

Mark Scheme BEE Unit 1

SECTION A – Business / Enterprise / Economics Answer ALL questions (65 marks)

QUESTION 1 A (10 marks)

Award 1 mark for each correct answer.

1A 1 B

1A 2 D

1A 3 B

1A 4 C

1A 5 B

1A 6 A

1A 7 C

1A 8 D

1A 9 C

1A 10 D

QUESTION 1 B (5 marks)

Fill in the blanks with a suitable word from the list given below. An example is given.

Award 1 mark for each suitable word.

1. **Leading** is directing employees towards the objectives of the enterprise.
2. **Stakeholders** are people, groups, organisations that take interest in the activities and decisions taken by a business.
3. The amount of money paid by customers when buying a good or service is called **price**.
4. The willingness and ability to buy a commodity at a given price over a given period of time is called **effective demand**.
5. **Import** refers to the purchase of goods and services from foreign countries.

QUESTION 1 C (8 marks)

Match each term to its definition / description. Write your answers in the table below.

The first one has been done for you.

Award 1 mark for each correct answer.

Remarks: *Candidates should be awarded mark whichever option is chosen: either by the matching method or by writing the correct letter in the table.*

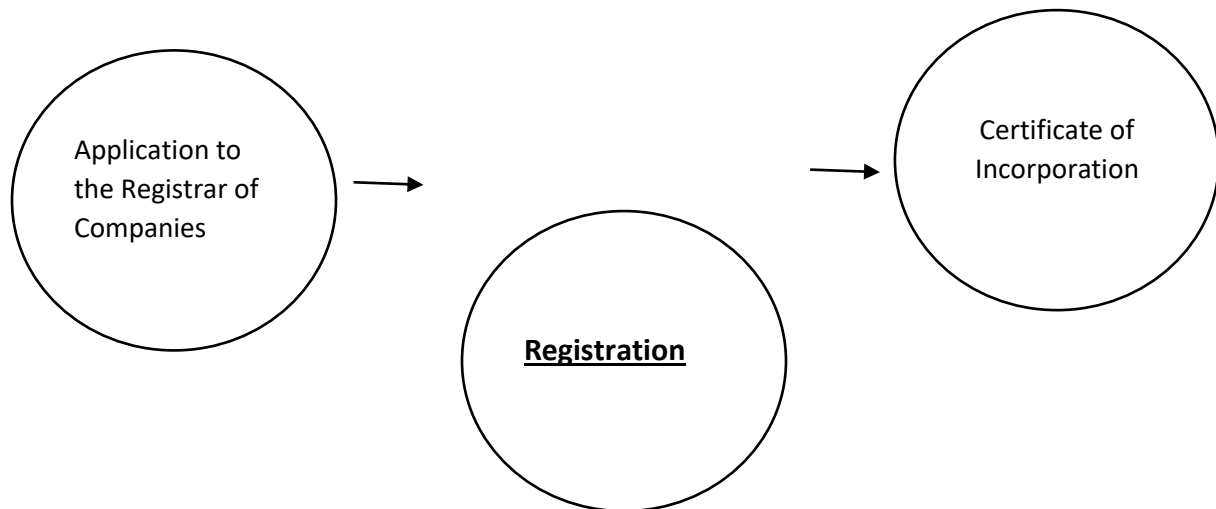
	Terms		Definition / Descriptions
1	Cooperative	A	Is the selecting an appropriate channel of distribution for products to reach customers.
2	Consumer	B	Is a business organisation which is owned and run jointly by its members who share the profits or benefits.
3	Communication	C	Some businesses try to sell their commodities to the customers quicker than their competitors.
4	Market Research	D	Is the quantity of a commodity offered for the sale by sellers on the market at given price and time.
5	Place	E	Buyers of goods and services provided by enterprise on the market.
6	Business Plan	F	Refers to the process of marketing a product using internet.
7	Supply	G	Is the exchange and flow of information, ideas, thoughts and feelings from one person to another.
8	E-Marketing	H	Informing consumers about a product or service or persuading them to buy it.
9	Competition	I	Is a document that contains a detailed plan to set up and develop an enterprise.
		J	Is the process of collecting and analysing data about customers and the market.

Term	1	2	3	4	5	6	7	8	9
Definition	B	E	G	J	A	I	D	F	C

QUESTION 2 (10 marks)

- (a) (i) By choosing the appropriate words, fill in the blanks of the two circles to show the steps that should be followed when setting up a company. **(2marks)**

Award 1 mark for correct answer.



