



**BUSINESS STUDIES
GRADE 11
JUNE EXAMINATION
2015**

MARKS:	200
TIME:	2 HOURS
EXAMINER:	MISS E BURGER
MODERATOR:	MRS C EDY

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 minutes per question = 90 minutes
Five questions. Answer any THREE of the FIVE questions.	3	60	
	4	60	
	5	60	
	6	60	
	SECTION C	7	40
Essay questions. Answer any TWO of the FOUR questions.	8	40	
	9	40	
	10	40	
	TOTAL		300

SECTION A (COMPULSORY – ANSWER ALL QUESTIONS) [Marks: 40]
Use ANNEXURE A to complete this question.

QUESTION 1

1.1 Various possible options are provided as answers to the following questions. Write only the correct letter next to the appropriate number.

1.1.1 The action plan that serves as a summary of what needs to be done to achieve the desired objectives as set out in the business plan is called a:

- A Gantt chart
- B contingency plan
- C management plan
- D pie chart

1.1.2 In creating a SWOT analysis, the business in the area that sells the same products as the entrepreneur will fall under the _____ section.

- A strength
- B threats
- C opportunity
- D weaknesses

1.1.3 The following type of business is **NOT** a separate legal entity:

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

1.1.4 Changes in consumer demand due to taste and income are reflected in:

- A the political environment.
- B the economic environment.
- C the technological environment.
- D the social environment

1.1.5 Which technique is a common tool used by managers to reach consensus on specific issues?

- A Nominal Group technique
- B Delphi technique
- C ZOPP technique
- D Gantt chart

(5X2= 10)

1.2 Choose the concept from Column B that matches the description in Column A. Use ANNEXURE A.

COLUMN A		COLUMN B	
1.2.1	A payment made to the franchisor by the franchisee based on the turnover of the business	A	Patent
1.2.2	A license giving the sole right to exclude others from making, using or selling an invention	B	Royalty
1.2.3	When one business assumes control of another business against its will	C	Acquisition
1.2.4	Is a symbol, word or words legally registered as representing a company or product	D	Takeover
1.2.5	The purchase of one business by another where both parties are in agreement about the sale	E	Trademark
		F	Fee

(5x2= 10)

1.3 Choose the correct words from the brackets:

- 1.3.1 (Psychology/Psychographics) is the analysing of a market in terms of attitudes and aspirations.
- 1.3.2 Inadequate management skills is a challenge faced by the (micro/macro) environment.
- 1.3.3 A (deadline/crisis) is a time of great difficulty or danger.
- 1.3.4 A plan of action designed to achieve a long-term goal is called a (business plan/strategy).
- 1.3.5 The (force-field/nominal) technique is a popular tool to overcome resistance to change.

(5x2= 10)

1.4 Give a term for each of the following definitions:

- 1.4.1 The measurable characteristics of the population e.g. age and income.
- 1.4.2 The ability to read and write.
- 1.4.3 Negative economic growth for at least three consecutive financial quarters.
- 1.4.4 The assets that are pledged to the bank in case of a default in the repayment of a loan.
- 1.4.5 The ability to carry on with operations despite an owner leaving or retiring from business.

(5x2= 10)

Comment [E1]: collateral

TOTAL SECTION A: 40

SECTION B (Answer any THREE questions in this section) [Marks: 120]

QUESTION 2

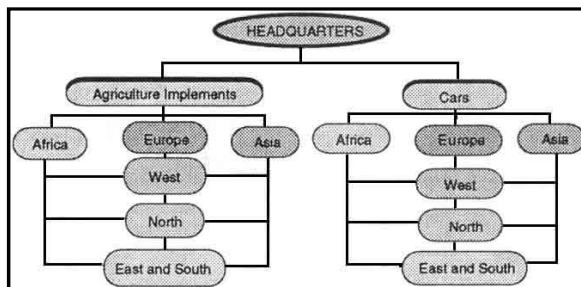
2.1 Read the following extract from Brand and Branding 2012 and answer the questions that follow:

Innovation changes the world. Think of something as simple as the shape of Toilet Duck, or disposable pepper grinders. Think of mobile phones, iTunes and iPods. These things have not only changed categories: they've altered the way we do things. Brands like Apple and Virgin have built their businesses on the idea that change – often radical change – can be very, very good for business. But can innovation really change the world? We are quickly realizing that at the rate we're going, resources are going to run out. Whether we're worrying about our carbon footprint or the permanence of a workforce under threat from HIV/Aids, ahead are some big changes ahead. The way we've done business in the past is not sustainable. Our ability to adapt and evolve to a changing environment will propel us forward. And as any follower of Darwin knows, only the fittest survive.

