



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

SEPTEMBER 2017

BUSINESS STUDIES

MARKS: 300

TIME: 3 hours



This question paper consists of 16 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of THREE sections and covers all main topics.

SECTION A: COMPULSORY

SECTION B: Consists of FIVE questions.

Answer any THREE of the five questions in this section.

SECTION C: Consists of FOUR questions.

Answer any TWO of the four questions in this section.

2. Read the instructions for each question carefully and take particular note of what is required.
3. Number the answers carefully according to the numbering system used in this question paper. No marks will be awarded for answers that are numbered incorrectly.
4. Except where other instructions are given, answers must be written in full sentences.
5. Use the mark allocation and nature of each question to determine the length and depth of an answer.
6. Use the table below as guide for mark and time allocation when answering each question.

SECTION	QUESTION	MARKS	TIME
A: Objective-type questions COMPULSORY	1	40	30 minutes
B: FIVE direct/indirect-type questions CHOICE (Answer any THREE.)	2	60	30 minutes
	3	60	30 minutes
	4	60	30 minutes
	5	60	30 minutes
	6	60	30 minutes
C: FOUR essay-type questions CHOICE (Answer any TWO.)	7	40	30 minutes
	8	40	30 minutes
	9	40	30 minutes
	10	40	30 minutes
TOTAL		300	180 minutes

7. Begin the answer to EACH question on a NEW page, for example QUESTION 1 – new page, QUESTION 2 – new page, et cetera.
8. You may use a non-programmable calculator.
9. Write neatly and legibly.

SECTION A (COMPULSORY)**QUESTION 1**

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number (1.1.1–1.1.10) in the ANSWER BOOK, for example 1.1.11 E.

1.1.1 Workers are entitled to ... consecutive days' annual leave per year.

- A 19
- B 20
- C 21
- D 22

1.1.2 This strategy does not form part of the intensive strategies.

- A Product penetration
- B Product development
- C Market development
- D Market penetration

1.1.3 The main purpose of the Labour Relations Act (LRA) (No. 66 of 1995) is to ...

- A ensure that employees work in a more suitable and less dangerous environment.
- B promote equal opportunity and fair treatment in the workplace.
- C promote economic development, social justice, labour peace and democracy in the workplace.
- D ensure that qualified people from designated groups have equal opportunities in the workplace.

1.1.4 A partnership has ...

- A limited liability and limited continuity.
- B unlimited liability and unlimited continuity.
- C limited liability and unlimited continuity.
- D unlimited liability and limited continuity.

1.1.5 The return on an investment in shares is called ...

- A dividends.
- B interest.
- C capital gain.
- D profit.

- 1.1.6 The ... clause is applied to determine the amount that the insurer will pay out, when goods are underinsured.
- A excess
 - B reinstatement
 - C subrogation
 - D average
- 1.1.7 ... means valuing each other regardless of status, culture or disability.
- A Discrimination
 - B Leadership
 - C Diversity
 - D Inclusivity
- 1.1.8 Team dynamic theories help businesses to ...
- A allocate tasks to team members with similar personalities.
 - B allocate tasks according to the roles of team members.
 - C promote total satisfaction.
 - D establish good relationships with teams.
- 1.1.9 This function creates a favourable image of the business.
- A General management
 - B Human resources
 - C Public relations
 - D Purchasing
- 1.1.10 Quality circles usually form part of the ... TQM element.
- A continuous improvements of processes and systems.
 - B top management involvement.
 - C teamwork.
 - D monitoring and evaluation of quality processes.

(10 x 2) (20)

- 1.2 Complete the following statements by using the word(s) in the list below. Write only the word(s) next to the question number (1.2.1–1.2.5) in the ANSWER BOOK.

JSE; empty chair; tertiary; screening; compulsory; secondary; CSR; brainstorming; shortlisting; fringe

- 1.2.1 The ... sector includes all industries that offer services to other businesses and consumers.
- 1.2.2 The ... gives opportunities to financial institutions to invest their funds in shares.
- 1.2.3 ... is a creative thinking problem-solving technique in which several people think about a single problem and suggest ideas that could lead to a solution.
- 1.2.4 ... is to eliminate the unsuitable candidates for the position.
- 1.2.5 Medical aid is an example of ... benefits. (5 x 2) (10)

- 1.3 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–J) next to the question number (1.3.1–1.3.5) in the ANSWER BOOK, e.g. 1.3.6 K.

