



BOTSWANA EXAMINATIONS COUNCIL
Botswana General Certificate of Secondary Education

CANDIDATE
NAME

CENTRE
NUMBER

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CANDIDATE
NUMBER

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COMMERCE

0598/02

Specimen Paper 2

October/November 20XX

2 hours 30 Minutes

Candidates answer on the Question Paper.
No Additional Materials are required.

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name in the spaces provided at the top of this page.
Do not use staples, paper clips, highlighters, glue or correction fluid.

Answer **all** questions.

Write your answers in the spaces provided on the question paper.

The number of marks is given in brackets [] at the end of each question or part question.

Calculators may be used.

For Examiner's Use	
1	
2	
3	
4	

This document consists of **12** printed pages.

1 Carrel is a commercial farmer at Tuli Block. Carrel grows sorghum, maize, beans and sunflower. The area has been receiving low average rainfall and this has affected his production. He usually gets assistance from the bank to buy fertilizers, pesticides and fuel.

(a) Explain the term 'production'.

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.....[2]

(b) Explain **two** ways in which commerce is part of production.

1
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2
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.....[4]

(c) Explain **two** advantages to Carrel of specialising in crop production.

1
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2
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.....[4]

(d) Discuss **two** ways in which Botswana Agriculture Marketing Board (BAMB) might assist Carrel after harvesting.

1

2

[6]

(e) Carrel wishes to obtain extra finance for the business. Carrel could obtain financial assistance from either a bank or from the government. Discuss both options. Which would you recommend? Give **three** reasons for your recommendation.

Discussion of both options

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Recommendation

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Reason 1

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Reason 2

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Reason 3

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.....[9]

[Total: 25]

2 Lepako runs a wholesale business in Selebi Phikwe. The business sells a variety of goods. The business buys from factories in Botswana and South Africa. The customers are mainly small-scale retailers. One of Lepako's suppliers advised him to insure the wholesale business.

(a) What is meant by a wholesale business?

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..... [2]

(b) Differentiate between a general wholesaler and a specialist wholesaler.

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..... [4]

(c) Analyse **two** ways in which small-scale retailers in Selebi Phikwe would be affected by Lepako's wholesale business.

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..... [4]

(d) Discuss **two** ways in which the formation of a voluntary chain might help small-scale retailers to compete with large-scale retailers successfully.

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..... [6]

(e) Assess whether or not Lepako needs to insure his wholesale business. Suggest **three** types of insurance that he might need. Which is the most important to Lepako?

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..... [9]

[Total: 25]

3 Lebitso and Baone started an Internet Café in Gaborone as partners. The business is expanding and they are considering turning it into private limited company now and later on they might decide to turn it into a public limited company. This will enable them to list the company on the Stock Exchange.

(a) (i) What is meant by partnership business?

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[2]

(ii) Explain **two** reasons why Lebitso and Baone should continue with the partnership business.

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2
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[4]

(b) Explain **two** functions of the stock exchange.

1
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2
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[4]

(d) If Lebitso and Baone's business were to become a public limited company, state **three** ways in which they would be affected by turbulence in the stock market.

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..... [3]

[Total: 22]

- 4 Fig. 1 shows the Balance of Trade for Botswana and Kenya between the year 2016 and 2017. Exports and Imports (BWP Million).

Export Commodities	2016	2017
Beef	150	470
Tourism	220	200
Soda ash	190	170
Diamonds	3000	4550
Total	3660	X
Import Commodities	2016	2017
Vehicle Equipment	445	390
Textile	510	450
Poultry	390	380
Vegetables	435	370
Total	Y	1590

Fig. 1

Use Fig. 1 to help you to answer the following questions.

- (a) (i) Calculate the value of **X** and **Y** in Fig. 1.

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..... [2]

- (ii) Calculate the Balance of Trade for 2016 in Fig.1. Show your working.

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..... [2]

(b) Explain **two** functions of forwarding agents.

Function

Explanation

.....

Function

Explanation

..... [4]

(c) (i) M and L (Pty) Ltd, a multinational construction company (MNC), uses a commercial bank for its financial transactions.

State the difference between a standing order and a direct debit.

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(ii) Explain **three** ways in which M and L (Pty) Ltd would use a computer to record transactions of banking.

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..... [6]

(d) M and L (Pty) Ltd would like to contribute to community development by sponsoring one of the following projects.

- Sports and Recreation
- Education and research
- Infrastructural development

Discuss the **three** projects. Which would you recommend for M and L (Pty) ltd to sponsor? Give **three** reasons for your recommendation.

Discuss of projects

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Recommendation

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Reason 1

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Reason 2

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Reason 3

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..... [12]

[Total: 28]

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