



**BUSINESS STUDIES
GRADE 11**

**JUNE EXAMINATION
2017**

MARKS: 300

TIME: 3 HOURS

EXAMINER: MRS J RAMBURAN

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	30 minutes per question = 60 minutes
Essay questions. Answer any TWO of the FOUR questions.	8	40	
	9	40	
	10	40	
TOTAL		300	180 minutes

SECTION A
COMPULSORY (40 marks)

QUESTION ONE

1.1 Multiple Choice: Various options are provided as answers to the following questions. Write only the letter of the most appropriate answer next to the relevant question number. Use ANNEXURE A to complete this question.

1.1.1 The micro-environment includes the components:

- a. unions and customers
- b. political and technological environments
- c. goals and resources
- d. economic environment and competitors

1.1.2 Businesses have the least control over the

- a. micro environment
- b. market environment
- c. macro environment
- d. business environment

1.1.3 Businesses find them beneficial to be involved in all the environments because:

- a. they can use them to benefit the business within the confinement of laws and ethics
- b. they are then able to control all the environments
- c. they can manipulate the environment by being politically connected
- d. they are then able to make profits by having information to which no-one else has access.

1.1.4 Economic crime includes:

- a. piracy
- b. shoplifting
- c. money laundering
- d. armed robbery

1.1.5 A trade unions main function is to:

- a. organise strikes and go-slows and other forms of protest
- b. organise trade agreements with other countries
- c. be the political mouthpiece for the whole of society
- d. negotiate on behalf of employees for better pay and conditions.

1.1.6 The sector in which the processing of raw materials into finished goods takes place.

- a. tertiary sector
- b. primary sector
- c. secondary sector
- d. producer sector

1.1.7 This sector focuses mainly on information and knowledge-based activities.

- a. tertiary sector
- b. services sector
- c. secondary sector
- d. producer sector

1.1.8 An example of a secondary sector industry:

- a. oil drilling
- b. milk production
- c. yoghurt production
- d. transportation

1.1.9 Which one of the following is a benefit of company as a form of ownership?

- a. little money required
- b. directors are passionate about the business
- c. tax benefits
- d. company has to pay tax

1.1.10 The most similar form of ownership to the private company is

- a. public company
- b. sole trader
- c. close corporation
- d. personal liability company

(10 x 2)[20]

1.2 Selection: Choose the correct answer in brackets. Only write down the correct word to indicate your answer.

1.2.1 When workers protest by working very inefficiently it is called a **(strike/go-slow)**.

1.2.2 **(Psychology/Psychographics)** is the analysing of a market in terms of attitudes and aspirations.

1.2.3 Peoples buying power **(increases/decreases)** when the government lowers the interest rate.

1.2.4 **(Inflation/deflation)** is when there is a general fall in the purchasing value of money.

1.2.5 Inadequate management skills is a challenge faced by the **(micro/macro)** environment.

(5 x 2)[10]

1.3 Matching: Match the description in Column "A" with the relevant concepts in Column "B". Write only the alphabet of your choice.

COLUMN A	COLUMN B
1.3.1 SWOT analysis	A. a payment made to the franchisor by the franchisee based on the turnover of the business
1.3.2 Royalty	B. includes business equipment, money, employees and other assets
1.3.3 Intermediaries	C. identifies the strengths and weaknesses in a business
1.3.4 Resources	D. interacting with others to exchange ideas and information
1.3.5 Networking	E. forms a link between the business and its customers or between the business and its suppliers
	F. when one business assumes control of another business

(5 x 2)[10]

SECTION B

Choose any **THREE** questions to answer in this section

Question 2

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

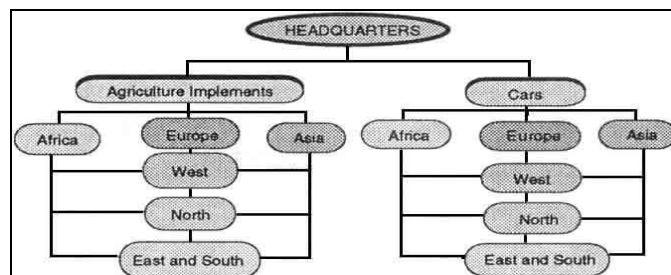
Innovation changes the world. Think of something as simple as the shape of Toilet Duck, or disposable pepper grinders. Think of mobile phones, iTunes and iPods. These things have not only changed categories: they've altered the way we do things. Brands like Apple and Virgin have built their businesses 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, there 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>)

