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**BUSINESS STUDIES
GRADE 11
JUNE EXAMINATION
2016**

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|-------------|----------------------------|
| MARKS: | 200 |
| TIME: | 3 HOURS |
| EXAMINER: | MRS A SUTTON |
| MODERATORS: | MRS C EDY MISS E BURGER |

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 **THREE** questions. Answer any **TWO**.
SECTION C: Consists of **THREE** questions. Answer any **ONE** of the **THREE** 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 | | | |
| Five questions. Answer any THREE of the FIVE questions. | 2 | 60 | 30 minutes per question = 90 minutes |
| | 3 | 60 | |
| | 4 | 60 | |
| | 5 | 60 | |
| | 6 | 60 | |
| SECTION C | | | |
| Essay questions. Answer any TWO of the FOUR questions. | 7 | 40 | 30 minutes per question = 60 minutes |
| | 8 | 40 | |
| | 9 | 40 | |
| | 10 | 40 | |
| TOTAL | | 200 | 180 minutes |

SECTION A (COMPULSORY – ANSWER ALL QUESTIONS) [Marks: 40]

QUESTION 1

1.1 Various possible options are provided as answers to the following questions. Choose the correct answer and use ANNEXURE A when writing your answers.

1.1.1 The management of a business has full control over

- A. the workforce of the business.
- B. the technological environment.
- C. the functions of the business.
- D. competitors.

1.1.2 Owners of the following type of business have unlimited liability:

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

1.1.3 Which ONE of the following is a method managers can use to help alleviate stress?

- A. Involve employees in the decision-making process.
- B. Eat a healthy breakfast.
- C. Buy new technology in the workplace.
- D. Strike action by union members.

1.1.4 Entrepreneurs who are unable to find a viable business opportunity have the option of:

- A. Outsourcing the purchasing function.
- B. Leasing premises.
- C. Running the business as a company.
- D. Buying a franchise business.

1.1.5 Equity capital refers to:

- A. The amount of money an entrepreneur can provide from own sources.
- B. The amount of money an angel funder is prepared to invest.
- C. A grant obtained from government or NGO sources.
- D. The amount of money that can be obtained from the formal financial sector.

(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 policy to actively encourage disadvantaged groups to participate fully and equally in work opportunities | A | Economic empowerment |
| 1.2.2 | The identity mark that distinguishes products from one another | B | Franchise |
| 1.2.3 | Supporting people to develop economic skills so that they can take control of their lives | C | Productivity |
| 1.2.4 | An agreement giving someone the right to market a businesses' products in a certain area | D | Affirmative action |
| 1.2.5 | Capacity to produce efficiently and effectively | E | Policy |
| | | F | Brand |

(5X2 = 10)

1.3 Choose the correct words from the brackets (Use ANNEXURE A):

1.3.1 A business can influence its market by means of a strong marketing (evaluation/strategy).

1.3.2 Affirmative action in the workplace is a direct result of the (Labour Relations/ Employment Equity) Act.

1.3.3 It is (preferred/ethical) behaviour for a manager to maintain confidentiality about an employees' HIV/Aids status.

1.3.4 Optimal stress allows employees to function (creatively/productively) in the workplace.

1.3.5 The (Delphi/nominal) technique is a popular method of gathering information from a chosen panel on a topic. It aims to bring about agreement from differing views by means of questionnaires.

(5X2 = 10)

1.4 Give a term for each of the following definitions (Use ANNEXURE A):

1.4.1 A group of consumers, identified by one or more common characteristics.

1.4.2 A person acting on behalf of a business and represents the business beliefs, policies, products and services.

1.4.3 It reflects the dream of where the business will find itself somewhere in the future.

1.4.4 Businesses or individuals that help to move goods from producer to consumer.

1.4.5 The document which is needed to register private and public companies.

(5X2= 10)

TOTAL SECTION A: 40

SECTION B (Answer any THREE questions in this section) [Marks: 180]

