

# PRINCIPAL EXAMINER'S REPORT



BOTSWANA  
EXAMINATIONS  
COUNCIL

## BGCSE COMMERCE 2024



## PAPER 1: MULTIPLE CHOICE

### General Comments

The 2024 cohort performed slightly lower than the 2023 cohort in terms of the mean, where the mean decreased by 2.33. The candidates showed poor performance when it comes to the questions targeting the lowest levels of cognitive scales and high levels of cognitive scales. The statistical evidence showed that there were seven (7) questions in which the candidates struggled with selecting the correct answer, where the proportion correct is less than 40%, with one question receiving less than 20%. The best performance was noted in one question with 96% proportion correct.

The candidates did poorly in questions where they were expected to recall simple business concepts or to apply their knowledge of the concept and solve the question. Centres are encouraged to give candidates more opportunities for them to interact with application of the skills. The item reports are given as tables that include key information as indicated:

- N                    the number of candidates who selected each of the options
- %                    percentage of candidates who selected each of the options
- Key                    the option that was taken as the answer

### Comments on Individual Items

#### Item 1

Option	N	%	Key	Comment
A	1081	0.14	B	The item was well done. Most candidates were able to interpret the productive activity shown in the question as directive service.
B	6075	0.81		
C	137	0.02		
D	249	0.03		

#### Item 2

Option	N	%	Key	Comment
A	526	0.07	C	The item was fairly attempted. Though most candidates were able to deduce the level of specialisation AB Ltd is engaged in when producing car parts, there are some who went for option B instead of C.
B	1874	0.25		
C	4672	0.62		
D	470	0.06		

#### Item 3

Option	N	%	Key	Comment
A	149	0.02	D	The item was fairly attempted. Majority in the candidates were able to see the advantage of buying new clothes for summer season from a multiple chain store rather than from a factory shop.
B	1538	0.20		
C	285	0.04		
D	5570	0.74		



**Item 4**

Option	N	%	Key	Comment
A	5315	0.70	A	The item was fairly done. 70% of the candidates were able to determine the advantage of why a large-scale retailer is in a better competitive position than a small-scale retailer.
B	700	0.09		
C	1271	0.17		
D	256	0.03		

**Item 5**

Option	N	%	Key	Comment
A	5291	0.70	A	The item was fairly attempted as majority in the candidates managed to identify the benefit of loss leaders to a retailer.
B	1181	0.16		
C	600	0.08		
D	470	0.06		

**Item 6**

Option	N	%	Key	Comment
A	2144	0.28	A	The item was averagely done. An average number in the candidates were able to determine the form of credit that a customer should use in order to buy and ensure that the computer becomes his/her property immediately.
B	4270	0.57		
C	445	0.06		
D	683	0.09		

**Item 7**

Option	N	%	Key	Comment
A	1247	0.17	C	The item was fairly done though 25% in the candidates could not determine the consumer's right that has been violated after the shop manager refused to accept the shoes which are to be returned to the store as they were of a wrong size.
B	587	0.08		
C	5682	0.75		
D	26	0.00		

**Item 8**

Option	N	%	Key	Comment
A	1636	0.22	A	The item was fairly attempted as about 60% of the candidates showed knowledge on the needs that could be make customers to buy from a particular seller.
B	814	0.11		
C	4585	0.61		
D	507	0.07		

**Item 9**

Option	N	%	Key	Comment
A	709	0.09	C	The item was fairly done. Majority in the candidates managed to identify a service provided by wholesalers to consumers.
B	552	0.07		
C	5593	0.74		
D	688	0.09		



**Item 10**

Option	N	%	Key	Comment
A	727	0.10	B	The item was well done. A good percentage in the candidates managed to identify the feature that applies to a cash and carry wholesaler.
B	6070	0.80		
C	634	0.08		
D	111	0.01		

**Item 11**

Option	N	%	Key	Comment
A	3259	0.43	A	The item was poorly done. Majority in the candidates could not identify an implication of the elimination of a wholesaler. Therefore, Centres are encouraged to emphasise more on the importance of wholesalers in the community.
B	823	0.11		
C	2044	0.27		
D	1416	0.19		

