



ZIMBABWE SCHOOL EXAMINATIONS COUNCIL

General Certificate of Education Advanced Level

BUSINESS ENTERPRISE SKILLS

6004/1

PAPER 1

SPECIMEN PAPER

2 hours 30 minutes

Additional materials:

Soft eraser

Soft pencil (type B or HB is recommended)

Answering paper

Calculators may be used.

TIME 2 hour 30 minutes

INSTRUCTIONS TO CANDIDATES

Do not open this booklet until you are told to do so.

Write your name, centre number and candidate number on the answer sheet in the spaces provided.
Show workings on the answer script.

Section A (40 marks)

Answer **all** questions.

Section B

Answer **both** questions

This specimen paper consists of 5 printed pages and 3 blank pages.

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SECTION A

Answer **all** questions.

- 1 (a) With the aid of a practical example, describe a franchise enterprise. [3]
 - (b) (i) Identify the economic system which best describes your country. [1]
 - (ii) Justify your answer in **b(i)** above. [2]
 - 2 Explain any **two** benefits of motivation to a business enterprise. [4]
 - 3 (a) Explain any **two** functions of a Human Resource Manager. [4]
 - (b) State any **three** ways of resolving disputes in a business enterprise. [3]
 - 4 TKT (Pvt) Ltd bought a motor van in 2015 for \$24 000 on credit from Euro motors. The motor van will be used by the enterprise for 5 years and will be disposed at \$4000 scrap value. Calculate the depreciation charged in the Income Statement for the year ended 2017 using:
 - (a) straight line method; [2]
 - (b) reducing balance method at the rate of 20% per annum. [3]
 - 5 Evaluate debt factoring as a method of improving cash-flows of a business enterprise. [4]
 - 6 Describe the following types of markets:
 - (a) virtual markets; [2]
 - (b) physical markets. [2]
 - 7 Distinguish between labour intensity and capital intensity. [4]
 - 8 Discuss the importance of decision trees in planning for a business enterprise. [6]
- Total marks [40]

- (d) Discuss the effects of globalisation to the economy of your country.

[10]

Read the passage below and answer the questions that follow:

Taftan Wedding Specialists

Taftan Statement of Financial Position as at 30 June 2016

<u>Non-Current Assets</u>	Cost	Accumulated Depreciation	Net Book Value
	\$	\$	\$
Premises	20 000	-	20 000
Furniture and fittings	10 000	2 000	8 000
Trucks	<u>30 000</u>	<u>18 000</u>	<u>12 000</u>
	<u>60 000</u>	<u>20 000</u>	<u>40 000</u>
<u>Current Assets</u>			
Inventory		5 000	
Trade receivables		3 000	
Rent Prepaid		1 000	
Cash and cash equivalence		<u>1 000</u>	<u>10 000</u>
Total Assets			<u>50 000</u>
<u>Equity and Liabilities</u>	\$	\$	\$
<u>Equity</u>			
Capital: Tafara			22 000
Tanatswa			<u>22 000</u>
			44 000
Current Accounts: Tafara		500	
Tanatswa		<u>500</u>	<u>1 000</u>
			45 000
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Trade payables		4 000	
Salaries owing		<u>1 000</u>	<u>5 000</u>
			<u>50 000</u>

Initially the business was doing so well due to low competition. However, competition intensified in 2016 as new players, joined the industry. In order to beat competition, the business had to invest in new technology and to recover lost market share. To achieve this successfully, the enterprise has to raise adequate finance.

10 (a) Calculate

- (i) current ratio; [2]
- (ii) acid test (quick) ratio [3]

- (b) Comment on the liquidity position of the business using your answers in **a(i)** and **a(ii)**. [6]
- (c) Explain the benefits of any **three** possible sources of external finance that can be used by the business to finance their projects. [9]
- (d) Assess possible benefits of introducing new technology to a business enterprise. [10]

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