Republic of Namibia

MINISTRY OF EDUCATION, ARTS AND CULTURE

NAMIBIA SENIOR SECONDARY CERTIFICATE (NSSC)

BUSINESS STUDIES SYLLABUS

ADVANCED SUBSIDIARY LEVEL

SYLLABUS CODE: 8245

GRADE 12

FOR IMPLEMENTATION IN 2021

FOR FIRST EXAMINATION IN 2021

Ministry of Education, Arts and Culture
National Institute for Educational Development (NIED)
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Business Studies Syllabus Advanced Subsidiary Level Grade 12

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1. INTRODUCTION

The Namibia Senior Secondary Certificate Advanced Subsidiary (NSSCAS) level is designed as a one year course for examination after completion of the Namibia Senior Secondary Certificate Ordinary (NSSCO) level. The syllabus is designed to meet the requirements of the National Curriculum for Basic Education and has been approved by the National Examination, Assessment and Certification Board (NEACB).

The National Curriculum Guidelines, applicable at the stage of senior secondary education (Grades 10 - 12) and at equivalent stages of non-formal education, as a part of life-long learning, recognise the uniqueness of the learner and adhere to the philosophy of learner-centred education.

The Namibia National Curriculum Guidelines

- recognise that learning involves developing values and attitudes as well as knowledge and skills
- promotes self-awareness and an understanding of the attitudes, values and beliefs of others in a multilingual and a multicultural society
- encourage respect for human rights and freedom of speech
- provide insight and understanding of crucial “global” issues in a rapidly changing world which affect quality of life: the AIDS pandemic, global warming, environmental degradation, uneven distribution of wealth, expanding and increasing conflicts, the technological explosion and increased connectivity
- recognise that as information in its various forms becomes more accessible, learners need to develop higher cognitive skills of analysis, interpretation and evaluation to use information effectively
- seek to challenge and to motivate learners to reach their full potential and to contribute positively to the environment, economy and society

Thus the Namibia National Curriculum Guidelines should provide opportunities for developing essential/key skills across the various fields of study. Such skills cannot be developed in isolation and they may differ from context to context according to the field of study.

Business Studies contribute directly to the development of the 8 key skills marked *:

- critical and creative thinking skills*
- communication skills*
- information skills*
- numeracy skills*
- physical skills
- problem-solving skills*
- self-management and competitive skills*
- social and co-operative skills*
- work and study skills*

2. RATIONALE

Business Studies intends to impart the concepts of business skills in the learners that will enable them to create jobs for themselves, and for others as well as in the future. It will help learners to apply the business knowledge, skills and attitudes acquired to solve environmental, economic and social problems in their everyday lives.

The subject will help learners to appreciate the importance of good working habits, to develop positive attitudes towards work and further studies.

3. AIMS

The aims of the syllabus are the same for all learners. These aims are set out below and describe the educational purposes of a course in Business Studies for the NSSCAS examination. They are not listed in order of priority.

The aims are to enable learners to:

- develop knowledge and understanding of the environment within which business activity takes place and of the way in which changes in that environment influence business behaviour
- understand the impact and influence of business activity on the environment
- develop knowledge and understanding of the major groups and organisations within and outside business and consider ways in which they are able to influence objectives, decisions and activities
- develop understanding of the roles and purposes of business activity in both the public and the private sectors
- develop knowledge and understanding of how the main types of business and commercial institutions are organised, financed and operated
- develop knowledge and appreciation of the working world and of the co-operation and inter-dependence which participation in society entails; to encourage the confidence and awareness of students in their approach to such participation
- develop knowledge and understanding of the language, concepts, techniques and decision-making procedures in business behaviour
- develop skills of numeracy, literacy, enquiry, selection and employment of relevant sources of information, presentation and interpretation
- develop an awareness of the nature and significance of innovation and change within the context of business activities

4. ADDITIONAL INFORMATION

4.1 Guided learning hours

The NSSCAS level syllabuses are designed on the assumption that learners have about 180 guided learning hours per subject over the duration of the course (1 year), but this is for guidance only. The number of hours required to gain the qualification may vary according to local conditions and the learners' prior experience of the subject. The *National Curriculum for Basic Education* (NCBE) indicates that this subject will be taught for 10 periods of 40 minutes each per 7-day cycle, or 7 periods of 40 minutes each per 5-day cycle, over a year.