**Item 12**

Option	N	%	Key	Comment
A	4529	0.60	A	The item was somehow fairly done. Only 60% in the candidates could recall the main purpose of a delivery note.
B	2334	0.31		
C	217	0.03		
D	462	0.06		

**Item 13**

Option	N	%	Key	Comment
A	232	0.03	C	The item was well done as most candidates could recall an example of home trade.
B	1107	0.15		
C	6007	0.80		
D	196	0.03		

**Item 14**

Option	N	%	Key	Comment
A	1776	0.24	C	The item was poorly attempted. Most candidates were not able to come up with an agent that could be used by the manufacturer to sell its products and collects the payment for the manufacturer.
B	657	0.09		
C	2597	0.34		
D	2512	0.33		

**Item 15**

Option	N	%	Key	Comment
A	82	0.01	B	The item was fairly attempted. Though most candidates were able to identify a document used by the importer to claim the goods when they are sent by sea, 39% went for option D (shipping note).
B	4352	0.58		
C	149	0.02		
D	2959	0.39		



**Item 16**

Option	N	%	Key	Comment
A	791	0.10	B	The item was averagely done as half of the candidates could not identify a picture in which the item is non-dutiable in Botswana.
B	1919	0.25		
C	3751	0.50		
D	1081	0.14		

**Item 17**

Option	N	%	Key	Comment
A	2537	0.34	D	The item was averagely done. Almost half of the candidates could not identify a business unit which is in the public sector.
B	325	0.04		
C	834	0.11		
D	3846	0.51		

**Item 18**

Option	N	%	Key	Comment
A	989	0.13	C	The item was averagely done. Though 49% of the candidates were able to identify the term used to describe the purchasing of a privately owned business by the government, 35% of them went for option D.
B	221	0.03		
C	3660	0.49		
D	2672	0.35		

**Item 19**

Option	N	%	Key	Comment
A	1740	0.23	B	The item was averagely attempted. About half in the candidates managed to determine the feature the company could use to raise extra finance on the stock exchange in order for it to expand or to encourage investment in the company.
B	4082	0.54		
C	1436	0.19		
D	284	0.04		

**Item 20**

Option	N	%	Key	Comment
A	1230	0.16	C	The item was fairly done. Majority in the candidates recalled a function of the stock exchange.
B	875	0.12		
C	4732	0.63		
D	705	0.09		

**Item 21**

Option	N	%	Key	Comment
A	3487	0.46	A	The item was poorly attempted. Majority of the candidates could not determine the best way for a business person to meet a short fall of P5000 for her General Dealers' expenses.
B	404	0.05		
C	419	0.06		
D	3232	0.43		



**Item 22**

Option	N	%	Key	Comment
A	2125	0.28	B	The item was poorly done. Most of the candidates could not identify an item that appears in the statement of financial position.
B	2857	0.38		
C	876	0.12		
D	1684	0.22		

**Item 23**

Option	N	%	Key	Comment
A	6217	0.82	A	The item was well done as most of the candidates could deduce or calculate the wholesaler's percentage mark-up in selling coats to a retailer for P390 from P300.
B	427	0.06		
C	268	0.04		
D	630	0.08		

**Item 24**

Option	N	%	Key	Comment
A	318	0.04	D	The item was well done. Majority of the candidates identified a legislation that controls the number and type of hunting licenses issued in Botswana.
B	921	0.12		
C	29	0.00		
D	6274	0.83		

**Item 25**

Option	N	%	Key	Comment
A	3958	0.52	A	The item was averagely done as 52% of the candidates could identify the type of bank account that allows a trader to use a cheque.
B	1428	0.19		
C	1097	0.15		
D	1059	0.14		

**Item 26**

Option	N	%	Key	Comment
A	1031	0.14	B	The item was fairly attempted. Most candidates were able to identify a service that customers could receive through online banking.
B	5335	0.71		
C	525	0.07		
D	650	0.09		