COLUMN A		COLUMN B	
1.3.1	Employment Equity Act	A	Right to belong to a trade union
1.3.2	Reinstatement	B	A complaint from an employee over something believed to be wrong or unfair in the workplace
1.3.3	Conflict	C	Inspection of the final product to ensure that it meets the required standards
1.3.4	Economic right	D	A stipulation set by the insurer that is applicable when property or goods are insured for more than their market value
1.3.5	Quality control	E	Differences in opinions, values and attitudes
		F	A stipulation whereby the insurer may replace lost or damaged property or goods instead of reimbursing
		G	Inspections is carried out during and after the production process to ensure required standards have been met at every stage of the process
		H	Implement affirmative action to prevent unfair discrimination
		I	Enhance the economic participation of black people
		J	Right to healthcare

(5 x 2) (10)

TOTAL SECTION A: 40

SECTION B

Answer any THREE questions from the five questions in SECTION B. Start EACH question on a NEW page.

QUESTION 2: BUSINESS ENVIRONMENT

- 2.1 Identify the element of Porter's Five Forces model that applies to each of the following statements:
- 2.1.1 Royal Clothing attracts more customers than Pro Clothing because they offer lower prices.
- 2.1.2 Local Plastics is the only place where retailers can buy plastic shopping bags.
- 2.1.3 Handsome Stores want to start an exclusive fashion boutique that requires huge capital investment to cover the high establishment costs and expensive stock.
- 2.1.4 Medi-Care has a few regular customers who always place large orders.
- 2.1.5 Customers prefer warmer coats to more expensive, formal jackets. (5 x 2) (10)
- 2.2 Name THREE business sectors. (3)
- 2.3 Describe the strategic management process. (6)
- 2.4 Read the article below and answer the questions that follow.

THE ROLE OF SETAS

There are 25 Sector Education and Training Authorities (SETAs) in South Africa and each is classified according to economic sectors. The functions and responsibilities of SETAs are set out in the Skills Development Act (SDA), 1998 (Act 97 of 1998). The Act states that the role of a SETA is to develop a sector skills plan, implement the plan, develop and administer learnerships. SETA's also support the implementation of the National Qualifications Framework and undertake quality assurance.

[Adapted from *Mail & Guardian*, 23 October 2003]

- 2.4.1 Quote THREE roles of SETAs mentioned in the article above. (3)
- 2.4.2 Explain the purpose of the Skills Development Act (SDA), 1998 (Act 97 of 1998). (6)
- 2.5 Explain THREE defensive strategies that businesses can use to overcome their challenges. (9)

- 2.6 Discuss any THREE consumer rights as stipulated in the Consumer Protection Act (CPA), 2008 (Act 68 of 2008). (9)
- 2.7 Read the following statement and answer the questions that follow.

The primary purpose of the Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003) (amended in 2013) is to address and enhance the economic participation of Black people in the South African economy. This is achieved by implementing the following pillars: ownership, management and control, skills development, enterprise and supplier development and socio-economic development.

- 2.7.1 Quote the primary purpose of the BBBEE Act from the statement above. (1)
- 2.7.2 Identify any THREE pillars of BBBEE mentioned in the statement above. (3)
- 2.7.3 Justify the introduction of the BBBEE Act. (4)
- 2.7.4 Evaluate the impact of the BBBEE Act on businesses. (6)
- [60]**

QUESTION 3: BUSINESS VENTURES

- 3.1 Identify the form of ownership which is applicable to each of the following statements below.
- 3.1.1. The name ends in (Pty) Ltd.
 - 3.1.2 This company raises capital by selling shares to the public.
 - 3.1.3 Relies on grants and donations from fundraising as source of capital.
 - 3.1.4 The Government owns 50% of the shares in this company. (4 x 2) (8)
- 3.2 Define the following insurance concepts:
- 3.2.1 Excess (2)
 - 3.2.2 Premium (2)
- 3.3 Explain the importance of insurance to businesses. (5)
- 3.4 Distinguish between *insurance* and *assurance*. Support your answer by providing ONE example of each. (6)
- 3.5 Read the scenario below and answer the questions that follow.
- Frank wants to invest R25 000 in a fixed deposit for three years. The bank offers him 15% simple interest or 10% compound interest after the end of three years.
- 3.5.1 Name the type of investment mentioned in the scenario above. (1)
 - 3.5.2 Analyse the risk factor of the type of investment identified in QUESTION 3.5.1. (3)
 - 3.5.3 Calculate the amount that Frank's investment would be worth at the end of three years if he chooses the compound interest option. (6)
 - 3.5.4 Differentiate between *simple* and *compound interest*. (4)

3.6 Read the scenario below and answer the questions that follow.

MEDI-AWAY LTD

Medi-away LTD specialises in removing medical waste from hospitals and private surgeries. Gavin Moore, the owner of the business, follows all the organisational rules and policies systematically. He also makes sure that employees adhere strictly to the rules.

