



Province of the  
**EASTERN CAPE**  
EDUCATION

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**SEPTEMBER 2018**

**BUSINESS STUDIES**

**MARKS: 300**

**TIME: 3 hours**



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This question paper consists of 14 pages.

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## INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of THREE sections and covers all FOUR 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 correctly 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 a guide for mark and time allocation when answering each question.

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

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 Over this environment the business has no control:

- A Micro
- B Market
- C Macro
- D Micro and market

1.1.2 Redland Ltd has sold some of their assets to improve their cash flow. This business strategy is known as ...

- A divestiture.
- B liquidation.
- C retrenchment.
- D integration.

1.1.3 This Act allows and enables responsible lending and eliminates reckless borrowing:

- A Consumer Protection Act, 2008 (Act 68 of 2008)
- B National Credit Act, 2005 (Act 34 of 2005)
- C Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003)
- D Labour Relations Act, 1995 (Act 66 of 1995)

1.1.4 This form of ownership uses a prospectus to invite investors to purchase shares:

- A Cooperative
- B Private company
- C Close corporation
- D Public company

1.1.5 Simon invested R15 000 in a savings account at a financial institution at 5% simple interest per year for 3 years. Simon will earn ... interest after three years.

- A R2 250
- B R2 364,38
- C R787,50
- D R17 250

- 1.1.6 A visual presentation of a set of sales figures shown as a series of rectangles:
- A Table
  - B Diagram
  - C Bar graph
  - D Line graph
- 1.1.7 Health and Safety is one of the components of ...
- A social governance.
  - B corporate governance.
  - C corporate social responsibility.
  - D social investment.
- 1.1.8 The problem-solving technique where key words are displayed and put together in order to generate new, creative ideas:
- A Empty chair
  - B Six thinking hats
  - C Force field analysis
  - D Forced combination
- 1.1.9 This function is responsible for the recruitment of staff:
- A Marketing
  - B General management
  - C Public relations
  - D Human Resources
- 1.1.10 This procedure matches the requirements of a post with the strengths of a candidate:
- A Remuneration
  - B Placement
  - C Recruitment
  - D Selection

(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.

diversity; Jungian; induction programme; partnership; Consumer Protection; Belbin; interview; cooperative; Basic Conditions of Employment; discrimination

- 1.2.1 The ... Act ensures businesses to disclose all information of products and processes.
- 1.2.2 A ... as a form of ownership has limited continuity.
- 1.2.3 The ... team dynamic theory focuses on four pairs of attitudes and functions.
- 1.2.4 ... refers to the variety of people employed based on age/race /gender/ ethnic groups/ people with disabilities/material wealth/personalities/how employees see themselves and others.
- 1.2.5 The ... is a formal procedure conducted between the shortlisted candidates and the employer to fill a vacant post. (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	Porter's Five Forces	A	inspection of the final product to ensure that it meets the required standards
1.3.2	Indemnification	B	analyses the macro environment
1.3.3	Professional business conduct	C	describes key requirements for the person filling the position
1.3.4	Quality control	D	ignoring the dress code of the business
1.3.5	Job specification	E	describes key performance areas for a specific job
		F	the insurer covers the insured for events that might happen
		G	adhering to business policies at all times
		H	inspections are carried out during and after the production process to ensure required standards have been met at every stage of the process
		I	analyses the market environment
		J	the insurer covers the insured for events that will definitely happen

(5 x 2) (10)

**TOTAL SECTION A: 40**

**SECTION B**

Answer ANY THREE 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 2 on a NEW page, QUESTION 3 on a NEW page, et cetera.

**QUESTION 2: BUSINESS ENVIRONMENTS**

- 2.1 List THREE business sectors. (3)
- 2.2 Describe the strategic management process. (10)
- 2.3 Read the scenario below and answer the questions that follow.

**MEGA BOOKS**

Mark owns a bookshop, Mega Books. Mark wants to diversify his business by also selling coffee and cake in his bookshop to attract more customers.

- 2.3.1 Identify the type of diversification applicable to Mega Books. Motivate your answer by quoting from the scenario. (3)
- 2.3.2 Evaluate the effectiveness of the diversification strategy identified in QUESTION 2.3.1. (6)
- 2.4 Distinguish between *product development* and *market development*. (4)
- 2.5 Read the scenario below and answer the questions that follow.

**LOCAL LIGHTING**

Local Lighting specialises in electrical services. The employees are very unhappy. The owner, Luke, does not allow the employees to join a trade union of their choice.