**Item 27**

Option	N	%	Key	Comment
A	1286	0.17	C	The item was poorly done as most of the candidates were not able to determine a cheque clearing process that could take place between two customers of different banks. Therefore, Centres are encouraged to emphasise more on modalities of payment including cheque payment methods.
B	937	0.12		
C	2260	0.30		
D	3058	0.41		



**Item 28**

Option	N	%	Key	Comment
A	1275	0.17	D	The item was poorly done as majority of the candidates proved to have no clue in a term used to describe a situation whereby the premiums of many pay for the losses of the few.
B	2981	0.40		
C	1049	0.14		
D	2236	0.30		

**Item 29**

Option	N	%	Key	Comment
A	2817	0.37	C	The item was poorly done. Majority in the candidates could not deduce the information that is needed in the calculation of the insurance premium for the van used to deliver orders from a vegetable farmer to customers.
B	1334	0.18		
C	2882	0.38		
D	508	0.07		

**Item 30**

Option	N	%	Key	Comment
A	4542	0.60	A	The item was fairly done as most of the candidates could calculate the amount each insurance would pay as compensation for the sewing machine which had been insured for P40 000 having been bought for P60 000 after three months.
B	785	0.10		
C	1592	0.21		
D	622	0.08		

**Item 31**

Option	N	%	Key	Comment
A	2500	0.33	D	The item was poorly attempted as most of the candidates could not deduce an insurance policy that covers a customer in a saloon if burnt while relaxing hair at the salon. Majority went for options A and D, therefore, centres are advised to look unto that misconception.
B	970	0.13		
C	1716	0.23		
D	2354	0.31		

**Item 32**

Option	N	%	Key	Comment
A	1003	0.13	C	The item was averagely attempted. Many candidates could not recall the function of an insurance broker.
B	1034	0.14		
C	4262	0.57		
D	1240	0.16		

**Item 33**

Option	N	%	Key	Comment
A	502	0.07	B	The item was poorly attempted as most candidates could not interpret the diagram of an advertisement given to come up with the types of advertisement used.
B	3073	0.41		
C	2027	0.27		
D	1937	0.26		



**Item 34**

Option	N	%	Key	Comment
A	840	0.11	D	The item was well done. Majority of the candidates were able to identify the benefit of a successful advertising campaign to a retailer.
B	247	0.03		
C	205	0.03		
D	6243	0.83		

**Item 35**

Option	N	%	Key	Comment
A	2416	0.32	D	The item was poorly done as candidates seem to have no clue of the medium of advertising that a tractor manufacturer is most likely to use to give detailed information on a new tractor model to farmers as they are spread all over.
B	2441	0.32		
C	1711	0.23		
D	963	0.13		

**Item 36**

Option	N	%	Key	Comment
A	103	0.01	B	The item was well done as almost all of the candidates were able to identify a warehouse that could be used by supermarkets to store fresh meat.
B	7242	0.96		
C	61	0.01		
D	123	0.02		

**Item 37**

Option	N	%	Key	Comment
A	159	0.02	D	The item was well done. Majority in the candidates could identify a postal service that is available at a post service.
B	572	0.08		
C	312	0.04		
D	6481	0.86		

**Item 38**

Option	N	%	Key	Comment
A	2240	0.30	B	The item was averagely done. Though 60% of the candidates were able to identify a telecommunication facility that enables the business to make online payments to a supplier, a good percentage of them went for option A.
B	4480	0.60		
C	603	0.08		
D	195	0.03		

**Item 39**

Option	N	%	Key	Comment
A	1991	0.27	C	The item was averagely done. Though most candidates were able to recall a consignment that would be most suitable for delivery by air transport, 27% of them went for option A.
B	404	0.05		
C	4180	0.56		
D	927	0.12		



**Item 40**

Option	N	%	Key	Comment
A	2187	0.30	D	The item was poorly attempted as most candidates could not identify a service that may be provided to an air freight company by an airport authority.
B	456	0.06		
C	2449	0.33		
D	2252	0.31		



## PAPER 2: WRITTEN THEORY

### General Comments

The paper consisted of four compulsory questions and covered various topics of the syllabus. It tested knowledge and understanding, application, analysis and evaluation skills and has 100 marks. The paper was of the same difficulty compared with previous papers.

