

HILLCREST HIGH SCHOOL



BUSINESS STUDIES EXAMINATION

TOTAL MARKS: 300
TIME: 3 HOURS

JUNE 2015
GRADE 12

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions:

1. This question paper consists of **THREE** sections.
SECTION A: **COMPULSORY**
SECTION B: Consists of **FIVE** questions. Answer any **THREE**.
SECTION C: Consists of **FOUR** questions. Answer any **TWO** of the **FOUR** questions from this section.
2. Read the instruction for each question carefully and take particular note of what is required.
3. Number the answers correctly according to the numbering system used in the question paper.
4. Except where other instructions are given, answers must be in full sentences.
5. Use the mark allocation and the nature of each question to determine the length of an answer.
6. Use the table below as a guideline for marks and time allocation when answering each question.

SECTION A	QUESTION	MARKS	TIME
COMPULSORY	1	40	30 minutes
SECTION B	2	60	30 min.
Five questions. Answer any THREE of the FIVE questions.	3	60	30 min.
	4	60	30 min.
	5	60	30 min.
	6	60	30 min.
	SECTION C	7	40
Essay questions. Answer any TWO of the FOUR questions.	8	40	30 min.
	9	40	30 min.
	10	40	30 min.
TOTAL		300	180 minutes

- * The answer to EACH question must begin on a NEW page, for example: QUESTION 1 - new page, QUESTION 2 - new page, etc.
- * Calculators may be used.
- * Write neatly and legibly.

SECTION A: COMPULSORY

QUESTION 1

1.1 Four 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 B.

- 1.1.1 Which of the following shows the correct sequence of the stages that teams go through when they develop?
- A. Norming, storming, performing, forming
 - B. Forming, storming, norming, performing
 - C. Storming, forming, norming, performing
 - D. Forming, norming, storming, performing
- 1.1.2 The production manager of a potato chip factory motivates the workers through rewards but disciplines poor performance. This leadership style is based on the leadership theory.
- A. transformational
 - B. situational
 - C. transactional
 - D. behavioural
- 1.1.3 Which of the following laws prevents unfair discrimination against employees in a business?
- A. Labour Relations Act No. 66 of 1995
 - B. Broad-Based Black Economic Empowerment Act No. 53 of 2003
 - C. Employment Equity Act No. 55 of 1998
 - D. South African Qualifications Authority Act No. 58 of 1995
- 1.1.4 Which of the following best describes horizontal integration? An integration strategy that a business uses when it:
- A. wants more control over suppliers
 - B. wants more control over distribution
 - C. merges with or acquires another business in the same industry and stage of production
 - D. merges with or acquires another business in a different industry and stage of production.

- 1.1.5 The growth of water usage is outpacing the supply thereof. This forms part of the environment.
- A. technological
 - B. physical
 - C. social
 - D. economic
- 1.1.6 Edcon applies corporate governance in order to ensure sustainability of the organization and its business. These principles and practices are applied in line with the
- A. Kyoto protocol
 - B. King code of ethics
 - C. Good reporting initiative (GRI)
 - D. JSE (SRI index)
- 1.1.7 In an attempt to resolve a dispute between an employee and an employer, the union has recommended a confidential discussion of issues in the presence of a neutral third party. Which dispute resolution process has the union recommended?
- A. Arbitration
 - B. Common law action
 - C. Conciliation
 - D. Mediation
- 1.1.8 A business can be involved in all three sectors of the economy. E.g.
- A. Nederburg Wines (Pty) Ltd
 - B. Toyota
 - C. Kearsney College
 - D. Drifters Overland Tours
- 1.1.9 The goal of is to provide a list of international quality requirements for businesses to implement.
- A. ISO 14000
 - B. ISO 1987
 - C. ISO 9001
 - D. A zero-defects programme
- 1.1.10 The following is not an element of the BEE scorecard:
- A. Management quality
 - B. Ownership
 - C. Preferential procurement
 - D. Employment Equity

(10 x 2 = 20)