- 2.5.1 Identify the Act that Local Lighting is not complying with. Motivate your answer by quoting from the scenario. (3)
- 2.5.2 Elaborate on the impact of the Act identified in QUESTION 2.5.1 on Local Lighting as a business. (8)
- 2.6 Outline FIVE provisions of the Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997). (5)
- 2.7 Discuss the advantages of the Compensation for Occupational Injuries and Diseases Act (COIDA), 1993 (Act 130 of 1993) (amended in 1997). (10)
- 2.8 Justify the effectiveness of the Employment Equity Act (EEA), 1998 (Act 55 of 1998) on businesses. (8)

**[60]**

**QUESTION 3: BUSINESS VENTURES**

3.1 Give THREE examples of non-verbal presentation methods. (3)

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

Roland, a financial manager, has to present his financial report at the next management meeting. He wants his presentation to be informative but is not sure if a PowerPoint presentation will be an effective visual aid to use.

3.2.1 Outline THREE aspects that Roland should consider when designing a multimedia presentation. (6)

3.2.2 Explain the advantages of a PowerPoint presentation. (6)

3.2.3 Discuss the factors that Roland should keep in mind during his presentation. (6)

3.3 Identify the leadership styles applicable to EACH of the following situations:

3.3.1 Thabo rewards his employees for producing high-quality products and punishes them if targets are not met.

3.3.2 Ketso regularly requests employees to contribute ideas on how to increase business profits.

3.3.3 Zuko has the ability to influence others based on personal charm and inspiration.

3.3.4 Lule introduced excessive and unnecessary rules in her business. (4 x 2) (8)

3.4 Explain the role of personal attitude in successful leadership. (6)

3.5 Analyse the impact of an autocratic leadership style on business. (8)

3.6 Explain how the following factors can contribute to the success and/or failure of a non-profit company:

3.6.1 Capital (4)

3.6.2 Management (4)

3.7 Discuss any THREE benefits provided to employees by the Unemployment Insurance Fund (UIF). (9)

**[60]**



**QUESTION 4: BUSINESS ROLES**

- 4.1 State any FIVE causes of conflict in the workplace. (5)
- 4.2 Name any FOUR criteria for successful team performance. (4)
- 4.3 Identify the stages of team development applicable to EACH statement below:
- 4.3.1 Team members open up to each other and confront each other's ideas and perspectives.
- 4.3.2 Differences among members are appreciated and used to enhance the team's performance.
- 4.3.3 Individuals focus on being busy with routine tasks, such as team organisation, who does what, when to meet each other, etc. (3 x 2) (6)
- 4.4 Read the scenario below and answer the questions that follow.

**A PLUS COMPUTERS**

A Plus Computers provide computer services to small businesses. The manager often needs to tell the staff to stop accessing social media and replying to personal emails during working time.

- 4.4.1 Quote ONE unethical business practice from the scenario above. (1)
- 4.4.2 Identify the type of unethical business practice quoted in QUESTION 4.4.1. (2)
- 4.4.3 Recommend ways in which A Plus Computers can address the type of unethical business practice identified in QUESTION 4.4.2. (6)
- 4.5 Explain how businesses should apply the following King Code principles:
- 4.5.1 Accountability (4)
- 4.5.2 Transparency (4)
- 4.6 Describe the responsibilities of workers in promoting human health and safety in the workplace. (4)
- 4.7 Discuss the benefits of diversity in the workplace. (8)

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

**BLOCKS BUILDING (PTY) LTD**

Blocks Building (Pty) Ltd manages their business operations so that it impacts positively on all their stakeholders.

4.8.1 Explain the advantages of corporate social investments (CSI) for Blocks Building (Pty) Ltd. (10)

4.8.2 Recommend THREE ways in which Blocks Building (Pty) Ltd can contribute time and effort to advance the well-being of their employees. (6)

**[60]**

**QUESTION 5: BUSINESS OPERATIONS**

5.1 Name TWO types of recruitment. (2)

5.2 Outline THREE aspects that should be included in the induction programme. (6)

5.3 Explain the selection procedure as one of the activities of the human resources function. (6)

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

**TIME CLOTHING LTD (TC)**

Tony works at Time Clothing Ltd. He receives a monthly salary and also receives a travelling allowance and a housing subsidy.

5.4.1 Name the TWO types of fringe benefits offered by TC. (2)

5.4.2 Discuss the advantages of the fringe benefits for TC. (4)

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

**CONSTRUCTION WORLD**

Construction World specialises in small building alterations. George, the owner, is concerned about the inability of the employees to use the resources effectively. He realises that the employees need training and the business must comply with the Skills Development Act to make his business successful in the future.

5.5.1 Elaborate on the importance of training/skills development to Construction World. (4)

5.5.2 Discuss the implications of the Skills Development Act (SDA), 1998 (Act 97 of 1998) on the Human Resources function to George. (6)

- 5.6 Outline how the quality of performance within the following business functions are key to a successful business:
- 5.6.1 General Management (6)
  - 5.6.2 Marketing (6)
- 5.7 Discuss the negative impact if Total Quality Management (TQM) is poorly implemented. (10)
- 5.8 Read the scenario below and answer the question that follow.