4.2 Recommended prior learning

It is required that learners who are beginning this course should have previously completed the NSSCO course in Business Studies.

4.3 Progression

NSSCAS Business Studies provides a suitable foundation for the study of Business Studies related courses in higher education. Depending on the local university entrance requirement, it may permit or assist progression directly to university courses in Business Studies or other related course in higher education. Equally it is suitable for learners intending to pursue careers or further study in Marketing, Business Administration, Human Resources Management and others.

4.4 Grading and reporting

NSSCAS results are shown by one of the grades a, b, c, d or e indicating the standard achieved, grade a being the highest and grade e the lowest. 'Ungraded' indicates that the candidate has failed to reach the standard required for a pass at NSSCAS level.

4.5 Support materials and approved textbooks

Copies of NSSCAS syllabuses, recent specimen material, question papers and examiner reports are sent to all schools. Assessment/Coursework manuals in subjects, where applicable are sent to schools. Approved learning support materials are available on the *Senior Secondary Textbook Catalogue for Schools*. The Textbook Catalogue is available on www.nied.edu.na

5. LEARNING CONTENT

The content is divided into four themes and these are:

1. Why business activity is needed
2. How business activity is organised and financed
3. What is produced and why
4. How external factors influence business activity

THEME 1: WHY BUSINESS ACTIVITY IS NEEDED		
TOPIC	**GENERAL OBJECTIVES** *Learners will:*	**SPECIFIC OBJECTIVES** *Learners should be able to:*
1.1 The nature and purpose of business activity	• understand the nature and purpose of business activity	• explain the purpose of business activity • explain the scarcity problem and opportunity cost • describe the relationship between the scarcity problem and opportunity cost • evaluate the impact of specialisation on workers and the business • explain the purpose of business activity in terms of the objectives of non-profit making organisations, private sector businesses and public sector businesses • assess the impact of a business plan on the business operations and the management of the business • analyse what a business needs to succeed and why many businesses fail during an early stage
1.2 Types of business activity	• understand causes for a change in the size of a business	• distinguish between internal growth and external growth • explain the different types of merger and takeover - horizontal - vertical (forwards and backwards) - conglomerate • discuss the effect of growth on the business
	• understand the measuring of the size of a business	• distinguish between market share and market growth • analyse the implications of changes in market share and growth • evaluate the methods of measuring the size of a business referring to market share and market growth
	• understand multinational companies (MNC) and their effect on the host country	• explain the main differences between local, national and multinational companies (MNCs) • analyse the advantages and disadvantages of multinationals to the host country • explain the importance of globalisation
	• understand the survival or success of different types of business	• assess the level of success of a business

THEME 2: HOW BUSINESS ACTIVITY IS ORGANISED AND FINANCED		
TOPIC	**GENERAL OBJECTIVES** *Learners will:*	**SPECIFIC OBJECTIVES** *Learners should be able to:*
2.1 Forms of business organisations	• understand the different sectors in which business organisations operate	• compare - formal and non-formal sectors - public and private sectors - primary, secondary and tertiary sectors • discuss advantages and disadvantages for the business and workforce, when working in the formal versus non-formal sector • analyse the effect of the non-formal sector on unemployment and crime
	• understand different forms of business organisations and how they are influenced by the size and/or growth of a business in various economic sectors	• analyse how ownership in the formal sector becomes divorced from control as business grows • evaluate the implications resulting from changing from one form of ownership to another • explain the functions and operation of the Namibian Stock Exchange (NSE)
2.2 Finance in the private/public sector	• acquire knowledge and understanding of the sources of short, medium and long-term finance	• analyse a firm’s need for funds for specific purposes • identify and explain the main criteria which business will use when seeking short, medium and long-term finance (purpose, amount, time, risk) • evaluate the choice of finance in a given context - short term, e.g. bank overdraft, trade credit, factoring of debts - medium term, e.g. hire purchase, leasing, bank loan - long term, e.g. bank loan (mortgage bond or long-term loan), issuing of shares