- 1.2 Choose the correct word(s) from those given in brackets. Write only the word(s) next to the question number (1.2.1-1.2.5) in the ANSWER BOOK.
- 1.2.1 A (SWOT analysis/job analysis) is a tool for assessing a business and its environment.
- 1.2.2 (Employers/employees and employers) contribute towards the National Skills levy.
- 1.2.3 When a country exports its unwanted or obsolete products it is known as (dumping/tactical marketing).
- 1.2.4 The (democratic/free reign) leadership style is only used with a group of very experienced and responsible employees who can work on their own.
- 1.2.5 Porter's five forces model is a/an (marketing/administrative) tool. (5x2 = 10)
- 1.3 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A-G) next to the question number (1.3.1-1.3.5) in the ANSWER BOOK, for example 1.3.6 H.

COLUMN A	COLUMN B
1.3.1 Strategy	A. Describes duties and responsibilities
1.3.2 divestiture	B. Includes innovation pattern of addition
1.3.3 job description	C. Products that satisfy the same need
1.3.4 job specification	D. Describes qualifications and experience
1.3.5 TRIZ	E. The business sells some of its assets to pay its creditors
	F. Includes innovation pattern of subtraction
	G. A plan of action to achieve business success.

(5x2 = 10)

TOTAL SECTION A = [40]

SECTION B: ANSWER ANY THREE QUESTIONS

QUESTION 2

2.1 Read the following extract and answer the questions that follow:

Game over for prescribed debt



Employers and employment agencies can no longer ask job applicants for their permission to view their credit records - unless the advertised position involves the handling of cash or finance.

File photo *Image by: Gallo images/Thinkstock*

Since last Friday, March 13, in terms of the new National Credit Amendment Act, it is illegal for a company to contact a consumer and demand that they pay a prescribed debt.

Can I keep my credit record secret as a jobseeker?

Q: Welheminah Vilakazi asks: "How do I know if I'm blacklisted? I ask because I was once declined a job due to bad credit record."

A: Since Friday, March 13, when the National Credit Amendment Act was signed into law, employers and employment agencies can no longer ask job applicants for their permission to view their credit records - unless the advertised position involves the handling of cash or finance.

As for checking your credit record, you are legally entitled to one free credit report a year.

– adapted from timeslive.co.za (In your corner) Wendy Knowler | 19 March, 2015 10:43

- 2.1.1 Where are records of an individual's credit history kept? (2)
- 2.1.2 What penalties can a credit provider face for non-compliance with the National Credit Act No. 34 of 2005 as amended in 2007? (4)
- 2.1.3 The National Credit Act provides for debt restructuring in cases of over-indebtedness. What does debt restructuring refer to? (2)
- 2.1.4 Who are the main members of the National Debt Mediation Association? (1)
- 2.1.5 Provide an example of a credit provider. (1)[10]

2.2 Read the comment of Labour Minister Membathis Mdladlana in March 2005 and answer the following questions.

“Government departments and private companies in South Africa that recruited professionals abroad – with scarce skills – would not be granted exemption from the provisions of the Employment Equity Act.”

2.2.1 This Employment Equity Act that he’s talking about, became the core of labour legislation in South Africa. Explain the main purposes of this Act. (6)

2.2.2 Does this Act only address business owners and managers? (2)

2.2.3 Explain to whom do the affirmative action provisions in this Act apply? (2)[10]

2.3 Businesses operate in diverse communities and they have a diverse workforce. Discuss the obligations of businesses in terms of their broad-based approach with specific reference to inclusivity. (6)

2.4 PetroSA plays a crucial role in ensuring that learners and apprentices are able to receive training through the implementation of the Skills Development Act No. 97 of 1998.

2.4.1 Explain the purpose of the Skills Development Act. (10)

2.4.2 Comment on the progress of this Act in industry. (4)[14]

2.5 Read the following scenario and answer the question that follows:

Tina has been appointed as a saleslady at EAST COAST CAR DEALERSHIP.
Her employment contract stipulates, amongst others, the following:

- 10 working days annual leave
- Resignation when Tina falls pregnant
- 8 hours of work per day

Tina has approached you as a labour consultant to advise her on her basic rights in terms of the employment contract.