(Source: <http://www.added-value.com/source/2011/03/innovation-can-change-the-world/>)

- 2.1.1 Challenges for businesses happen in three environments. Name them and indicate which environment businesses are able to control. (4)
- 2.1.2 Which environment is discussed in the extract? Name ONE of the variables of this environment being discussed. (2)
- 2.1.3 Explain what is meant by the three R's of natural resource management and why these are important in a business context. (4)[10]

2.2 Describe the organisational structure depicted below. (4)



2.3

South Africa's trade union movement, the largest and most disciplined on the African continent, has played an influential role in determining labour market and industrial relations policies in the country. <http://www.southafrica.info/business/economy/policies/tradeunions.htm#.VSTGo9yUeSo#ixzz3WhBglYRM>

- 2.3.1 Name FIVE of the main functions of trade unions. (10)
 - 2.3.2 How can a business influence the activities of the trade union members? (4)
 - 2.3.3 Briefly discuss three forms of industrial actions that businesses face today.(6)
- [20]**

- 2.4 Study the picture below and identify and discuss FOUR reasons for this challenge depicted in the workplace. (8)



- 2.5 Select the correct term from the box below:

lobbying organisational design strategic alliance adapting
influencing investor power relationship hedging

- 2.5.1 _____ is when a business tries to invest capital in such a way that it grows at a faster rate than inflation so that it retains its value.
- 2.5.2 A _____ is when businesses gain some control over the macro environment by building associations with influential people.
- 2.5.3 When a group of people try to influence laws or regulations that affect their business, it is called _____. (3 x 2 =6)
- 2.6 Piracy is difficult to control. Explain three forms of protection the law gives owners of intellectual property. (6)
- 2.7 You run a very successful ostrich farm in the Karoo, breeding and raising the birds for their meat, leather and feathers. Unfortunately the very popular ostrich farming in North America has just been struck by a bird flu epidemic.
- 2.7.1 How will the bird flu epidemic affect the global ostrich meat and leather industry? (2)
- 2.7.2 How can you take advantage of this unfortunate situation to the benefit of your business? (4)[6]

TOTAL: 60

QUESTION 3

3.1 Read the case study below and then answer the questions that follow.

Local labels is a healthy, established business. The three owners decided that they are going to sell the business idea or plan to other interested potential owners.

- 3.1.1 Identify and explain the TWO different parties that will be involved in this agreement. (6)
- 3.1.2 Critically evaluate this method of acquiring a business. (12)
- 3.1.3 Outline FOUR aspects that should be covered in the business agreement. (8) **[26]**

3.2 Explain and evaluate co-operatives as a form of ownership in South Africa. (10)

3.3 The founding document of a company is the Memorandum of Incorporation. What information is included in this document? (4)

3.4 The Kleinzee diamond company is an industry in the primary sector.

- 3.4.1 Give a complete explanation of the primary sector referring to the functions of each industry. (16)
- 3.4.2 Discuss the interrelationship of this business with the secondary sector. (4) **[20]**

TOTAL: 60

QUESTION 4

4.1 Outline the steps used by businesses when solving a problem. (7)

4.2 Read the following case study and answer the questions that follow:

EXACTRA MINING COMPANY

Exactra Mining Company, in Ermelo, is mining asbestos, which is a highly toxic substance. They want to open a second mine in Badplaas. The area is next to a breeding ground for different types of birds and fresh-water fish. It is also a popular tourist attraction which is frequently visited by environmentalists and international tourists.

Most residents are unskilled and unemployed. There are very few shops and no recreation facilities for the community. The mine will create employment for the local people by building a school and a clinic.