(ii) Tick the details in their appropriate documents in the table below.

Award 1 mark for each correct answer.

Details		<u>Document 1</u> <i>Memorandum of Association</i>	<u>Document 2</u> <i>Articles of Association</i>
. 1	Name of the company	✓	
2	Names of directors		✓
3	Share Capital	✓	

[3 marks]

(b) State whether the following are '**True**' or '**False**'.

An **example** has been done for you.

Award 1 mark for each correct answer.

		True / False
Example: Employees are the owners who set up an enterprise.		False
1.	A situation in which there is a disagreement or disapproval with another person, or within a group is called conflict.	True
2.	Putting emphasis on the product is also known as selling.	False
3.	Commercial banks usually provide advice to customers.	True
4.	Public Relations is used to improve the image of an enterprise.	True
5.	Tourists' travelling to Mauritius to spend their holidays is known as an import trade for Mauritius.	False

[5 marks]

QUESTION 3 (16 marks)

(a) (i) Identify the different types of communication below.

Award 1 mark for each correct answer.

Verbal Communication Written Communication Non-Verbal Communication Visual Communication

[4 marks]

(ii) The Kentucky Fried Chicken is a franchise enterprise in Mauritius.

Explain one advantage and one disadvantage of setting up a franchise business.

Award 1 mark for identification and 1 mark for its explanation.

Advantage 1

- Strong recognition (1)- fewer changes of new business failing as an established brand and product are being used (1)
- Support and training (1)- advice, management support and training to personal are offered by franchisor (1)
- Existing product (1)- most suppliers are purchased directly from the franchisor (1)

Disadvantage 1:

- Huge investment (1) – the franchise license fee can be expensive (1)
- Control by franchisor (1)- strict rules over pricing and layout of outlet reduce owner's control over one's own business (1)
- Profits to franchisor (1) – part of the profits has to be paid to the franchisor (1)

[4 marks]

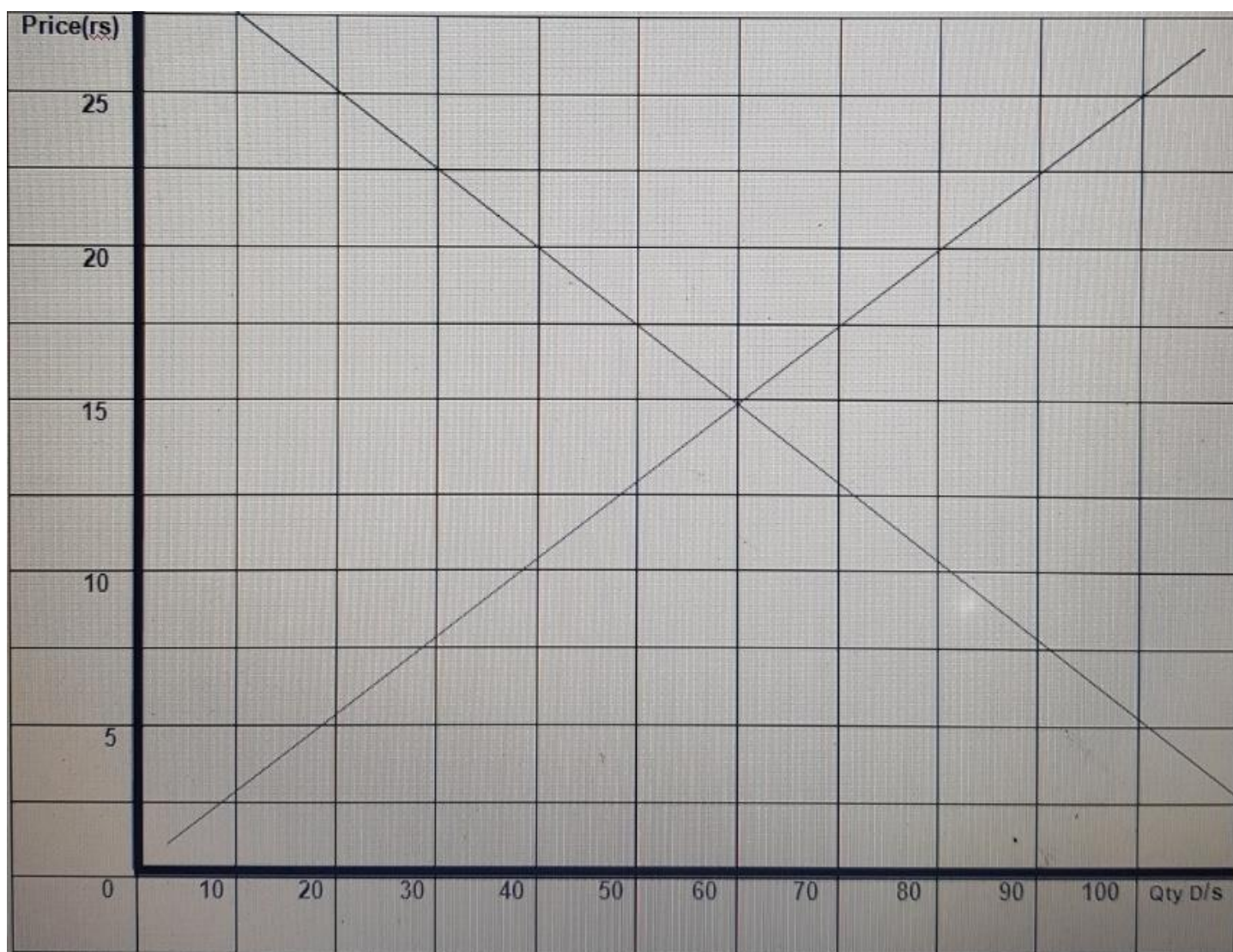
(b) Rebecca Rose grows and sells flowers. **The table below** shows the demand and supply schedules for flowers.