- 3.6.1 Identify the type of leadership style that is applicable to the scenario above. Motivate your answer by quoting from the scenario. (3)
- 3.6.2 Evaluate the impact of the leadership style identified in QUESTION 3.6.1 on leadership and management. (6)
- 3.7 Discuss the advantages of the transactional leadership style. (6)
- 3.8 Describe how the following factors may lead to the success and/or failure of a personal-liability company:
- 3.8.1 Capital (4)
- 3.8.2 Management (4)

[60]

QUESTION 4: BUSINESS ROLES

- 4.1 Name any THREE stages of team development. (3)
- 4.2 Explain the advantages of creative thinking in the workplace. (6)
- 4.3 Read the scenario below and answer the questions that follow.

TRUE BLUE SPORTS (TBS)

Roy, the owner of True Blue Sports, does not record all the transactions of his business as required by South African Revenue Services. He was criticised for not conducting his business in a professional, responsible and ethical manner.

- 4.3.1 Identify the unethical business practice in the scenario above. Motivate your answer by quoting from the scenario. (3)
- 4.3.2 Name any FOUR other unethical business practices. (4)
- 4.3.3 Recommend THREE ways in which TBS should conduct business professionally, responsibly and ethically. (6)
- 4.4 Describe THREE criteria for successful teams. (9)
- 4.5 Explain the differences between *ethics* and *professionalism*. (6)
- 4.6 Read the scenario below and answer the questions that follow.

GO TRAVELS

Go Travels is a travel agency that offers transport and accommodation bookings for international sporting teams. They are finding that more teams are arranging their own bookings and are concerned that they will be out of business one of these days. The management of Go Travels decided to request a group of business experts to complete questionnaires to help solve their problem.

- 4.6.1 Identify the problem-solving technique used by Go Travels to solve their problem. Motivate your answer. (3)
- 4.6.2 Explain to Go Travels the advantages of the problem-solving technique identified in QUESTION 4.6.1. (6)
- 4.7 Discuss the benefits of diversity in the workplace. (6)
- 4.8 Suggest ways in which the businesses can deal with the following diversity issues in the workplace:
- 4.8.1 Age (4)
- 4.8.2 Disability (4)

[60]

QUESTION 5: BUSINESS OPERATIONS

- 5.1 Name THREE methods of external recruitment. (3)
- 5.2 Outline the placement procedure that should be considered when placing an employee in his/her new position. (6)
- 5.3 Explain the benefits of an induction programme on businesses. (6)
- 5.4 Read the scenario below and answer the questions that follow.

REAL CLEAN LTD

Real Clean LTD has employed Jane as a cleaner. Real Clean LTD signed an employment contract with Jane which regulates their employment relationship. Real Clean LTD gave Jane the details of the termination of the employment contract.

- 5.4.1 Identify the employer and employee in the employment contract. Support your answer by quoting from the scenario. (4)
- 5.4.2 Mention FOUR aspects that must be included in an employment contract. (4)
- 5.4.3 Advise Jane on the reasons of the termination of the employment contract. (6)
- 5.5 Explain the benefits of a good quality management system. (6)
- 5.6 Distinguish between *quality performance* and *quality management*. (8)
- 5.7 Read the scenario below and answer the questions that follow.

JP CLOTHING LTD

JP Clothing LTD manufactures designer clothing for mothers and toddlers. Jabu, the owner and manager, knows that the quality of her clothing determines her sales. Customers always speak very highly of the quality of the clothing.