QUESTION 2

- 2.1 Some businesses find it difficult to have complete control over the business environment.
Identify FOUR components of the macro environment and briefly explain whether the business has complete control over the components or not. (16)
- 2.2 It is important for managers of business ventures to take careful note of the changes and challenges that exist within the market environment. Discuss how your business will adapt to the challenges of any FOUR components of the market environment. (16)
- 2.3 The micro environment is the most controllable environment for any business. Explain this statement by describing FOUR components of the micro environment and explain how the business can control each of these components. (16)
- 2.4 Explain SIX functions of Trade Unions. (12)

TOTAL: 60

QUESTION 3

- 3.1 Copy the table below in your answer book. Complete the table with the FIVE main characteristics of a sole trader and a private company. (10)

| Details | Sole trader | Private company |
|---------------------|-------------|-----------------|
| 3.1.1 Name | | |
| 3.1.2 No. of owners | | |
| 3.1.3 Liability | | |
| 3.1.4 Management | | |
| 3.1.5 Taxation | | |

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

Tsomo Valley Agricultural Cooperative

It has always been emphasised that partnerships are a key to the success of poverty alleviation and economic development projects in South Africa. The Tsomo Valley Agricultural Cooperative, a project that seeks to improve the productivity of local farms and give support to the beneficiaries of the government's Land Redistribution and Agricultural Development (LRAD) Programme, is an example of such success.

Established with the assistance of the National Development Agency (NDA), which injected R761 238 into the initiative; Department of Agriculture; National Cooperative Association of South Africa and Sakhizwe District Municipality; the project has enabled 12 local emerging farmers who acquired land through the LRAD programme with access to farming expertise, farming inputs and mechanisation and mentoring services.

As a result of these partners' intervention, the farms are now being managed professionally. 20 farmers have been trained in farm management and technological skills, and production has improved by 20%. The 12 farms cover a 10 130-hectare area, 80% of which is grazing land and the rest arable land.

http://www.nda.org.za/index.php?option=3&id=1&com_id=243&parent_id=243&com_task=1

- 3.2.1 What is the key difference between a co-operative and a company? (2)
3.2.2 Who are the members of this Co-operative? (2)
3.2.3 Tabulate THREE advantages and THREE disadvantages of this form of ownership. (12)
[16]

3.3 'Active Socks (Pty) Ltd' produces socks and other apparel. The management team of the organisation finds that it has become difficult to maintain the pool of vehicles of their sales representatives. The managing director approaches you to investigate the option of "outsourcing" or "leasing" so that the sales department can run effectively and efficiently.

Explain and elaborate on the usefulness of outsourcing and leasing. (16)

3.4 Identify THREE advantages and THREE disadvantages of a partnership. (12)

3.5 What THREE forms of protection does the law provide to discourage piracy? (6)

TOTAL: 60

QUESTION 4

- 4.1 Describe the steps to follow when using the Force Field analysis technique. (20)
- 4.2 Discuss the steps involved in crisis management. (5 x 3 = 15)
- 4.3 Identify NINE steps in the change management process. (9)
- 4.4 Read the following case study and follow the instructions given below:

Four school friends, Khoza, Ronnie, Trish and Mthunzi decided to start a handyman business in the community. They named the business “Fix-it-all Services”. They needed a wide range of tools and a vehicle. They also knew that they would have to get themselves known in the community. The other important challenge would be to find suitable and trustworthy staff, train them properly and then deploy them as needed. The four friends agreed to share the responsibilities and decided to leave all the hiring and training of staff up to Trish. Mthunzi was appointed the financial manager who had to source the vehicle and buy the tools. Ronnie had to ensure that pamphlets are delivered in the neighbourhood and Khoza took responsibility as the administrative organiser, immediately starting off by designing the following action plan:

Fix-it-all Services Action plan

| Activities | Starting date | Expected completion date |
|--------------------------------|---------------|--------------------------|
| Organising finance | 1 March 2013 | 30 April 2013 |
| Buying vehicle | 1 May 2013 | 31 May 2013 |
| Buying tools | 1 May 2013 | 31 May 2013 |
| Recruiting and selecting staff | 1 April 2013 | 30 April 2013 |
| Training staff | 1 May 2013 | 15 May 2013 |
| Advertising | 1 April 2013 | 30 June 2013 |

Use the information above to complete a Gantt chart for Fix-it-all Services. Use ANNEXURE C in the answer book and complete the details required on the Gantt chart. (14)

- 4.5 Explain the difference between equity capital and debt capital. (2)

TOTAL: 60

QUESTION 5

5.1 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.

