NOVEMBER 2012 EXAMINATION

DATE: 14 NOVEMBER 2012

TIME: 09H00 – 11H00          TOTAL: 100 MARKS

DURATION: 2 HOURS          PASS MARK: 40%

(VOC-1212)

BUSINESS ECONOMICS

THIS EXAMINATION PAPER CONSISTS OF 3 SECTIONS:

SECTION A: CONSISTS OF 5 TRUE OR FALSE QUESTIONS
ANSWER ALL THE QUESTIONS (10 MARKS)

SECTION B: CONSISTS OF 8 SHORT QUESTIONS
ANSWER ALL THE QUESTIONS (50 MARKS)

SECTION C: CONSISTS OF 3 LONG ANSWER QUESTIONS
ANSWER ANY TWO OF THE QUESTIONS (40 MARKS)

INSTRUCTIONS:

1. Read the following instructions carefully before answering the paper, as failure to act upon them will result in a loss of marks.
2. Write your answers in your answer book, which is provided in the exam.
3. Ensure that your name and student number are clearly indicated on your answer book.
4. Write your answers in either blue or black ink in your answer book.
5. Read each question very carefully before you answer it and number your answers exactly as the questions are numbered.
6. Begin with the question for which you think you will get the best marks.
7. Note the mark allocations for each question – give enough facts to earn the marks allocated.
   Don’t waste time by giving more information than required.
8. You are welcome to use diagrams to illustrate your answers.
9. Please write neatly – we cannot mark illegible handwriting.
10. Any student caught cheating will have his or her examination paper and notes confiscated.
    The College will take disciplinary measures to protect the integrity of these examinations.
11. If there is something wrong with or missing from your exam paper or your answer book, please inform your invigilator immediately. If you do not inform your invigilator about a problem, the College will not be able to rectify it afterwards, and your marks cannot be adjusted to allow for the problem.
12. This paper may be removed from the examination hall after the examination has taken place.

Examiner: D Linnegar-Whyte
SECTION A

TRUE OR FALSE QUESTIONS

Indicate whether the following statements are true or false. Motivate all your answers.

1. Closed corporations are not required to have their financial statements audited.
2. A private company can list on the stock exchange.
3. Creditors are an asset in the financial accounts.
4. Expansion of a business is limited in a sole-proprietor form of business.
5. Middle management is responsible for the day-to-day activities of an organisation.  

[5 × 2 = 10]
SECTION B: SHORT QUESTIONS (50 MARKS)

ANSWER ALL THE QUESTIONS

QUESTION 1
Describe five advantages and two disadvantages of capitalism. [7]

QUESTION 2
Identify the four factors of production. [4]

QUESTION 3
Discuss the differences between ordinary shares and preferential shares. [10]

QUESTION 4
A partnership is defined as a business that is owned and / or managed by two or more people. Describe the advantages of a partnership. [3 × 2 = 6]

QUESTION 5
The human resources (personnel) function looks after both company and employee interests within the company. Name any six responsibilities of the personnel function. [6]

QUESTION 6
Explain the two forms of amalgamation of companies, with examples. [2 × 3 = 6]

QUESTION 7
Briefly describe your understanding of the private and the public sectors. [2 × 2 = 4]

QUESTION 8
List the advantages of co-operatives. [7]
SECTION C: LONG ANSWER QUESTIONS (40 MARKS)

ANSWER ANY TWO OF THE QUESTIONS

QUESTION 1
Discuss the purchasing function of a hotel under the following headings:

(a) the responsibilities of the food purchaser (2 × 3 = 6)
(b) the responsibilities of the liquor purchaser (4)
(c) the responsibilities of the purchaser of equipment and consumables (10) [20]

AND / OR

QUESTION 2
Discuss the external environment that affects an organisation. [20]

AND / OR

QUESTION 3
Discuss the marketing mix within the hotel industry. [4 × 5 = 20]

[40]

Section A: 10 marks
Section B: 50 marks
Section C: 40 marks
TOTAL: 100 MARKS