Write a critical evaluation of the above stipulations with regard to their compliance with the requirements of the Basic Conditions of Employment Act, 1997 (Act 75 of 1997). (10)

- 2.6 Study the extract below taken from the payslip of A. ANTON an employee of GLEN Stores and answer the questions that follow:

Gross income	R14 500	Income Tax	R	R3 625
Housing allowance	600	UIF		1 450
Overtime allowance	1 950	Virgin medical aid		994
		Sanlam Retirement annuity		750
		Legal wise		45
		Net salary		?

- 2.6.1 Calculate the NET SALARY of A. ANTON (2)
- 2.6.2 Name TWO deductions on the above payslip which are NOT compulsory, according to the Basic Conditions of Employment Act. (2)
- 2.6.3 Name TWO deductions on the above payslip which are compulsory, according to the Basic Conditions of Employment Act. (2)
- 2.6.4 Name any details that will be stipulated in the employment contract. (2)[8]
- 2.7 A. Anton has not made a contribution to a Trade Union. Name a disadvantage of Trade Unions that he might have considered to explain why he did not join a Union. (2)

[60]

QUESTION 3

- 3.1 Identify the unethical business practice illustrated in each scenario below and suggest ONE business strategy to address each scenario in order to promote ethical conduct:
- 3.1.1 EE Electric Company is paid cash for its services in order to avoid paying VAT on the transaction. This transaction is not recorded. (4)
- 3.1.2 John Tlale, a manager at Jakes Fittings, often makes unwelcome comments to his female colleagues. (4)
- 3.1.3 Employees of OD Devices Limited are often on social networks on the Internet during work time. (4) [12]

3.2 Read the following article and answer the questions that follow.

SHORTER TOILET ROLLS RAISE OF INFLATION IN BRAZIL

They claim it's still soft and strong, just not so long any more. As _____ 3.2.1 _____'s largest economy slows, toilet paper makers' profit margins have shrunk – and so has their product.

With no warning, traditional 40m rolls were suddenly reduced to just 30m. But shoppers are not happy, although they are getting less paper, they still have to pay the same price. - SAPA (26/08/2001)

- 3.2.1 On which continent will you find Brazil? (1)
- 3.2.2 Why are the consumers unhappy in Brazil? (2)
- 3.2.3 In South Africa there are also issues that challenge the ethical and professional conduct of businesses and their employees. Name FIVE unethical business practices that challenge businesses in South Africa today. (5)[8]
- 3.3 Identify the problem-solving technique described in each of the following instances:
- a. Sandy engaged in a role-play conversation with an imaginary person in the other chair to clarify the advantages and disadvantages of a proposed solution to a problem.
 - b. The management of Thandi's Bed and Breakfast has requested a group of experts to complete questionnaires to help them solve certain business problems.
 - c. All members contribute ideas anonymously on cards which are redistributed and discussed leading to a decision being made. (3)
- 3.4 The correct sequence of the six steps for problem solving:
1. Evaluate alternatives
 2. Choose the best alternative
 3. Identify alternatives
 4. Define the problem
 5. Monitor and control the decision
 6. Develop and implement an Action Plan
- Choose the correct sequence.**
- A 4, 1, 3, 2, 6 and 5
 - B 1, 4, 3, 2, 5 and 6
 - C 3, 4, 2, 1, 5 and 6
 - D 4, 3, 1, 2, 6 and 5 (2)

3.5 Read the Scenario below and answer the questions.

More and more consumers are reading the daily news on the Internet, using smart phones or an electronic tablet such as an iPad. Newspaper companies are worried that their printed material will soon not be profitable.

Focus on Business Studies Maskew Miller Longman 2013.

3.5.1 Outline the problem faced by newspaper companies. (2)

3.5.2 Illustrate how the 'Forced associations' technique could be applied to resolve this problem. (13)[15]

3.6 Strategic management is a process which ensures that suitable business strategies are developed and implemented in response to challenges in the business environment.