The environmental groups are opposed to the mining operation at Badplaas. They believe that the waste products from the mine will pollute the wetlands and members of the local community may suffer from asbestosis, a disease contracted from asbestos mining.

- 4.2.1 Apply the force-field problem-solving technique to address the above problem. (10)
- 4.2.2 Recommend whether the mining operation should commence or not. Give ONE reason for your answer. (3)[13]

4.3

Marikana mine crisis:

South African workers reject Lonmin offer

The strikes have been marked by violent clashes, including the shooting dead of 34 miners by police.

The strike has spread to other gold and platinum mines in South Africa, a major exporter of precious minerals.

Production has been severely hit with several mines closed.

Despite a government warning to clamp down on violent protests, unrest continued in the Rustenburg area.

Aquarius closed a platinum mine after protesters gathered outside, while Xstrata shut a chrome plant down.

Earlier this week, Anglo American Platinum (Amplats) closed its platinum mines following unrest.

BBC.co.uk/news/world-Africa

- 4.3.1 What is a crisis and what type of crisis did Lonmin Platinum mines face? (4)
- 4.3.2 List the stages of crisis management that should be followed to manage any crisis. (10)
- 4.3.3 Changes in any business are inevitable after a crisis is over. People are often emotional during times of change and tend to resist and fear change. What is generally considered the reasons for resistance to change in the workplace? (6)
- 4.3.4 How can management reduce resistance to change? (10) [30]
- 4.4 A popular change management theory is the ADKAR Model. Briefly outline what ADKAR refers to and explain why it is a popular model for change management. (10)

TOTAL: 60

QUESTION 5

5.1 Read the case study below and answer the questions that follow:

Siya and Naomi started their business, Dila Hoya Lodge at the beginning of 2015. They are both looking forward to opportunities that new development in Waterfall will present to their business. The following is a summary of their activities for February 2015:
 They both bought furniture in the first and second week of February.
 From the second to the last week of the month Naomi bought cutlery. She also had to place an order for bedding and curtains in the 3rd week.
 Siya arranged for security for the business in the last week of February.
 During the first two weeks Siya applied for a business license with the municipality.

- 5.1.1 Use the above information to complete the Gantt chart on ANNEXURE C on your answer booklet. (18)
- 5.1.2 What other tool could be used to clarify an action plan? (2)[20]
- 5.1.3 Describe the FOUR steps that have to take place to ensure the success of a project. (16)

5.2 Financing sourced for establishing and operating a business needs to be constantly attended to. Answer the following questions regarding the sourcing of finance:

- 5.2.1 Small businesses need to carefully consider a number of factors when choosing finance. Provide FOUR of these factors. (4)
- 5.2.2 For each of the items listed, choose a source of finance that you think would be suitable for a small business. DRAW UP a table and correct the source of funding on the right. Complete the entire table. (16)

A premise for the shop	Equity capital (own capital)
Stock to sell in the shop	Bank loan
A computer	Trade credit
Shop fittings, e.g. shelves and display cabinets	Bank overdraft
A delivery vehicle	Leasing
A cash register	Hire purchase
Insurance for the assets	
Wages and salaries	

- 5.2.3 Name two sources of funding for entrepreneurs that cannot access it through traditional channels. (2)
- 5.2.4 At national level, name TWO institutions that provide finances to SMME's. (2)[24]

QUESTION 6

6.1 Read the case study below and answer the questions that follow.

The CEO of a well-known South African company discovered that huge quantities of detergent accidentally ended up in the bottled orange juice containers. He decided to keep quiet about it. The detergent, although harmful to humans, got mixed into the orange juice by mistake, but the CEO calculated that to recall and dump the orange juice will be financially damaging and the company will also lose their credibility with suppliers all over the country.

He decided that the detergent would have been so diluted that it would have little effect on the taste and possibly no effect on the health of consumers. Many employees supported him, as they knew that their bonuses were linked to the profit of the company. When the cover-up was discovered, the business was heavily fined and the top manager was sentenced to jail.

