# WEST AFRICAN SENIOR SCHOOL CERTIFICATE EXAMINATION

## BUSINESS MANAGEMENT

## PAPER 2 — CASE STUDY AND ESSAY

2018

Time Allowed: 2 hours | Answer four questions in all

*Answer Question 1 (the Case Study) and any three other questions. All questions carry equal marks. Write your answers in the answer booklet provided.*

## QUESTION 1 — CASE STUDY

*Read the following case carefully and answer the questions that follow.*

### TIGHT FIT DESIGNS

Tight Fit Designs was established ten years ago to produce garments. Its Managing Director, Julian Spain, set up structures that helped in co-ordinating the activities of the various branches towards the achievement of the goals of the company. The company had been a leader in the garment industry until recently when new companies entered the market with substitute products which posed a threat for Tight Fit Designs. It currently has three branches in Freetown, Bo and Makeni.

Prior to the competition, Tight Fit Designs had highly motivated staff who participated in decision-making of the company. The company also had a strong brand name. The new entrants attracted and employed some of the competent staff of Tight Fit Designs. Gradually, Tight Fit Designs started losing its market share because the new entrants used promotional activities to attract some of the loyal customers of Tight Fit Designs.

The Managing Director of Tight Fit Designs and his team tried a number of strategies to cope with the competition but with little success. Julian Spain therefore decided to resign as Managing Director of the company and a new Managing Director was appointed. The new Managing Director, who has a sound background in marketing, introduced many strategies on how to increase the company's market share. He requested for a big promotional budget from the Board of Directors which was approved. These strategies attracted some of the old customers of Tight Fit Designs as well as new ones. However, the customers could not be retained.

**(a)** State two approaches adopted by Julian Spain that led to the initial success of Tight Fit Designs.

**(b)** State three challenges facing Tight Fit Designs.

**(c)** Explain three promotional activities used by the new entrants to gain a share of the market.

**(d)** Give three recommendations the new Managing Director of Tight Fit Designs can implement to retain customers.

## QUESTION 2

**(a)** What is a certificate of deposit?

**(b)** Outline six characteristics of a negotiable instrument.

## QUESTION 3

**(a)** What is a brand name?

**(b)** Explain six reasons for branding.

## QUESTION 4

**(a)** Explain the following roles of managers:

(i) Decisional role

(ii) Informational role

(iii) Interpersonal role

**(b)** List three characteristics of an entrepreneur.

**(c)** Explain three management functions.

## QUESTION 5

**(a)** What is recruitment?

**(b)** List four internal sources of recruitment in an organization.

**(c)** Explain four advantages of internal recruitment.

## QUESTION 6

**(a)** Explain the following types of agents:

(i) Broker

(ii) Auctioneer

(iii) Factor

**(b)** Differentiate between a del credere agent and a commission agent.

**(c)** Abudu appointed Musa as his agent. Abudu got to know that Musa was accepting bribes in carrying out his work. Give three actions the principal could take against his agent.

## QUESTION 7

**(a)** Differentiate between data and information.

**(b)** Outline six uses of computers in business.

## QUESTION 8

**(a)** Explain each of the following principles of insurance:

(i) Contribution

(ii) Proximate cause

(iii) Subrogation

**(b)** List and explain three tools of monetary control.

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