- 5.1.1 Define "ethics". (4)
- 5.1.2 In which way did this company operate unethically? (2)
- 5.1.3 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)
- 5.1.4 List any FOUR values/pillars used for creating a Code of Ethics. (4X2)[8]
- 5.1.5 Match the ethical theory in Column A with the appropriate explanation in Column B.

| 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. |

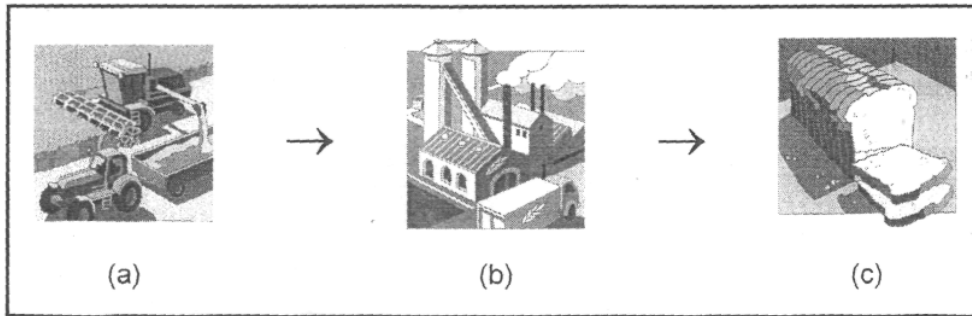
(4X2=8)
[26]

- 5.3 List FIVE important factors to consider before starting a business. (5 x 2=10)
- 5.4 Explain THREE main reasons why a small business requires funding. (3 x 4 = 12)
- 5.5 Evaluate trade credit and bank overdrafts as a source of capital. (12)

TOTAL: 60

QUESTION 6

6.1 Study the following diagram and answer the questions that follow:



- 6.1.1 Identify the **THREE** different production enterprises or sectors in the above diagram and explain them. (9)
- 6.1.2 To whom does each enterprise or sector supply goods? (3)
- 6.1.3 In the macro-environment, it is important for businesses to adapt to the continuous challenges they are faced with in the present day. Identify **FOUR** of the challenges of this environment and suggest how businesses could deal with them. (16)[28]

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 2015 | DEC 2015 | JAN 2016 | FEB 2016 | MAR 2016 |
|-----------------------|------------|------------|------------|------------|------------|
| 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. (5)
- 6.2.5 It has become increasingly popular in the business world to solve problems in teams. Identify the **SEVEN** steps of problem solving and **FIVE** advantages of working with others. (12)[32]

TOTAL SECTION B: 180

Section C (Answer any TWO questions from this section)

QUESTION 7

Millions of important presentations are done all over the world every day. Provide detailed information one of your colleagues who is preparing a presentation on a marketing strategy to the board of directors. Include information on the different media to consider, how to keep the interest of the audience, and how to end off the presentation in an appropriate manner. [40]

QUESTION 8

Research shows youth lack confidence in SA 's ability to deal with socio-economic issues.

-www.bdlive.co.za

Discuss the impact of FIVE socio-economic challenges faced by businesses and provide an example of a solution to each of these challenges.[40]

QUESTION 9

Stress is a condition that workers experience on a daily basis. Most jobs are associated with a certain amount of stress. In order to survive, workers need to be able to handle such stress. Not all stress is bad.

Explain whether you agree with the above statement and then discuss the symptoms/signs of stress, the various sources of workplace stress and ways in which you can reduce stress.[40]

QUESTION 10

An entrepreneur might want to own a business but not necessarily start a business from scratch. If the entrepreneur considers buying a franchised business there are advantages and disadvantages which need to be considered. Write a factual essay, in point form, concentrating on the following aspects:

- the concept of franchising
- the contractual obligations of franchising
- arguments for and against a franchise business by explaining the advantages and disadvantages of all role players.
- important points that you would include in the franchise agreement.

[40]

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• TOTAL SECTION C:80

GRAND TOTAL: 300