Outline the steps for applying strategy development. (10)

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

LIGHTHOUSE

Anton has been the owner of a lighting factory in the Western Cape for the past 10 years. He manufactures and distributes his products to large lighting retail shops. In his factory shop he sells lamps and other lighting accessories. Lately, his sales declined because another lighting shop has opened in the area.

The following are some of the challenges and strengths of his business enterprise: low worker morale, high absenteeism, highly skilled workers, poor team spirit and the use of modern machinery.

He predicts that he will make a large profit, but fears unforeseen expenditure may reduce such profits. Possible reasons for this include, among others, competitors that may sell imported products at lower prices and trade unions demanding higher salaries. He has decided to diversify by manufacturing and selling electrical appliances.

Anton has a vision of registering this business as a franchise.

3.7.1 Identify the Weaknesses and Threats from the scenario above. (8)

3.7.2 Name and outline a defensive strategy that can be used in Anton's factory. (2)[10]

[60]

QUESTION 4

4.1 Read the following extract and answer the questions that follow:

OLD MUTUAL SOUTH AFRICA (OMSA)

OMSA is committed to growing and investing in socially responsible activities, employment equity and diversity, skills development and affirmative procurement, as well as sustainable social investment projects and the active involvement of employees in social and community affairs, Its corporate Citizenship programme recognises the value of non-financial performance and social accountability.

Old Mutual supports preferential procurement as a lever for economic transformation and Broad-Based Black Economic Empowerment (BBBEE). Its management has transferred 13,5 % of its ownership in the hands of black South African.

4.1.1 Distinguish between corporate social investments and corporate social responsibility . (4)

4.1.2 Old Mutual is one of the businesses that support the community. Describe FOUR problems or challenges Old Mutual may face when trying to implement a CSI programme. (8)[12]

4.2 Read the following statement made by SHELL (South Africa) and answer the question that follows:

Contributing to sustainable development is integral to the way we do business. As we work to help meet the world's growing energy needs we aim to bring benefits to local communities and reduce impacts of our operations, including tackling greenhouse gas emissions. We look after our people and our core values of honesty, integrity and respect for people have been laid out in the Shell General Business Principles for over 30 years.

Identify the FOUR dimensions of corporate responsibility from the above statement published by Shell. (8)

4.3 Discrimination in the workplace may be overt (open), but often it is subtle (hidden). Discuss whether or not you agree with this statement and give reasons. (20)

4.4 "Alone we can do so little, together we can do so much." --Helen Keller

Explain the above quote by discussing FIVE advantages of working with others. (10)

4.5 State FIVE steps that management should follow when resolving conflict in the workplace. (10)

[60]

QUESTION 5

- 5.1 Classify the following occupations into the primary, secondary or tertiary sector.
- | | | |
|-------|------------|--------|
| 5.1.1 | Bricklayer | (2) |
| 5.1.2 | Seaman | (2) |
| 5.1.3 | Banker | (2) |
| 5.1.4 | Miner | (2)[8] |
- 5.2 Identify a South African business in ONE of the business sectors and briefly examine how it can control each of the three business environments. (12)
- 5.3 Transformational leadership consists of four different components. Discuss each of these components and critically appraise the importance of each of these components to the success of a transformational leader. (10)
- 5.4 J.R. has been working as a supervisor in the building industry. He is very good at his job and has implemented a number of solutions to ensure a more effective work environment for his team. He is keen to be promoted and his vision is to one day lead a multinational company in the building industry.
- From your studies of the importance of personal attitude and leadership, you want to try and help him achieve his dream. What advice will you give him? (5 X 2 = 10)
- 5.5 Within the context of quality management, give ONE word for:
- | | |
|-------|--|
| 5.5.1 | The cycle used to ensure continuous improvement of systems in a business. |
| 5.5.2 | A quality system often used in the banking sector. |
| 5.5.3 | Quality products and services can only be produced if the entire business contributes to the achievement of such an objective. |
| 5.5.4 | Its primary responsibility is the development and publications of standards for products and services in South Africa. |
| 5.5.5 | If a customer cannot receive any value or benefit then resources will not be allocated. (5 x 2 = 10) |
- 5.6 To successfully implement Total Quality Management, various steps are emphasised. Write brief notes on these steps used in TQM. (5 x 2 = 10)

[60]

QUESTION 6

6.1 Read the passage below and answer the questions that follow.

Media24 loses harassment appeal

Media24 and one of its former trainee managers lost their appeal against a sexual harassment finding in favour of a secretary in the Supreme Court of Appeal.