- 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. (6)

[12]

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>

- 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 TWO forms of protection the law gives owners of intellectual property. (4)

- 2.7 You run a very successful ostrich farm in 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]

[60]

Question 3

3.1 Read the following case-study and answer the questions that follow.

Aurora Empowerment Systems took over the management of Grootvlei Goldmines in 2009. Due to lack of management skills and experience, and poor maintenance of the pipelines, pollutes water flowed from the mine into the surrounding wetlands, resulting in considerable damage to flora and fauna. Marisvlei Supplier`s, suppliers of chemical to the mine, have not been paid some time and refused to supply the necessary chemicals. This resulted on polluted water reaching the surface. Employees have not received their full salary and are reluctant to go back to work.

- 3.1.1 What are the challenges facing Grootvlei mine? (10)
- 3.1.2 Identify the environments relating to the challenges. (10)
- 3.1.3 Suggest any THREE strategies to overcome these challenges. (6)
- [26]

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

Westwood Clothing Ltd manufactures school uniforms in Kokstad. They successfully provide uniforms to both local schools and some national schools. Their business is readily growing as they are very strict on quality and service delivery. Their employees are very happy as they are consulted on a regularly basis on decisions concerning them.

- 3.2.1 In which sector can Westwood Clothing Ltd be classified? Give a reason for your answer. (3)
- 3.2.2 Analyse the impact of load shedding on this sector. (4)
- 3.2.3 How is a business like Westwood dependant on the construction sector? (4)
- 3.2.4 Name and explain **THREE** ways how this sector, mentioned in question 3.2.1, links to other sectors in the economy. (9)
- 3.2.5 Why is the hospitality industry considered to be one of the largest industries worldwide with substantial potential for growth? (4)
- [24]
- 3.3 List the variables that influence the micro environment. (5 x 2) [10]

[60]

Question 4

4.1 Tabulate the differences between a sole proprietorship, close corporation and private company in terms of the following criteria:

- 4.1.1 Number of founders (3 x 2) (6)
 - 4.1.2 Liability for the business debts (3 x 2) (6)
 - 4.1.3 Taxation (3 x 2) (6)
- [18]

4.2 Discuss THREE contractual implications of leasing for the business undertaking. (6)

4.3

A business plan is a written document describing the nature of the business, the sales and marketing strategy and the financial background, and containing a projected profit and loss statement. A business plan is also a road map that provides directions so a business can plan its future and helps it avoid bumps in the road.

4.3.1 A business plan must be transformed into an action plan. Define the action plan. (2)

4.3.2 Explain the steps that must be followed to transform a business plan into an action plan. (5 x 2) (10)

[12]

4.4 Name FIVE things to avoid in a question and answer session (5 x 2) (10)

4.5 What is the difference between verbal and non-verbal formats of presenting business information? (4)

4.6 State FIVE benefits of working with others in the workplace. (10)

[60]

Question 5

5.1

"Force field analysis is a decision making technique that can be used in any business enterprise."

- List the steps to follow when using this technique. (10)
- 5.2 Name the FIVE stages that a manager can follow in order to deal with crises. (10)
- 5.3 Suggest FIVE strategies that can be used to manage stress. (10)
- 5.4 Explain what the acronym ADKAR represents, in the ADKAR change management theory. (10)
- 5.5 State THREE disadvantages of the Delphi technique. (6)
- 5.6 Differentiate between *conventional thinking* and *lateral thinking*. (8)
- 5.7 Explain the concept "indigenous knowledge". (6)

[60]

Question 6

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

Beaux-Arts was founded in 1996 by Linda Lloyd in Kempton Park. Linda started an art and craft service offered to schools for children from three years of age. She operated as a pilot franchise for a year and thereafter became a member of the Franchise Association of South Africa. By June 2001 she had franchises servicing schools in 101 cities, towns and municipalities throughout the country. She does the training herself, which includes product training, business and marketing skills. Franchisees and their employees also receive on-going training by specialists in their field of pottery, arts and crafts to ensure the use of appropriate skills.