THEME 2: HOW BUSINESS ACTIVITY IS ORGANISED AND FINANCED		
TOPIC	**GENERAL OBJECTIVES** *Learners will:*	**SPECIFIC OBJECTIVES** *Learners should be able to:*
2.3 The accounting function, planning and controlling business activity	• understand how to use financial statements, budgets, cash flow forecasts, break-even analysis and working capital in planning and control	• assess simple quantitative accounting data, in particular the financial statements (Income Statement and Statement of Financial Position, including working capital) of a business, using performance ratios (return on capital employed, gross margin (%), net profit margin (%)), liquidity ratios (current ratio, quick ratio/liquid ratio, rate of inventory turnover) and the solvency ratio • distinguish between retained profit and cash • explain what is meant by - fixed cost - variable cost - total cost - income - operating expenses • explain the nature and usefulness of budgets and cash flow forecasts • compile and analyse budgets, including variance analysis of cash budgets • compile and analyse simple cash flow forecasts • compile and analyse a break-even chart • calculate the break-even point • assess the importance of break-even analysis, budgets and cash flow forecasts for decision making

THEME 2: HOW BUSINESS ACTIVITY IS ORGANISED AND FINANCED		
TOPIC	**GENERAL OBJECTIVES** *Learners will:*	**SPECIFIC OBJECTIVES** *Learners should be able to:*
2.4 Management of business	• demonstrate an understanding of management and leadership	• explain the difference between leadership and management • discuss the nature of management and the need for effective management • discuss Mintzberg's roles of management • assess the different types of leadership styles • discuss leadership in terms of - qualities - styles (autocratic, democratic, laissez-faire, McGregor's Theory X and Theory Y) - effectiveness - roles (directors, managers, supervisors, worker representatives)

THEME 2: HOW BUSINESS ACTIVITY IS ORGANISED AND FINANCED		
TOPIC	**GENERAL OBJECTIVES** *Learners will:*	**SPECIFIC OBJECTIVES** *Learners should be able to:*
2.5 Formal representation and participation	• demonstrate an understanding of the importance of Human Resource Management (HRM), co-operation and negotiation in the workplace	• define labour relations • assess the role of HRM in - workforce planning - recruitment - selection - training - induction - health and safety - redundancy - industrial relations - wages and salaries • describe the structure of trade unions and the way they work (locally) • evaluate the importance of trade unions and HRM in collective bargaining • describe the structure of bargaining at plant level • justify the appropriate types of industrial action (strike, picketing, work to rule, go-slow, non-cooperation, overtime ban, lockout) in a specific context • discuss the issues involved in management accepting workforce unionisation and recognising trade unions • explain the roles of - shop stewards - Human Resources department - joint committees on particular issues - the board of directors and worker directors

THEME 2: HOW BUSINESS ACTIVITY IS ORGANISED AND FINANCED		
TOPIC	**GENERAL OBJECTIVES** *Learners will:*	**SPECIFIC OBJECTIVES** *Learners should be able to:*
2.6 Motivation	• demonstrate an understanding of motivation through financial and non-financial rewards	• explain different types of financial rewards (payment methods) - time based - salary - piece rates - commission - bonuses - profit sharing - performance related pay • explain different types of non-financial rewards (motivators) - training - induction - opportunities for promotion - development - status - job-redesign - team working - empowerment - participation - fringe benefits/perks • assess the level of motivation achieved by financial or non-financial rewards for work in a specific context