Questions were of the same level of standard and skill. There was significant evidence to suggest that most candidates from some centres lacked commercial knowledge on the following areas: services of freight forwarders, use of containers, types of partnership and use of debit cards. There were some significant indications that candidates were not ready for the exam, looking at the way they answered the questions and the number of questions left unanswered.

The general performance of the candidates in this component is somewhat unsatisfactory as compared to that of 2023. More of the weaker candidates left some questions unanswered, and some showed no content at all or failed to articulate the requirements of the question as compared to previous years. However, majority of the stronger candidates were able to answer the application, analysis and evaluation questions quite well.

However, Centres should:

- continue to put more emphasis in these skill areas in their teaching and examination preparation processes for their candidates. [application, analysis and evaluation skills]
- make use of past exam papers to guide them when preparing internal assessment for candidates.

### KEY MESSAGES

- 1 The question covered some objectives from introduction to commerce, retail trade, business organisations and purchasing and selling.

A preamble was given about DEF Ltd, a multinational company that produces a range of baby items like cots and prams, then distributes them to retailers throughout Southern Africa, with department stores as their main customer. Candidates were required to explain the type of production DEF is engaged in, state feature of a department store, explain documents that would be used by customers when purchasing the product. They were also asked to explain advantages of specialisation and discuss the benefits to DEF operating as a multinational company.

- 2 The question covered some objectives on trends in retailing, advertising, communication and how to establish a business.

A preamble was given about a candy store located in a shopping mall, selling a range of chocolates and sweets, uses television for advertising and is experiencing shortage of working capital. Candidates were to state the possible target market for the candy store, purpose of advertising, benefits of communication and locating on the shopping mall. They were of lack of working capital.

- 3 The question covered objectives on trends in retailing, insurance, business organisations, finance and banking.



The question was based on LuTed boutique which is a partnership between Lucy and Ted selling clothes in Palapye village but also online. The business invited mark to join as a limited partner. Candidates were required to state the difference between a general partnership and a limited partnership, explain disadvantages of partnership, evaluate the implications of online selling to the business and the benefits of to customers using debit cards.

- 4 The question covered some objectives on wholesale trade, international trade, warehousing and transport.

A preamble was given about MK Specialised Wholesaler that imports building materials from China and sells to retailers and individual customers in Botswana. The wholesaler uses the services of freight forwarder and containers when importing its building materials. Candidates were required to explain the meaning of a specialised wholesaler, state the method of payment that can be by the used when making payment for building materials in China, explain problems it may encounter when importing. Candidates were also required to explain the importance o warehouse, benefit of a freight forwarder and discuss whether or not it was a good idea for the Wholesaler to use containers.

### Comments on Individual Questions

- 1 (a) An application-based question that required candidates to explain the type of production that DEF company is engaged in. Majority of the candidates were able score the 2 marks allocated to this part question. They showed knowledge on types of production and were able to make application in relation to the DEF company.
- (b) A knowledge question that required candidates to state any 2 features of a department store for 2 marks. Most candidates had knowledge on features of department stores and managed to score all the 2 marks, though there were some who gave features of multiple stores like many branches across the country and movement of staff cross branches.
- (c) An application question that required candidates to explain two documents that could be used by customers of DEF when seeking to purchase the baby items. The question was accessible to most candidates though some failed to score the full marks due to lack of application.
- (d) An application question that required candidates to explain two advantages of specialisation to DEF company. Majority of the candidates scored a maximum of 2 marks in this part question because they could not apply their knowledge of specialisation to the given business scenario. They only showed general knowledge of specialisation and failed to answer in context of the question hence losing 3 marks. However, majority of the stronger candidates scored the maximum marks.
- (e) An evaluation question that required candidates to assess three ways in which the company would benefit from operating as a multinational company for 9 marks. The question was challenging to majority candidates as they failed to comprehend what the question required. They misinterpreted the question and answered it with benefits of a multinational to the host country, giving points like creation of employment, payment of tax which were not correct. However, majority of the stronger candidates were able to score good marks, 6 marks upwards.