- 6.1.1 Define "ethics". (4)
- 6.1.2 In which way did this company operate unethically? (2)
- 6.1.3 Do you think it was justifiable that this business was fined and that the CEO was sentenced to jail? Give a reason for your answer. (4)
- 6.1.4 List any FOUR values/pillars used for creating a Code of Ethics. (8)
- 6.1.5 Match the ethical theory in Column A with the appropriate explanation in Column B. Write just the number and corresponding letter. (4)

Column A		Column B	
1.	The Consequential theory	A.	If the action is justifiable in terms of the moral norm then it is the right action.
2.	The Deontology theory	B.	If the effect is good, the action can be regarded as ethical.
3.	The Objectivity theory	C.	What is regarded by some cultures as wrong, could be regarded by another culture as right and this is how it should be viewed.
4.	The Relative theory	D.	If the action is consistent and acceptable to the general population no matter if it has a bad effect on someone, then it is the right thing to do.

6.2 Tembathi Lodge is situated close to the Kruger National Park in Limpopo. The table below shows information about the number of guests who booked into this hotel from November 2011 to March 2012:

TOURISTS/ VISITORS	NOV 2011	DEC 2011	JAN 2012	FEB 2012	MAR 2012
Families	80	90	85	50	32
Single males	40	85	70	40	20
Single females	30	75	60	35	10
Tour groups	134	176	140	88	80
TOTAL	284	426	355	213	142
PERCENTAGE	20%	30%	25%	15%	10%

- 6.2.1 Who at the Tembathi Lodge would need this information? (2)
- 6.2.2 For what purpose, do you think, they may need this information? (3)
- 6.2.3 Using ANNEXURE B, present the above percentages distributed over months, in the form of a bar graph. (10)
- 6.2.4 Suggest how Tembathi Lodge could increase the number of visitors during the off-season period. (3)[18]

6.3 Before making a presentation, what needs to be established? (10)

6.4 A well prepared presentation will lose its effectiveness if questions are not adequately responded to during a presentation. Elaborate on this by providing FIVE points that need to be considered when responding to questions and feedback. (10)

TOTAL: 60

TOTAL SECTION B: 180

Section C (Answer any TWO questions from this section) [Marks: 80]

QUESTION 7

“The release of the QES (Quarterly Employment Statistics) at end of June caused the usual torrent of responses, as unemployment is such a controversial topic in South Africa. Commentators say that the number of jobs created in the first quarter was far too low, given South Africa’s need to reach its target of 13% unemployment by 2014.”

A very important socio-economic issue is mentioned in the above statement. Explain the impact that FIVE contemporary socio-economic issues have on businesses and give some recommendations about how to alleviate some of these issues in South Africa. [40]

QUESTION 8

The following article was published in the *It’s My Business* supplement of the *Sunday Times* on 10 July 2006:

Logistics is a moving experience

“Third-party logistics is one of the fastest-growing industries in the world. It is growing as fast as it is because it helps companies to focus on their own business, manage their cost, improve their profitability, and enhance their service to customers. Although logistics is core to any business, the outsourcing of this function to a suitable outsourced partner allows the business to focus on delivering on its brand promise. Managing your logistics and supply chain strategically can give your business a huge edge.”

Author: Rick Sheldrake of Rennies Distribution Services

In the above article, the author highlighted some of the advantages of “outsourcing”. Outsourcing is also a principle that some of South African businesses implement in order to compete globally.

Explain what outsourcing implies, possible contractual obligations that may be included in the contract and critically evaluate this method of doing business. [40]

QUESTION 9

ADDING UNNECESSARY STRESS LEADS US TO LOSE PERSPECTIVE

“ We add unnecessary stress to our lives by allowing our perceptions to be so easily manipulated, and, in turn, to lose perspective on the issues , said Andrew Layman (Chief Executive Officer, Pietermaritzburg Chamber of Business)” Adapted from: The Mercury June 24, 2009

With reference to the above scenario, provide a detailed analysis of stress management and its impact on the business operation. [40]

QUESTION 10

Management and employees are required to act in a professional and ethical manner. Describe the difference between professionalism and ethics and how they would be applied to guide the business when making decisions. Include a discussion on the difference between good and bad decisions. [40]

TOTAL SECTION C: 80

GRAND TOTAL: 300