- 6.1.1 Discuss TWO advantages and TWO disadvantages of a franchise. (4 x 2)(8)
- 6.1.2 Linda wants to outsource some of her activities undertaken by her as a franchisor. Recommend ONE activity she could outsource and supply a reason for your choice. (4)
- 6.1.3 Suppose you applied to purchase the right to own a franchise from Linda, you want to assume all the responsibility for your business yourself. Which form of ownership would you choose? Explain why. (8)

[20]

6.2

'Once the business plan and the action plan is in place the entrepreneur must actively implement the strategy of the business.'

- 6.2.1 Discuss the process involved in recruiting and appointing staff. (8)
- 6.2.2 Describe the procedure involved in registration of a business. (10)
- 6.2.3 List ONE important factor to consider before a business can start up. (2)
- [20]

6.3 Read the case study of, *KLL Sweet Tooth*, three friends, Lesley, Liesl and Kelly, who want to start a bakery and sell baking utensils.

During a meeting on the 4th March, partners Lesley, Liesl and Kelly decided that certain functions had to be performed before the business opened its doors for business.

- The intended partnerships paperwork has to be completed and registered by the first week of April 2017 and additional capital of R15 000 has to be raised by the second week. (Partner responsible Liesl).
- Staffing is still a problem and a pastry chef and support staff have to be recruited, interviewed and appointed within three weeks in time for the beginning of the business. (Partner responsible – Kelly)
- The business intends to rent a building which has to be fully equipped with the necessary equipment for baking. The leasing contract, as well as all communication lines, electricity and water connection and installation of baking equipment (stoves, ovens, mixers etc.) have to be finalised within two weeks. (Partner responsible – Lesley).
- Stock has to be purchased, priced and displayed by the second week. (Partner responsible – Kelly)
- In-service training will take place from week three to week five. (Partner responsible –Liesl)

6.3.1 Study the information above and draw up a Gantt chart. Refer to **ANNEXURE B** of answer booklet to complete this question. (12)

6.3.2 Discuss the benefits of a partnership as a form of ownership for *KLL Sweet Tooth*. (8)

[20]

[60]

SECTION C

Choose any **TWO** questions to answer in this section

Question 7

Government has urged businesses and Trade Unions to play key roles in ensuring that South Africa's socio economic problems are alleviated to allow for increased employment and improved standard of living of all South Africans.

In an essay, discuss the practical ways in which businesses can try and find solutions to the many socio-economic problems. Include suggestions of how businesses can create a strong ethical culture, which is linked to the code of conduct, within the business. Highlight the role and functions of trade unions.

[40]

Question 8

Tania, Precious and Anand are three friends from the rural area in Kwa Zulu Natal. They have all studied business subjects. They have decided to establish their own business undertaking. The friends have approached you to help them.

Prepare a report showing the benefits and challenges of sole traders, partnerships, close corporation, and companies under the following headings:

- Establishment procedure
- Liability and legal position
- Taxation

[40]

Question 9

The Labour Relation Act (Act 66 of 1995), the Employment Equity Act 55 of 1998 and BCEA 75 of 1997 was put in place to redress the imbalances of the passed in the labour force.

Discuss the nature and purpose of each Act and explain the impact of it on business.

[40]

Question 10

The macro environment is volatile and ever changing. Management must ensure that suitable strategies are put in place to adapt to change. Change management is fast becoming an important management function in businesses.

In an essay, explain the importance of change management and how businesses can manage change.

Also include the change process which change managers can use as guidelines to ensure that change is well handled by all stakeholders.

[40]