- 2 (a) An application question that required candidates to state one possible target market for the candy store. Majority of the candidates performed well on this question, they understood the concept of 'target market' and so they gave good answers such as – children, hawkers and elders except few candidates who mentioned the place e.g. school and shopping mall.
- (b) An application question that required candidates to explain the benefits of fast and accurate communication to CS stores. Majority of the candidates could not score the 4 marks allocated to this part question because they failed to apply. They only showed knowledge of fast and accurate communication.
- (c) An application question that required candidates to explain two benefits to CS stores of locating in a shopping mall. Most candidates scored 2 marks for failing to develop their answers as they explained the factors that could help CS (Pty) Ltd to improve sales and reduce cost. For example, they wrote advertising would be easy because there were lot of passers-by who will see the goods and buy instead of benefits the business will get by locating in a shopping mall. Generally, candidates failed to link the services they get by being in the shopping mall and how it will benefit the business.
- (d) (i) A knowledge-based question that required candidates to state two purposes of advertising. The question was accessible to majority of the candidates, they were able to mention answers such as to attract customers/increase sales/improve brand image etc. A clear indication that most candidates understood the question and provided good answers, so they scored the 2 full marks.
- (ii) An application question that required candidates to explain three disadvantages of advertising on television. Most of the candidates managed to score the 3 marks for listed points and failed to explain their points well to show how television advertising is a disadvantage to the business and some failed to explain in relation to the business thereby losing marks. However, the stronger candidates were able to score good marks.
- (c) A high order question which required candidates to analyse the implications of lack of working capital. The question seemed to be a friendly one but it was a challenge to most of the weaker candidates, they did not respond well. They were able to come up with the implications but failed to explain further to show how this will affect the business. However, for the stronger candidates the question was a giveaway, they were able to analyse the implications well with application, thereby scoring good marks.
- 3 (a) (i) A knowledge- based question that required candidates to state **one** difference between a general partnership and a limited partnership for 2 marks. Most candidates failed to score the maximum marks of 2. For those that managed to score a mark, most were able to state the feature of a general partnership but failed to state that of a limited partnership. The candidates would mostly write general partnership is where partners have unlimited liability whereas limited partnership has limited liability. Some would write general partnership doesn't have limited liability whist limited partnership has limited liability.
- (ii) A knowledge-based question that required candidates to explain **three** disadvantages of running a partnership business for 6marks.The question was well answered as most



candidates managed to score between **4 and 6** marks. They displayed good knowledge of partnership business. However, there were some who managed to state the **three** advantages but failed to explain them. For example, **sharing of profits which will bring conflicts or disagreements**; the explanation is wrong as sharing of profits is usually agreed upon before the start of business operation or in the partnership deed. Some candidates lost marks as they used wrong terminology like shareholders and company.

- (b) An analysis question that required candidates to analyse whether the insurance company would approve the business's application for cover against failure of the business due to change in fashion. Most candidates were able to score 1 mark for 'No or the company will disapprove' but failed to justify their answer. However, for the stronger candidates the question was so friendly to them, they were able to justify their answer.
- (c) The question required candidates to evaluate **three** implications of online selling to LuTed Boutique for 9 marks. The requirement for the question was to make a judgement, that is, to either come up with two negatives and one positive effect or vice versa developed and concluded or positive/negative points developed and critiqued. Majority of the candidates displayed knowledge on online selling but were mostly on the side of the customer as opposed to what the question wanted which was implications to the business, thereby losing marks. Those few who were able to give implications to the business mostly scored **5** out of the **9** marks allocated because they could not apply.

Some candidates confused online selling with international trade as they gave answers like language barriers, high custom duty, different languages, and long distance. This therefore meant loss of marks.