**BROAD NETWORKING**

Broad Networking is a telecommunications services provider offering internet services to individuals and businesses. Recently they have received complaints from customers about the poor connectivity during business hours.

- 5.8.1 Advise Broad Networking on how to apply the PDCA model/cycle in order to improve the quality of their services. (8)
- [60]**

**QUESTION 6: MISCELLANEOUS TOPICS**

**BUSINESS ENVIRONMENTS**

- 6.1 Name the SIX aspects of the PESTLE analysis model. (6)
- 6.2 Distinguish between *Black Economic Empowerment (BEE)* and *Broad-Based Black Economic Empowerment (BBBEE)*. (8)

**BUSINESS VENTURES**

- 6.3 Identify the type of long-term insurance illustrated in EACH statement below:
- 6.3.1 The lump sum is paid out when the insured person dies.
  - 6.3.2 This policy is written for a specific period of time.
  - 6.3.3 A way of saving for a person when he/she retires and no longer earns a salary. (3 x 2) (6)
- 6.4 Explain the functions of the Johannesburg Securities Exchange Ltd (JSE). (10)

**BUSINESS ROLES**

- 6.5 List FOUR economic rights of employees in the workplace. (4)
- 6.6 Suggest ways in which professional, responsible, ethical and effective business practices should be conducted. (6)
- 6.7 Recommend ONE strategy that could be used when handling the following difficult personalities:
- 6.7.1 Expert (2)
- 6.7.2 Complainer (2)

**BUSINESS OPERATIONS**

- 6.8 Identify the business function that is responsible for improving the quality of performance in EACH statement below:
- 6.8.1 Pete (Pty) Ltd is not able to identify suitable suppliers who would be able to source and deliver quality goods and services.
- 6.8.2 The Pay As You Earn of Aqua Ltd are not accurately calculated and the payments are made late.
- 6.8.3 The customers of Go Fast Internet Services have complained of unreliable after-sales services. (3 x 2) (6)
- 6.9 Explain reasons for the termination of an employment contract. (6)
- 6.10 Differentiate between the *piecemeal* and the *time-related* method of salary determination. (4)
- [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 ENVIRONMENTS**

The Skills Development Act, 1998 (Act 97 of 1998) (SDA) prescribes different ways of vocational learning by promoting learnerships and skills programmes through the Sector Education and Training Authorities (SETAs). SETAs aim at implementing the National Skills Development Strategy and Human Resources Development Strategy.

As a labour relations expert, you are required to compile a report on skills development. The following aspects should be included in your report:

- Outline the role of SETA.
- Explain the differences between the National Skills Development Strategy and Human Resources Development Strategy.
- Describe the purpose of the SDA.
- Evaluate the impact of this Act on employees.

**[40]****QUESTION 8: BUSINESS VENTURES**

Mrs Malotana is a financial advisor at Fincom. She needs to do a presentation on the different types of investment products at a meeting of local business owners. She is also expected to include detailed information on investing in ordinary shares on the Johannesburg Security Exchange Ltd (JSE) and RSA Retail Savings Bonds/Government Retail Bonds.

Mrs Malotana needs details on the following aspects to be included in her presentation. She requires you to:

- Discuss the factors to be considered when making investment decisions.
- Provide a description of shares and RSA Retail Savings Bonds/Government Retail Bonds as suitable forms of investments and elaborate on the risk factor of both.
- Evaluate the impact of RSA Retail Savings Bonds/Government Retail Bonds on investors.
- Propose ways in which Mrs Malotana may respond to feedback in a professional manner.

**[40]**

**QUESTION 9: BUSINESS ROLES**

Businesses can request employees to use the Brainstorming and Delphi creative thinking techniques to generate new, creative ideas to effectively solve the problems that businesses experience.

With reference to the statement above:

- Outline the steps in problem solving.
- Explain the advantages of creative thinking.
- Describe how businesses can apply the brainstorming and Delphi techniques to solve their business problems.
- Suggest ways businesses can create an environment that promotes creative thinking.

[40]

**QUESTION 10: BUSINESS OPERATIONS**

Quality performance in large and small businesses is essential. Without total quality management (TQM) a business will experience problems. Quality must therefore be continuously improved in order to maintain total client satisfaction.

With reference to the statement above:

- Distinguish between *quality performance* and *quality management*.
- Explain the advantages of a good quality management system.
- Discuss the impact of the following elements of TQM on large businesses:
  - Continuous improvement to processes and systems
  - Total client/customer satisfaction
  - Continuous skills development
- Advise businesses on the importance of quality circles in TQM.

[40]

**TOTAL SECTION C: 80**  
**GRAND TOTAL: 300**