THEME 3: WHAT IS PRODUCED AND WHY		
TOPIC	**GENERAL OBJECTIVES** *Learners will:*	**SPECIFIC OBJECTIVES** *Learners should be able to:*
3.1 Marketing	• demonstrate an understanding of marketing	• explain the role of marketing and its relationship with other business activities • discuss the benefits and limitations of market segmentation • assess the best methods of market segmentation in a specific context including geographic, demographic and psychographic methods • explain reasons for and benefits and limitations of mass marketing and niche marketing
3.2 Market research	• acquire knowledge of conducting market research	• explain the purpose of market research in determining customer characteristics, wants and needs • discuss when different methods of research should be used • justify the appropriate sampling method (random, stratified and quota) in a specific context • recommend a target market and sample in a specific context • describe methods to collect data for primary and secondary research, e.g. questionnaires, consumer panels and through internet • analyse data and present information using graphs, pie charts, bar charts and tabulation • advise and make decisions based on analysed information • compile a simple market research report from information • assess the accuracy of information obtained during market research in a specific context
3.3 Analyse and present information to guide decision making	• demonstrate how information as obtained from various sources can be used to assist management in decision making	• present and disperse information to guide decision making using graphs and/or pie charts and/or bar charts and/or tabulation • discuss the nature and importance of the presentation of statistical information in decision making

THEME 3: WHAT IS PRODUCED AND WHY		
TOPIC	**GENERAL OBJECTIVES** *Learners will:*	**SPECIFIC OBJECTIVES** *Learners should be able to:*
3.4 SWOT analysis	• understand SWOT analysis	• explain SWOT analysis • explain the importance of using a SWOT analysis when producing a business plan
3.5 Elements of the marketing mix: product, price	• to understand the relationship between the customer and the business (the 4 Cs)	• explain the relationship between the customer and the business (the 4 Cs) - customer solution - cost to customer - communication with customer - convenience to customer • explain how the 4 Cs relate to the 4 Ps in the marketing mix
	• demonstrate knowledge and understanding of a product life cycle	• explain how the product life cycle influences marketing activities • evaluate the extension strategies of a product life cycle
	• understand the importance of the price of a product on consumers and firms	• define demand and supply • explain the principle of equilibrium price and quantity • construct and analyse simple market situations with changes in supply and demand • describe the causes of changes in demand and supply conditions and analyse such changes to show the effect on prices • explain and calculate price elasticity of supply • define, calculate and analyse price elasticity of demand (elastic and inelastic) • explain the factors that determine the price elasticity of demand • evaluate the significance of price elasticity of demand in making pricing decisions

THEME 3: WHAT IS PRODUCED AND WHY		
TOPIC	**GENERAL OBJECTIVES** *Learners will:*	**SPECIFIC OBJECTIVES** *Learners should be able to:*
3.6 Production management	• understand inventory management	• discuss costs and benefits of holding inventory • compile and analyse simple inventory control charts • evaluate buffer inventory, reorder level and lead-time in a business • discuss inventory control methods including buffer inventory and Just In Time (JIT)
	• understand capacity utilisation	• explain how capacity utilisation can be measured • assess implications of operating under or over maximum capacity • discuss the advantages and disadvantages of outsourcing in a specific context
	• understand quality assurance	• explain quality in terms of what the consumer demands • discuss the importance of quality assurance
THEME 4: HOW EXTERNAL FACTORS INFLUENCE BUSINESS ACTIVITY		
TOPIC	**GENERAL OBJECTIVES** *Learners will:*	**SPECIFIC OBJECTIVES** *Learners should be able to:*
4.1 External influences	• understand the external influences on business operations	• evaluate the effect of external influences on the business and its workforce, referring to the PESTEL model

6. ASSESSMENT OBJECTIVES

The four assessment objectives are:
- A Knowledge with understanding
- B Application
- C Analysis
- D Evaluation

A description of each assessment objective follows.

A Knowledge with understanding

Learners should:
1. demonstrate knowledge and understanding of business facts, terms, concepts and conventions appropriate to the syllabus
2. demonstrate knowledge and understanding of theories and techniques commonly applied to or used as part of business behaviour

The curriculum objectives define the factual material that learners may be required to recall and understand.

Questions testing these objectives will often begin with words such as: define, identify, list, state, explain, outline, describe, distinguish, compare, calculate.