- (d) High order question that required candidates to discuss two benefits to customers of using a debit card. The question was challenging to most candidates, so it was poorly answered as most candidates had no knowledge of what a debit card is as they mistook it as a budget account hence failure to score marks. There were some candidates who managed to write points like safety and convenience and were able to explain them but failed to critique the points. Some lost marks due to repetition of the points or explanation. Some candidates discussed benefits of debit cards to LuTed boutique which led them to losing marks.
- 4
- (a) This was a knowledge-based question where candidates were to define a specialised wholesaler. The majority of the candidates did not give the correct answer. Some wrote the answer in an application form where they defined it as a wholesaler which sells building material only. The common answer given was specialist wholesaler is a wholesaler which focus or concentrate on selling one product. A few who managed to score a mark, defined it as a wholesaler which sells limited range of goods.
  - (b) (i) The question required the candidates to state one method of payment that might be used by an importer. Majority of the candidates did not meet the requirements since they used local payments methods such as cheque, cash, orange money, e-wallet and a good number did not write anything. However, for the stronger candidates they managed to score the mark with



the majority giving common answers such as bills of exchange, online transfer/banking, credit card.

- (ii) This was an application question where candidates were to explain two problems that MK Wholesalers might encounter as an importer. The candidates were expected to state a problem and develop it with application. It was fairly performed. Majority of the candidates managed to score 2-3 marks because they either listed the points or developed the points without application. The common answers were; the use of different languages leading to difficulty in communication about building materials and increase in transport costs due to long distance travelled to acquire building materials. Those who failed to score marks wrote common answers such as goods will get lost at sea or taken by pirates, difficulty in transporting goods.
- (c) This was also an application question. The candidates were expected to explain three reasons why MK Wholesalers needs a warehouse, and it was fairly performed. Majority of the candidates managed to score marks either for listing or developing the points without application. The common answers were protecting the goods, stabilising prices and providing a steady supply of goods. Majority of the stronger candidates score maximum marks on the question.
- (d) This was a knowledge-based question. The candidates were to explain two benefits of freight forwarders to a business and the majority failed to answer the question. They showed lack of knowledge on services of a freight forwarder. The candidates mostly wrote the functions of a broker or factors such as bringing buyer and seller face to face. Only a few scored 1–2 marks for transport arrangement.
- (e) This was a high-order question where candidates were to discuss whether or not MK Wholesaler should use containers in transporting the building materials. They were to come up with the advantages and or disadvantages of containerisation, develop them and critique/conclude. The question was fairly performed, however there are some candidates who mistook containers as a means of transport. The common answer was protecting goods against damage and containers being expensive. For those who failed to score a mark, they wrote advantages and disadvantages of pre-packaging.



## PAPER 3: CASE STUDY

### General Comments

In this paper all questions are compulsory and the total mark for the paper is 80. The assessment objectives for the paper are knowledge and understanding, application, analysis and evaluation.

The paper covered different topics from the syllabus such as Customer Service, Purchasing and Selling Procedures, International trade, Finance and Banking, Insurance, Advertising, Transport, how to establish a commercial activity, Business Finance, Financial Statements and Business Units.

There were some topics that candidates lacked knowledge on, such as International Trade and Financial Statements.

### Recommendations

- ✓ More emphasis needed on documents used in international trade. There was a clear indication that candidates lacked knowledge on the functions of an indent.
- ✓ Candidates also showed lack of knowledge on the financial statements especially on the calculations.
- ✓ Centres are advised to intensify training on answering high order questions and explain command words like analyse, evaluate, recommend and discuss to students as some lose marks because of not being able to address the question fully.
- ✓ Paper 3 being a case study requires the candidates to apply to the case study given when answering questions. This is still a challenge as most candidates address questions as if they are general questions not based on the case study given. More training is needed on this.

### Key messages

For 2024 the case study given was a private limited business called TEB Arts Creations (Pty) Ltd specialising in Arts and Crafts. Tebo, an unemployed graduate from University of Botswana with a Bachelor's degree in Visual Arts, decided to open her own arts and crafts business at her home village, Palapye. She partnered with two friends producing artworks for individual customers and clients. They formed a partnership business called TEB Arts Creations. It was financed through partners' personal savings.

