
| 3. | A change in price affects the quantity demanded. | |
| 4. | A business plan is used to attract investors. | |
| 5. | In marketing, emphasis is on the product. | |

[5]

- (c) Aslam sets up a company that sells carpets. In the table below, **tick (✓)** the correct column to show whether each statement is an **advantage** or a **disadvantage** to his company.

| | Statement | Advantage | Disadvantage |
|----|---|-----------|--------------|
| 1. | More capital can be raised through issue of shares. | | |
| 2. | Has a separate legal identity. | | |
| 3. | Registration can take a lot of time. | | |

[3]

| |
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| E |
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Question 3 (11 marks)

G-Tech Alarm Services

G-Tech Alarm Services is a company that sells alarm system equipment.

There is high demand on the market for the products sold by G-Tech Alarm Services.



(a) Circle the letter corresponding to the correct answer.

A **'seller'** can be defined as someone who

- A** purchases goods and services.
- B** gives loans to companies.
- C** offers products for sale.

[1]

(b) Tick (✓) **three** factors which affect supply.

| | |
|-----------------------|--------------------------|
| Taxes | <input type="checkbox"/> |
| Population | <input type="checkbox"/> |
| Taste and preferences | <input type="checkbox"/> |
| Climate | <input type="checkbox"/> |
| Cost of production | <input type="checkbox"/> |

[3]

- (c) (i) Which **two** factors are likely to influence the demand of G-Tech products? Tick (✓) the correct boxes.

| | |
|------------------------------------|--------------------------|
| Price of the product | <input type="checkbox"/> |
| Name of the customers | <input type="checkbox"/> |
| Number of employees in the company | <input type="checkbox"/> |
| Income of customers | <input type="checkbox"/> |

[2]

- (ii) Use arrows (↑) or (↓) to illustrate the law of demand in the table below.

| Law of demand | |
|---------------|--------------|
| Price ↑ | Demand |
| Price | Demand ↑ |

[2]

- (d) Figure 1 shows the demand and supply curves of G-Tech products.

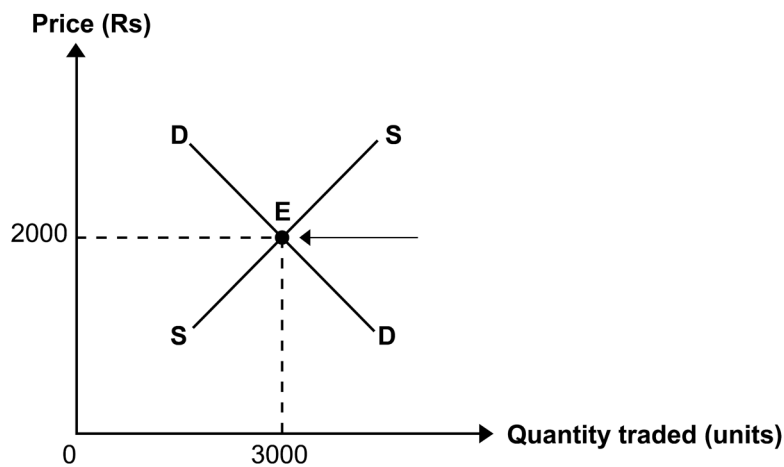


Figure 1: Demand and supply curves of G-Tech products

- (i) In Figure 1, what does point **E** represent?

..... [1]

- (ii) From Figure 1, identify the:

1. Equilibrium price: [1]

2. Equilibrium quantity: [1]

| |
|----|
| E |
| TL |
| CE |

Question 4 (9 marks)***Coconut Paradise Restaurant***

Coconut Paradise Restaurant is a restaurant in Rodrigues which offers a wide range of dishes made from coconut. The owners want to expand their business. However, their savings are not enough to finance the expansion.



- (a) Describe the term 'savings'.

.....

.....

..... [2]

- (b) The owners are thinking of borrowing funds to finance the expansion. However, they are worried about the interest they need to pay.

Define the term 'interest'.

.....

.....

..... [2]

- (c) (i) Give **one** factor that may influence the amount of money borrowed by Coconut Paradise Restaurant.

Factor: [1]

- (ii) Explain how this factor may influence the amount of money borrowed by Coconut Paradise Restaurant.

Explanation:

.....

..... [2]

- (d) A commercial bank agrees to lend some funds to Coconut Paradise Restaurant. However, the bank has requested the owners to prepare a business plan.

Explain how a business plan may help Coconut Paradise Restaurant to obtain the funds from the bank.

.....

.....

..... [2]

| |
|----|
| E |
| TL |
| CE |

Question 5 (12 marks)

Bio Herbal Tea (BHT)

Bio Herbal Tea (BHT) is an enterprise located at Vieux Grand Port which manufactures organic green tea. The managers at BHT have decided to carry out market research that may help them to make the product more marketable.



- (a) Give **two** characteristics of a marketable product.

1.

2. [2]

- (b) Explain **one** reason how market research can help BHT to make its product more marketable.

Reason: [1]

Explanation:

.....

..... [2]

- (c) The place (channel of distribution) where Bio Herbal Tea sells its product is very important for its success.

- (i) Give **one** factor that may influence the choice of a channel of distribution by BHT.

Factor: [1]

- (ii) Explain how this factor may influence the choice of a channel of distribution by BHT.

Explanation:

.....

..... [2]

- (d) With the recent development in technology, BHT is planning to adopt electronic marketing (eMarketing) to boost its sales.

Explain **two** reasons why using eMarketing is important for BHT.

1.

2.

[4]

| |
|----|
| E |
| TL |
| CE |

End of Question Paper