



1. Ahmed specializes in interior décor of houses. He has recently set up his business in a market that is already competitive. His friend suggested that a business plan will be helpful for his new venture to survive. On the other hand, he has asked for the local government in his region to extend him some support in terms of finding suitable and cheap premises to set up his work.

a) Define the term specialization.

_____ [2]

b) Identify two other business objectives Ahmed may have besides survival.

Objective 1: _____

Objective 2: _____ [2]

c) Identify and explain two reasons why the government may be interested in supporting new business ventures.

Reason 1: _____

Explanation: _____

Reason 2: _____

Explanation: _____

_____ [4]

d) Identify and explain two problems that Ahmed may have encountered as an entrepreneur.

Problem 1: _____

Explanation: _____

Problem 2: _____

Explanation: _____

_____ [6]

e) Do you think constructing a business plan in the initial stages of set up will be helpful to Ahmed's venture in anyway? Justify your answer.

_____ [6]

2. Country Y's economy has recently changed to a mixed economic system. According to the statistics posted by the government's research department; the primary sector contributes the highest to the total Gross Domestic Product of country Y. Majority of the essentials such as transport, water and electricity are provided by the state owned enterprises that are growing in size.

a) What is meant by the private sector?

_____ [2]

b) Identify two examples of a primary sector business.

Aim 1: _____

Aim 2: _____ [2]

c) Identify and explain two reasons why the owners often want their businesses to grow?

Reason 1: _____

Explanation: _____

Reason 2: _____

Explanation: _____

_____ [4]

d) Identify and explain two aims of public sector enterprises.

Aim 1: _____

Explanation: _____

Aim 2: _____

Explanation: _____

_____ [6]

e) The public corporations of Country Y are considering various ways to grow. One of the options is to form a conglomerate between the country's largest gas and electricity power plants. Do you think this will be a beneficial move for these businesses? Justify your opinion.

_____ [6]

3. Henry Associates is a large public limited company that deals mainly in the manufacturing of electrical appliances such as hair dryers, microwave ovens and refrigerators. The company is looking out to expand its operations to different regions of the country. The HR department has stated the need to hire about an additional 100 part time workers which will increase their span of control and need to delegate. The Finance department is concerned about the funds required to carry out the recruitment and training of new employees.

a) What is meant by span of control?

_____ [2]

b) Identify two differences between a job description and job specification.

Difference 1: _____ [2]
Difference 2: _____

c) Identify and explain two advantages to Henry Associates of hiring part time workers.

Advantage 1: _____
Explanation: _____

Advantage 2: _____
Explanation: _____

_____ [4]

d) Identify and explain two benefits to the management of Henry Associates of delegating tasks to its employees.

Benefit 1: _____

Explanation: _____

Benefit 2: _____

Explanation: _____

_____ [6]

e) Do you think Henry Associates should focus on induction and on the job training of the new employees only? Justify your answer.

_____ [6]