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**BUSINESS STUDIES
GRADE 11
JUNE EXAMINATION
2018**

MARKS: 300

TIME: 3 HOURS

EXAMINER: MISS E BURGER

MODERATORS: MRS C EDY
MRS M LEPPAN
MRS J RAMBURAN

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 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			30 minutes per question = 90 minutes
Five questions. Answer any THREE of the FIVE questions.	2	60	
	3	60	
	4	60	
	5	60	
	6	60	
SECTION C			30 minutes per question = 60 minutes
Essay questions. Answer any TWO of the FOUR questions.	7	40	
	8	40	
	9	40	
	10	40	
TOTAL		300	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 micro environment includes the components:

- A. unions and customers
- B. political and technological
- C. goals and resources
- D. economic environment and competitors

1.1.2 Creative problem-solving technique that involves a panel of experts:

- A. Brainstorming
- B. Force-field analysis
- C. SCAMPER
- D. Delphi

1.1.3 Royalties are:

- A. the flat fees that must be paid to the owner of a piece of intellectual property.
- B. the flat fees that must be paid to an author or songwriter.
- C. The percentages of profits that must be paid to the owner of a piece of intellectual property.
- D. The percentages of profits that must be paid to an author or songwriter.

1.1.4 Indigenous knowledge comes from:

- A. locals.
- B. foreigners.
- C. ancestors.
- D. science.

1.1.5 A process where a business intentionally sends out a representative to influence high level decision-makers on certain aspects affecting the business, is called

- A. strategic alliances
- B. power relationships
- C. lobbying
- D. networking

(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	Giving out specific tasks to other businesses to perform on your behalf in return for payment	A	Gantt chart
1.2.2	Several activities of an action plan for a business are shown on one timeline	B	Leasing
1.2.3	A body that ensures that businesses adhere to certain standards and laws	C	Franchising
1.2.4	Use of an asset without a large capital outlay	D	Outsourcing
1.2.5	Capacity to produce efficiently and effectively	E	Regulator
		F	Productivity

(5X2 = 10)

1.3 Choose the correct words from the brackets:

1.3.1 When every part of the business works so well together that they achieve greater outputs it is known as (synergy/teamwork).

1.3.2 A (monopoly/oligopoly) is when one business controls an entire industry or business sector.

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 (culture/structure) of an organisation is the way in which business is conducted.
(5X2 = 10)

1.4 Give a term for each of the following definitions:

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

1.4.2 An increase in the general price levels of goods and services from one year to the next.

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 (BUSINESS ENVIRONMENTS)

2.1 Read the extract from the article below and answer the questions that follow.

Important elements of a business micro-environment is the task environment of a business which affects its operations directly on a regular basis. While the changes in the macro-environment affect business in the long run, the effects of changes in the micro-environment are noticed immediately.

Hence, organisations must closely analyse and monitor all the elements of the micro-environment on a regular basis.

Adapted from www.publishyourarticles.net/knowledge-hub/

- 2.1.1 Name the components of the micro-environment. (4)
- 2.1.2 Explain the reason for referring to the micro-environment as the ‘decision-making’ environment. (4)
- 2.1.3 One of the greatest challenges faced by the micro-environment are difficult employees. Outline **TWO** reasons why employees have become difficult to manage. (4)
- 2.1.4 Briefly describe what is commonly known as the ‘chain of command’ used by businesses. Provide **THREE** examples of organograms with explanations. (10)[22]
- 2.2 Discuss fully the challenges faced by businesses on the following market environment variables:
- Shortage of supply
 - Changes in consumer tastes and habits
 - Demographics and psychographics
 - Socio-cultural factors (4 x 6 = 24)
- 2.3 Discuss the institutional environment as a macro environment variable. What control does a business have over this environment? (8)
- 2.4 South Africa’s population has grown exponentially. Discuss the effect of population growth on the economy. (6)

[60]

QUESTION 3 (BUSINESS VENTURES)

3.1 Copy the table below in your answer book. Complete the table with the five main ownership type characteristics of a Sole Trader and a Private Company.