(i) Draw and label the demand and supply curves of 'Rebecca Rose' on the space provided below.

Award 1 mark for each label of prices, zero, qty demanded and supplied, demand curve and

supply curve.

[6marks]



(ii) What is the equilibrium price?

Award 1 mark of the correct answer.

- Rs 15

(iii) Identify one factor which might affect the demand of Rebecca Rose's Flowers.

Award 1 mark of the correct answer.

- Price (1), change taste and preference(1), change in climate(1), change in population(1) and change in income (1)

QUESTION 4 (8 marks)

- (i) To know about her customers' needs and expectations, Sanjana has conducted a market research.

Define the term of market research.

Award 2 marks of the correct definition.

- Market research is the process of collecting and analyzing data about customers and the market.

Explain two methods of promotion that Sanjana can use to increase her sales.

Award 1 mark for identification and 1 mark for explanation.

- Advertising (1) – to inform and persuade customers to buy Sanjana's cakes (1)
- Sales promotion (1)- Sanjana can reduce the price of the cakes so as to attract people to buy from her (1).

Remarks: Award marks for personal selling, public relations and direct marketing and other relevant answers.

- (iii) Explain one importance of E-Marketing.

Award 2 marks for the correct answer.

- E-marketing is less costly because a large number of customers can be reached through electronic means.
- It allows buying and selling at odd hours, for instance, even when shops are closed.
- Businesses can communicate more frequently with customers and provide the latest information.
- Entrepreneur can gather information about how well their products are doing on the market through mini online feedback forms.

QUESTION 5 (8 marks)

- (i) According to you, why have Jenny and Sophie decided to be business partners.

Award 2 marks for any other relevant and correct answers.

- To raise capital in the business.
- To share knowledge and ideas regarding to the business.
- To share responsibilities for managing the business.

- (ii) Explain one reason why preparing a business plan is important before borrowing a loan from the bank.

Award 2 marks for any relevant and correct answer.

Remarks: Award marks to any other relevant and correct answers.

- As it contains maximum information of about the enterprise.

- (iii) Explain one function of the central bank.

Award 1 mark for identification and 1 mark for explanation.

Remarks: Award marks for acting as Government's banker, issuing notes and coins, acting as a banker's bank, keeping gold and currency reserves; along with their explanations.

- Setting rules and regulations (1) – it set rules and regulations that banks should strictly follow (1)
- Monitoring the banking systems (1) – it ensures that government decisions and/ or policies about financial activities are being implemented (1)

- (iv) Explain one reason why would the bank refuse to give a loan despite having the business plan?

Award 2 marks for any relevant and correct answer.

Remarks: Award marks to any other relevant and correct answers.

- If the enterprise is operating at a loss
- If the business is new in the market.

SECTION B: Accounting Answer ALL questions [35 marks]

QUESTION 6 A (5 marks)

Award 1 mark for each correct answer.