The business performed well in the market. As a result of increased demand for their artwork, the partners decided to convert their business into private limited company and raised capital for expansion. They opened another branch in Gaborone and introduced the retailing part and supplied the art materials. They were motivated to supply the art materials because they noticed that there were few suppliers in Botswana. Their main supplier of art materials has been Jek Arts Supplies, a company in Korea. The art materials from Jek Arts Supplies were transported by sea. The materials were of the best quality, which helped TEB Arts Creations to create unique paintings and drawings.

Due to its good performance in the market TEB Arts Creations (Pty) Ltd received proposals from aspiring artists for a franchise agreement. The owners agreed to franchise the business as this would help increase market share.



- 1 Covered the objectives on establishing a commercial activity and customer service and business finance.
- 2 Covered objectives on middlemen in international trade, documents used in international trade, purchasing activities and sea transport.
- 3 Covered business units and financial statements.
- 4 Addressed topics and objectives on financial statements and purchasing a business.

### Comments on Individual Items

- 1
  - (a) Candidates were to explain two techniques that Tebo used to come up with the business idea. The question was accessible to majority of the candidates as they were giving most of the answers that were in the marking guide. There were instances where candidates were giving ways of coming up with the business idea and they lost the marks. Some candidates were able to give techniques but failed to develop their answers applying to the case study given.
  - (b) Candidates were to explain two benefits of good customer service for TEB Arts Creations for 4 marks. The performance for this question was fairly good. Candidates demonstrated knowledge of the topic. Majority of candidates scored 2 out of the 4 marks as they managed to give points but failed to apply to the case study given.
  - (c) The question was worth 4 marks. Candidates were to explain two ways in which TEB Arts Creations (Pty) Ltd may have used their start-up capital. This question was accessible to majority of candidates as majority of them were able to come up with the two ways the start-up capital can be used, though some candidates were mainly bringing the uses that fall under working capital as separate points, so making it a repetition. Some failed to develop their points thereby scoring a maximum of 2 marks. A good number of candidates managed to score the maximum of 4 marks.
  - (d) Candidates were to analyse three strategies from the case study that TEB Arts Creations (Pty) Ltd used in order to attract customers. The question was accessible to majority of candidates. They were able to pick the strategies given in the case study as per the requirement of the question. Some failed to develop and conclude their points as to how those strategies helped TEB Arts Creations to attract customers. Few candidates did not address the question accordingly, they were giving general strategies which a business can adopt to attract customers not the ones given in the case study and as a result they were not awarded marks. Majority of candidates scored less than 5-6 marks with only a few candidates scoring the maximum mark of 9.
- 2
  - (a) Candidates were to state two middlemen which might assist TEB Arts Creations (Pty) Ltd when buying art materials from China. Majority of candidates performed well in this question with only few scorings zero. The question was accessible to majority of candidates as some were able to score maximum 2 marks. Most common responses were brokers and forwarding agents. A good number of candidates gave a 'factor' as one of the middlemen which was not applicable in this case. Majority of candidates scored 1 mark.