A former production secretary, sued Media24 and the trainee manager in the Cape High Court for various psychiatric traumas suffered due to sexual harassment.

The high court held that Media24 – which is owned by Naspers – and the trainee manager were jointly and severally liable to pay her more than R760 000 in damages.

She contended that he frequently and persistently tried to engage in a conversation of an intimate nature, made intimate suggestions to her, and made comments with sexual overtones to her.

SAPA (01/06/2005)

- 6.1.1 Give a thorough description of the term **SEXUAL HARASSMENT**. (8)
- 6.1.2 Use the above article to explain the different types of sexual harassment in the workplace. (12)[20]
- 6.2 Henry Ford once said of teamwork: “Coming together is a beginning, staying together is progress and working together is success.”
- 6.2.1 Who was Henry Ford? (2)
- 6.2.2 Define the concept “teamwork”. (4)
- 6.2.3 Describe FIVE characteristics that can be put into practice to ensure that a team has ultimate success. (10)[16]
- 6.3 “Inclusivity in the workplace” is an important issue in the South Africa economy.
- 6.3.1 Explain what **INCLUSIVITY** means. (2)
- 6.3.2 Describe FOUR different areas where people may differ in the workplace. (16)
- 6.3.3 Name THREE Acts that endorses inclusivity. (6)[24]

[60]

TOTAL SECTION B = [180]

SECTION C - ANSWER ANY TWO QUESTIONS.

QUESTION 7

The Consumer Protection Act, 2008 (Act 68 of 2008) implemented in 2011, was introduced to give consumers rights and protection for any business transaction. Businesses should familiarise themselves with the implications of this Act and change the ways in which they conduct business. As a legal adviser, provide a detailed analysis of the Consumer Protection Act (CPA) to the local business forum. You must include the following aspects in your analysis:

- Discuss any FOUR consumer rights as stipulated in the CPA
 - Critically evaluate this Act's impact on businesses and consumers
 - Recommend practical ways/procedures that businesses should implement to comply with this Act
- [40]**

QUESTION 8

Kia Stores have been experiencing a decline in sales due to a loss of customers to competitors. The management of Kia Stores decides to conduct a planning session to come up with strategies to increase sales and to attract customers-

Formulate TWO possible strategies that Kia Stores can include in their strategic planning to address the challenges in the scenario. Discuss how Kia Stores can apply the Porter's Five Forces model to analyse their market environment.

[40]

QUESTION 9

Read the following scenario:

ABC fruit and vegetables stores employ blind people to work in the administration offices. They provide organic fruit and vegetables free of charge to welfare organisations. They do not allow union meetings on their premises.

Do you think ABC supports Inclusivity? Motivate your answer by providing an explanation of inclusivity and what factors you would consider important for a workplace to have in order to be considered as truly inclusive.

Do you think ABC supports environmental development? Explain your answer and devise more strategies which ABC can implement to be able to make a strong claim that they are environmentally supportive.

[40]

QUESTION 10

Good management and good leadership will influence businesses and organisations to become more successful and to be able to achieve their goals and objectives favourably.

Distinguish between management and leadership roles and evaluate the democratic, autocratic and Laissez faire (free reign) leadership styles. [40]

TOTAL SECTION C = [80]

GRAND TOTAL = [300]

ix **Nov 2014**

x Feb-march 2013

xi June 14

xii Focus pg 135

xiii **Focus**

xiv June 14

xv Focus exam prac T2 T5 pg 209

xvi Focus pg 223

xvii Focus pg 219

xviii Nov 14

xix Focus pg 158

xx Leadership essay and check out focus pg 196