6A 1 B

6A 2 B

6A 3 D

6A 4 D

6A 5 D

QUESTION 6 B (5 marks)

Match the terms below to their correct definitions / descriptions. Write your answers in the table below. The first one has been done for you.

Award 1 mark for each correct answer.

Remarks: Candidates should be awarded mark whichever option is chosen: either by the matching method or by writing the correct letter in the table.

	Terms		Definition / Descriptions
1	Assets	A	Are amounts owed by the enterprise to others outside the business.
2	The Trading Account	B	What the business owns.
3	Expenses	C	Is a classification of income and expenses from which profits or losses are calculated at the end of the accounting year
4	Liabilities	D	Presents all the assets, liabilities and owner's capital in an enterprise at a particular date.
5	An income Statement	E	What the business owes.
6	The Statement of financial position	F	Are payments made by a business for the day to day running of the business.
7		G	Records items which deal with trading activities of an enterprise.

[5 Marks]

Insert your answer below:

Term	1	2	3	4	5	6
Definition/ Description	B	G	F	E	C	D

QUESTION 6 C (4 marks)

Fill in the blanks with a suitable word from the list given below. The first one has been done as an example.

Award 1 mark for each suitable word.

1. A bank transaction is a transaction that occurs when money is received or paid by cheque.
2. Drawings are cash or goods that the owner takes from his enterprise for his private use.
3. The enterprise gets credit facilities from its suppliers. It buys goods now and pay later. This is known as credit Purchases.
4. Furniture is an example of an asset for the enterprise.

QUESTION 6 D (4 marks)

Complete the table below with the 'Account to be debited' and the 'Account to be credited' for each of the transactions given. **The first one has been done for you.**

Award 1 mark for each correct answer.

Date 2020	Transaction	Account to be debited	Account to be credited
May 1	Started business with Rs 125 000 cash in hand	Cash	Capital
May 12	Drew cash for own use Rs 800	Drawings	Cash
May 30	Paid salaries and wages by cheque Rs 13000	Wages and salaries	Bank

QUESTION 7 (7 marks)

Samuel is an entrepreneur. He had the following balances on 1st December 2019.

Cash Account - Rs 10 000

Bank Account - Rs 15 000 Debit

- (a) Select the appropriate transactions from **Table 1** and make the relevant entries in the following **Cash Account**.

Award Marks for the correct answers.

Dr		CASH ACCOUNT				Cr
Date 2019	Details	Rs	Date 2019	Details	Rs	
December 1	Balance b/d	10 000	December 15	Purchases	1 000	
December 31	Sales	5 000	December 25	Drawings	1 800	
			December 31	Balance c/d	12 200	
		15 000			15 000	
January 1 2020	Balance b/d	12 200				

[3 marks]

(b) Select the appropriate transactions from **Table 1** and make the relevant entries in the following **Bank Account**. Balance off the Bank Account and **bring down** the balance on 1 December 2019.

Dr		BANK ACCOUNT				Cr	
Date 2019	Details	Rs	Date 2019	Details	Rs		
December 1	Balance b/d	15 000	December 10	Rent and Rates	1 500		
December 29	Kim	2 000	December 22	Jone	4 000		
			December 31	Balance c/d	11 500		
		17 000			17 000		
January 1 2020	Balance b/d	11 500					

[3 marks]

(c) Give one difference between a cash account and a bank account.

Award 2 marks for any relevant and correct answer.

Remarks: Award marks to any other relevant and correct answers.

- A cash account records all the cash transactions and a bank account records all the bank transactions for a business.

QUESTION 8 (10 marks)

(a) Using the information from the Trial Balance of Aleem, prepare the **Income Statement** for the year ended 31 December 2019.

Award Marks for the correct answers.

Aleem**Income Statement for the year ended 31 December 2019**

	Rs	Rs
Revenue		200 000
Cost of sales:		
Opening inventory (i)	9 900	
Purchases	92 700	
	102 600	
Closing inventory (ii)	(12 600)	
Cost of Sales	(iii)	90 000
Gross Profit	(iv)	110 000
Expenses:		
(v)	90 000	
<u>Wages and salaries</u>		
(vi)	6 000	
<u>General expenses</u>		
	(vii)	96 000
Profit / (loss) for the year	(viii)	14 000

[8 marks]

- (b) Briefly explain how an increase in gross profit will affect Aleem's enterprise.

Award 2 marks for any relevant and correct answer.

Remarks: Award marks to any other relevant and correct answers.

- It may decrease for the chance for Aleem's enterprise to have a net loss.

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