- 5.7.1 Identify the Total Quality Management (TQM) element applicable to the scenario above. Motivate your answer by quoting from the scenario. (3)
- 5.7.2 Discuss the impact of the TQM element identified in QUESTION 5.7.1, has on JP Clothing LTD as a large business. (6)
- 5.8 Advise businesses on how to apply the PDCA cycle to improve the quality of products and services. (8)

[60]

QUESTION 6: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENT**

- 6.1 Name THREE provisions of the Basic Conditions of Employment Act, 1997 (Act 75 of 1997). (3)
- 6.2 Outline any THREE steps in evaluating a strategy. (6)
- 6.3 Evaluate the impact of the Compensation for Occupational Injuries and Diseases Amendment Act (COIDA), 1997 (Act 61 of 1997) on businesses. (6)

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- 6.4 Name any THREE factors that should be considered when making investment decisions. (3)
- 6.5 Identify the types of shares represented by EACH statement below.
- 6.5.1 These shareholders may receive higher dividends when the company has made larger profits.
- 6.5.2 Shares are issued to existing shareholders as compensation for loss of dividends.
- 6.5.3 These shares are issued to shareholders who started the company. (3 x 2) (6)
- 6.6 Explain the advantages of co-operatives. (6)

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- 6.7 Read the scenario below and answer the question that follows.

DEEP EARTH (DE)

The vision of Deep Earth, one of the world's largest mining groups, is inspired by a statement made by the company's founder. He said, "The aim of this group have always been to make a profit and a permanent contribution to the well-being of our employees".

- Advise Deep Earth on how to contribute towards the well-being of their employees. (8)
- 6.8 State any THREE possible causes of conflict in the workplace. (3)
- 6.9 Suggest TWO ways in which businesses can deal with difficult people. (4)

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- 6.10 Differentiate between *piecemeal* and *time-related remuneration*. (4)
- 6.11 Discuss the negative impact of Total Quality Management if it is poorly implemented by business. (5)
- 6.12 Suggest THREE quality indicators of the administration function. (6)
- [60]**

TOTAL SECTION B: 180

SECTION C

Answer ANY TWO questions in this section.

NOTE: Clearly indicate the QUESTION NUMBER of each question that you choose. The answer to EACH question must start on a NEW page, for example QUESTION 7 on a new page, QUESTION 8 on a NEW page, et cetera.

QUESTION 7: BUSINESS ENVIRONMENT

The National Credit Act, 2005 (Act 34 of 2005) (NCA) protects the consumer in the credit market and make credit and banking services more accessible. The Act helps to enhance control for a better and more responsible credit practices and industry.

With reference to the statement above:

- Discuss the purpose of the National Credit Act
- Explain the rights of consumer as outlined in this Act
- Analyse the impact of this Act on businesses
- Suggest ways in which businesses can comply with this Act

[40]

QUESTION 8: BUSINESS VENTURES

Ann Watson, the new Chief Executive Officer (CEO) for Main Tech has to prepare and present the annual financial results to the Management Board.

Advise Ann on her presentation of the financial results. You must include the following aspects in your answer:

- Outline FOUR aspects that must be considered when designing a multimedia presentation
- Evaluate the use of a PowerPoint presentation and posters as suitable visual aids that may support her presentation
- Propose ways in which Ann may respond to feedback in a professional manner
- Advise Ann on how she can improve her next presentation

[40]

QUESTION 9: BUSINESS ROLES**READ MORE BOOKS (RMB)**

Read More Books (RMB) is a well-established book shop. RMB wants to improve their image, and contribute towards the well-being of the community and the environment by focussing on social responsibility.

RMB contacted you as a business advisor to assist them with their corporate social responsibility (CSR) and corporate social investment (CSI) challenges. Your advice must include the following:

- Elaborate on the meaning of CSR and CSI
- Explain the relationship between social responsibility and triple bottom line
- Evaluate the impact of CSR on businesses
- Suggest FIVE practical ways in which RMB's Corporate Social Investment (CSI) projects can contribute to the community

[40]**QUESTION 10: BUSINESS OPERATIONS**

The financial manager of Wow (Pty) Ltd recently announced his retirement. Peter, the human resources manager, needs to find a new financial manager. Peter had to compile a job description and job specification of the position before advertising the position. He has advertised the position on the business's notice board. He is also responsible for the arrangements during the selection process.

Refer to the scenario above and write an essay in which you include the following aspects:

- Explain the differences between *job description* and *job specification*
- Discuss the impact of internal recruitment on businesses
- Explain the selection procedure that Peter should follow to identify the most suitable candidate
- Advise Peter on the purpose of the interview and his role as an interviewer

[40]

TOTAL SECTION C: 80
GRAND TOTAL: 300