B Application

Learners should:
1. apply their knowledge and understanding of facts, terms, concepts and conventions to business problems and issues
2. apply their knowledge and understanding of theories and techniques commonly applied to business problems and issues

Questions testing these objectives will be linked to a specific business or business situation.

C Analysis

Learners should:
1. select, order and analyse information, in narrative, numerical, tabular and graphical forms, using appropriate techniques
2. use business data, recognise patterns in such data, and deduce relationships

Questions testing these objectives will often contain words such as: analyse, determine, discuss.

D Evaluation

Learners should:
1. distinguish between evidence and opinion, make reasoned judgements and communicate them in an accurate and logical manner
2. recognise that business theory is subject to various limitations and uncertainties
3. plan to carry out appropriate enquiries in order to make judgements and decisions

Questions testing these objectives will often contain words such as: advise, assess, evaluate, justify, recommend.

7. SCHEME OF ASSESSMENT

All learners will take Paper 1 and Paper 2.

Differentiation

All learners are expected to pursue the same curriculum objectives, and differentiation will be by outcome.

Paper 1 **Written** **1 hour 30 minutes** **60 marks** **50% weighting** A paper containing short-answer questions and structured/data response questions. Learners will be expected to answer **three** compulsory questions (each worth 20 marks) drawn from all the learning content, covering all four assessment objectives A to D. (See specification grid).
Paper 2 **Written** **1 hour 45 minutes** **60 marks** **50% weighting** Learners will be expected to answer **three** compulsory questions (each worth 20 marks) arising from case studies. The first two questions are designed to test insight regarding the case study (or case studies) given, one of which will contain numerical/data response questions. Question 3 will require a brief written report based on the information provided in the case study. All four assessment objectives A to D will be covered. (See specification grid).

8. SPECIFICATION GRID

The relationship between assessment objectives and components of the scheme of assessment is shown below.

Assessment Objectives	**Paper 1 (marks)**	**Paper 2 (marks)**	**Overall weighting of papers**
A Knowledge with understanding	21	15	30%
B Application	15	15	25%
C Analysis	15	15	25%
D Evaluation	9	15	20%
Total marks	**60**	**60**	**100%**
Weighting	50%	50%	100%

The assessment objectives are weighted to give an indication of their relative importance. Marks for each assessment objective may differ by ±1.

9. GRADE DESCRIPTIONS

Grade descriptions are provided to give a general indication of the standards of achievement likely to have been shown by candidates awarded particular grades. The grade assessment will depend, in practice, upon the extent to which the candidate has met the assessment objectives overall. It might conceal weakness in one aspect of the examination which is balanced by above average performance in some other aspect. Learners will be graded on a scale of a to e. The descriptors for judgmental thresholds (a, c, e) are given below.

At **Grade a** the learner will be expected to show:

A Knowledge with understanding

1. an excellent ability to identify detailed facts and principles in relation to the content of the syllabus.
2. an excellent ability to describe graphs, diagrams and tables.
3. an excellent ability to define the concepts of the syllabus.

B Application

1. a thorough ability to apply knowledge and understanding, using terms, concepts, theories and methods effectively to address business problems and issues.
2. an excellent ability to apply this information in a logical and well-structured manner to illustrate the application of a piece of business analysis to a particular situation.

C Analysis

1. a thorough ability to classify and comment on business information.

D Evaluation

1. a good ability to discriminate between complex and varied information and to distinguish clearly between facts and opinions.
2. a good ability to make clear, reasoned judgements and communicate them in an accurate and logical manner.
3. a good ability to make rational and consistent choices in matters where influences on or from businesses are at work.

*At **Grade c** the learner will be expected to show:*

A Knowledge with understanding

1. a good ability to identify detailed facts and principles in relation to the content of the syllabus.
2. a good ability to describe graphs, diagrams and tables.
3. a good ability to define the concepts of the syllabus.

B Application

1. a good ability to classify and comment on business information.
2. a good ability to apply this information to illustrate the application of a piece of business analysis to a particular situation.