- (b) Candidates were to explain two functions of an indent. The question was worth 4 marks. The performance in this question was very poor with majority of candidates scoring zero. Majority of candidates did not have the knowledge of what an indent is. Some were giving functions of an order while some were giving functions of a bill of lading. Quite a good number of candidates left the question unanswered showing that this was a challenging question for candidates.
- (c) An analysis question where candidates were to analyse two factors that TEB Arts Creations (Pty) Ltd may have considered when choosing Jek Arts Supplies as their supplier. The total for the question was 6 marks. The question was fairly well done by majority of candidates. Majority of candidates demonstrated knowledge of the topic as they could come up with the factors and explain them. Some candidates failed to come up with conclusions and also failed to apply, and as a result they were not able to score the maximum marks. Few candidates gave the process of choosing the supplier instead of the factors to consider when choosing the supplier.
- (d) Candidates were to discuss whether or not TEB Arts Creations should continue using sea transport to transport art materials. The question was worth 6 marks. The performance for this question was fairly good as quite a good number of candidates could come up with the advantages and the disadvantages of using sea transport. The most common answers were that *it is cheap* and *a slow mode of transport*. Some candidates scored only a maximum of 4 marks as they were one sided. Most candidates scored between 3-4 marks with only few candidates scoring the maximum mark of 6 marks.
- 3 (a) Candidates were to state two documents that are prepared when establishing a private limited company. The question was worth 2 marks. Majority of candidates lacked knowledge on this question. They were not able to come up with these two documents. Some were bringing the documents used in home trade. Some left the question unanswered. For memorandum of association there were some candidates who stated *memorandum* only so got the answer wrong. Some were giving responses such as *prospectus* and *certificate of incorporation* which are not correct.
- (b) Candidates were required to explain two benefits of limited liability to third parties and the company for 4 marks. This was one of the poorly answered questions. Some candidates did not attempt the question at all as they left the question unanswered. Those who attempted the question, some were giving the advantages of a private limited company not addressing the requirements of the question. It was clear that the candidates did not know the company's third parties as majority of them were unable to come up with benefits related to the third parties.
- (c) Candidates were to evaluate whether it was a good idea for TEB Arts Creations to convert into a private limited company. The question was worth 9 marks. The question was poorly answered. Candidates were to give those advantages of running a private limited company that the owners will enjoy that are not there in the partnership, if their opinion was that converting into a private limited company was a good idea. And if they are against to come up with those disadvantages that are there in running a limited company but not there in partnership. Some of the common response was *consultative decision making* which is also an advantage of a partnership business and this was not accepted. Some did not score the maximum marks because they were one-sided.



(d) Candidates were to discuss whether or not the introduction of supplying art materials in addition to artworks was a good idea. The question was worth 6 marks. This was another challenging question for majority of candidates. It required candidates to argue their case by bringing both advantages and disadvantages of introducing the supply of art materials in addition to artworks. Majority of candidates did not address the question well. Some were giving answers such as *increase in profits* and *attract customers* failing to explain what led to an increase in profit or attraction of customers.

- 4 (a) (i) Candidates were to use information extracted from the books of TEB Arts (Pty) Ltd Creations to calculate the Cost of sales. This was a challenging question for majority of candidates. Majority of them showed that they did not know the formula for calculating the cost of sales. Majority of candidates did not use the purchase returns as an item for calculating the cost of sales which made them to get the answer wrong. Only few candidates got the answer correct.
- (ii) Candidates were to use information extracted from the books of TEB Arts (Pty) Ltd Creations to calculate the Profit for the year. This was one of the questions that was performed badly. Most candidates did not know how to calculate the profit for the year. For majority of candidates, it showed that they do not know the formula for calculating the profit for the year. They were just using any figure whether applicable or not. Only few candidates got this answer correct.
- (iii) Candidates were to use information extracted from the books of TEB Arts (Pty) Ltd Creations to calculate the Rate of inventory turn. The question was poorly performed by majority of candidates. Majority of candidates did not have the knowledge on how to calculate the rate of inventory turn. Some even left the question unanswered meaning majority of candidates scored a zero. Very few candidates managed to score the maximum mark of 2.
- (b) Candidates were to explain two benefits of preparing financial statements to TEB Arts Creations (Pty) Ltd. The question was worth 4 marks. The question was well attempted by majority of candidates. A good number of them showed understanding of the benefits of preparing the financial statements. Some failed to develop their points but all in all the performance was good. Majority of candidates scored between 3-4 marks.
- (c) Candidates were to discuss whether or not TEB Arts Creations (Pty) Ltd should enter into franchise agreements. The question was worth 9 marks. The question was poorly answered by majority of candidates. They failed to see that TEB Arts Creations was a franchisor not a franchisee. Majority of candidates gave their answers based on the franchisee leading to them losing marks. Only few candidates scored the maximum mark of 9. Most candidates scored between 0-4 marks. This showed that this was a challenging question for the candidates.