C Analysis

1. a good ability to use and comment on information presented in various forms.

D Evaluation

1. a basic ability to discriminate between more complex and varied information and to distinguish clearly between facts and opinions.
2. a basic ability to evaluate and make reasoned judgements.
3. a basic ability to make rational and consistent choices in matters where influences on or from businesses are at work.

*At **Grade e** the learner will be expected to show:*

A Knowledge with understanding

1. some basic ability to identify detailed facts and principles in relation to the content of the syllabus.
2. some ability to describe graphs, diagrams and tables.
3. some ability to define the central concepts and ideas of the syllabus.

B Application

1. some ability to classify data and comment on economic information.
2. some basic ability to apply the tools of business analysis to particular situations.

C Analysis

1. some basic ability to use and comment on information presented in various forms.

D Evaluation

1. a limited ability to discriminate between varied information and to distinguish between facts and opinions.
2. some ability to make reasoned judgements.
3. a limited ability to make rational and consistent choice in matters where influences on or from businesses are at work.

10. GLOSSARY OF TERMS USED IN EXAMINATION PAPERS

This glossary of terms used in the Business Studies papers (which are relevant only to Business Studies) is aimed at helping candidates to know what is expected in answers. The glossary has been deliberately kept brief with respect to the descriptions of meanings.

10.1 Assessment objective A: Knowledge with understanding and B: Application

Calculate	work out from given facts, figures or information
Compare	identify/comment on similarities and/or differences
Define	give a precise meaning
Describe	state the points of a topic / give characteristics and main features
Distinguish	consider the differences between two or more terms / concepts / point out the differences of one thing from another
Explain	set out purposes or reasons / make the relationships between things clear / say why and/or how
Identify	name / select / recognise
Name	specify / identify
Outline	set out the main points
State	give in clear terms

10.2 Assessment objective C: Analysis

Analyse	examine in detail to show meaning, and identify elements and the relationship between them
Comment	write notes about the subject / write an explanatory note or remark or criticism / make critical remarks upon / compare advantages and disadvantages
Determine (impact)	use the information given to work out the answer
Discuss	write about issue(s) or topic(s) in depth in a structured way

10.3 Assessment objective D: Evaluation

Advise	recommend a certain action, following a discussion of available options
Assess	make an informed judgement
Evaluate	judge or consider the quality, importance, amount or value of something
Justify	support a case with evidence/argument

Recommend	apply knowledge and understanding to situations where there are a range of valid responses to make proposals/put forward considerations

11. GLOSSARY OF TERMS USED IN THE LEARNING CONTENT OF THE SYLLABUS

What follows are words frequently used in NSSCAS Business Studies which may present difficulties in understanding/applying.

arbitrator	a person who listens to both sides in an industrial dispute (trade union and management) and then gives a ruling of what the arbitrator thinks is fair to both sides
break-even	the quantity of sales at which total costs equals total revenue
cash flow forecast	an estimate of future inflows and outflows of a business, usually on a monthly basis
closed shop	all employees must be a member of the trade union
conglomerate integration	a firm merges with, or takes over, another firm in a completely different industry (also known as **diversification**)
exchange rates	the price of one currency in terms of another, e.g. £1:N$19
external growth	occurs when a business takes over or merges with another business. (often called **integration** as one firm is integrated into another one)
forecasts	predictions of the future (e.g. likely future changes in the size of the market)
globalisation	increase in world-wide competition between businesses
go-slow	a form of industrial action when the employees do their normal tasks but much slower than usual
internal growth	occurs when a business expands its existing operations
liquidity	the ability of a business to pay back its short-term debts
lockout	employees are locked out of their workplace as part of an industrial dispute
marketing	the management process which identifies consumer wants and anticipates their future wants
merger	when the owners of two businesses agree to join their firms together to make one business
monopoly	a business which controls all of the market for a product
multinational company (MNC)	a business that has its headquarters in one country (home country) with factories, production or service operations in another country (host country).
organisational structure	the levels of management and divisions of responsibilities within an organisation

overtime ban	a form of industrial action when employees refuse to work longer than their normal working hours
picketing	a form of industrial action, employees who are taking action stand outside their workplace to prevent or protest at delivery of goods, arrival and departure of other employees
product life cycle	the stages a product will pass through from its introduction, through its growth until it is mature and then finally declines
strike	a form of industrial action where employees refuse to work
SWOT analysis	a study undertaken by an organisation to identify its internal strengths and weaknesses, as well as its external opportunities and threats.
target market	the group of people for whom a particular product is designed
trade union	a group of workers join together to ensure their interests are protected
unemployment	when people who are willing and able to work but cannot find a job
work to rule	a form of industrial action when rules are strictly obeyed so that work is slowed down

ANNEXE A: SUMMARY OF COMMONLY USED RATIOS

1. Profitability ratios	
Gross margin	$\frac{\text{Gross Profit}}{\text{Turnover}} \times 100$ (give answer as %)
Mark up	$\frac{\text{Gross Profit}}{\text{Cost of Sales}} \times 100$ (give answer as %)
Net profit margin	$\frac{\text{Net profit}}{\text{Turnover}} \times 100$ (give answer as %)
Return on capital employed (ROCE)	$\frac{\text{Net Profit}}{\text{Capital Employed}} \times 100$ (give answer as %) [*Capital Employed = Owner's capital + long term liabilities]* *(Use year-end figures)*
2. Liquidity ratios	
Current ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$ = x : 1
Quick/liquid ratio	$\frac{\text{Current Assets – Inventory}}{\text{Current Liabilities}}$ = x : 1
3. Efficiency ratios	
Debtors collection period	$\frac{\text{Debtors}}{\text{Credit sales}} \times 365$ days (answer in days)
Creditors payment period	$\frac{\text{Creditors}}{\text{Credit purchases}} \times 365$ days (answer in days)
Rate of inventory turnover	$\frac{\text{Cost of sales}}{\text{Average inventory}}$ (answer given in times per annum)
4. Solvency ratio	
Solvency ratio	$\frac{\text{Total assets}}{\text{Total liabilities}}$ = x : 1

Calculate ratios using year-end balances where appropriate, unless the question specifies the use of average figures.

Calculate ratios to two decimal places.

ANNEXE B: GUIDELINES ON WRITING REPORTS

Writing a report

The last question in Paper 2 requires learners to write a brief report.

Reports are frequently used in business. They contain a great deal of data and discussion on important issues. The following, or very similar format should be followed. If candidates do not use such a format in the examination, they will lose marks.

The format

TO:
FROM:
TITLE:
DATE:
INTRODUCTION:
FINDINGS:
CONCLUSION:
RECOMMENDATION:

Introduction

The introduction explains the purpose or the terms of reference of the report. It outlines the problem(s) and reasons for them and also what the consequences will be of these problems. Details of the problem(s) are usually given in the case study and you must guard against repeating the information from the case study. A short summary is needed.

Findings

This is the main part (also called the body) of the report. It should contain the main evidence and arguments of the report. The sources of data used and methods of data collection should be stated where applicable. You need to write more than one paragraph in which you give different possible solutions to solve the problem(s) as well as the advantages and disadvantages of each solution. You may include bar charts, graphs, tables and Business Studies theory as appropriate. No marks will be awarded if you simply copy graphs that were given in the case study.

Conclusion

Here you weigh up the advantages and disadvantages of the solutions you came up with in your findings and finally choose the best solution for the business. Do not repeat all the advantages and disadvantages from the previous section.

Recommendation

The report should end with a clear final recommendation in which you outline the best solution and explain how to implement it. This is about the best solution and NOT all the solutions.

Points to remember when writing a report:

- A report may not be written in the first person.
- Use information from the case study.
- There must be a link between the introduction where you state the problem and the recommendation where you suggest the best solution to the problem.
- Do not make recommendations in the body/findings.
- Do not use graphs, theories and charts if you are not sure of them.
- Use case words in the report.
- A recommendation may not be on an issue that was not discussed in the findings and conclusions

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