Details	Sole trader	Private company
1. Name		
2. Continuity of business		
4. Capital		
3. Liability		
5. Taxation		

(10)

3.2 Read the scenario below and answer questions that follow.

‘Photo Note’ has everything your educational institution requires to make the essential move from the old system of chalkboards and paper into the present technological age of learning. Let ‘Photo Note’ revolutionise your teaching methods with the use of ingenious technology. They come and maintain the equipment and are responsible for fixing the asset should any part break. In return the business/school pays a fee towards this kind of ownership.

- 3.2.1 Identify the type of service ‘Photo Note’ is offering to schools and other institution. (1)
- 3.2.2 State the definition of the answer identified in 3.2.1. (2)
- 3.2.3 Name the parties involved in the answer identified in 3.2.1. (2)
- 3.2.4 Highlight the details that should be stated in the agreement between the parties identified in 3.2.3. (3)
- 3.2.5 Analyse the benefits of the type of service offered in 3.2.1 (6) [14]
- 3.3 Suggest suitable reasons for entrepreneurs to purchase an existing business. (4)
- 3.4 Describe **ONE** negative aspect of an entrepreneur buying an existing business. (2)
- 3.5 Franchising is enjoying increasing popularity throughout the world.
- 3.5.1 What do you understand by the term "franchising"? (4)
- 3.5.2 List at least **FIVE** points you would include in a franchise agreement. (10)
- 3.5.3 Describe **TWO** advantages and **TWO** disadvantages of franchising. (8)[22]
- 3.6 List FOUR steps to planning a project. (4)
- 3.7 The owner of a startup business needs to create a website . Use the following information to draw up a timeline:
- Obtain quotes – 3 days (From 17 March)
 - Come up with a suitable name (1 week after quotes)
 - Design a logo (2 weeks after name)
 - Create the layout and design of the webpage (3 months) (4)

[60]

QUESTION 4 (BUSINESS ROLES)

4.1 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.

- 4.1.1 Define "ethics". (4)
- 4.1.2 In which **TWO** ways did this company operate unethically? (2)
- 4.1.3 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)
- 4.1.4 List any **FOUR** characteristics of good governance according to King Code III. (4X2)[8]
- 4.1.5 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]

- 4.2 Describe the importance of crisis management. (4)
- 4.3 Identify **FIVE** stages in managing a crisis. (5X2=10)
- 4.4 Many people have difficulty in managing stress. Identify **FIVE** strategies that people use to manage stress. (5X 2 = 10)
- 4.5 When large projects are undertaken, it is preferable to work in a team. Name **FIVE** advantages of working with others. (5X 2 = 10)

TOTAL: 60

QUESTION 5 (BUSINESS ENVIRONMENTS AND VENTURES)

5.1 Select the correct term from the box below:

Lobbying; organisational design; strategic alliance; adapting;
influencing; investor; power relationship; hedging

5.1.1 _____ 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.

5.1.2 A /an _____ is when businesses gain some control over the macro environment by building associations with influential people.

5.1.3 When a group of people try to influence laws or regulations that affect their business, it is called _____. (3 x 2 =6)

5.2 Discuss the following socio-economic issues with special reference to the impact that they have on South African businesses and possible solutions to these issues:

- Economic crime (4)
- Unavailability, exhaustion and inefficient use of natural resources (4)
- Strikes (4)
- Illiteracy and lack of skills (4) [16]

5.3 Read the case study of Matrix Computers below and answer the question that follows:

MATRIX COMPUTERS

During a meeting on October 2017, members Mike Zola and Khumalo decided that certain functions had to be performed to capacitate the business.

The intended private company must be registered by 15 November 2017 (week 1) and additional capital of R1 000 000 must be raised by 23 November 2017 (Week 2). Member responsible – Zola.

Staffing is still a problem and the sales manager and support staff must be recruited, interviewed and appointed as from 15 November to 27 November 2017 (Week 1-3) in time for the opening of the business on 1 December 2017 (Week 3). Member responsible – Khumalo.

The business intends to rent a building which must be fully furnished. The leasing contract, as well as all communication lines (including telephone and internet connections), must be finalized by 25 November 2018 (Week 1-2) Member responsible – Mike.

Stock must be purchased, priced and displayed by 25 November 2017 (Week 2). Member responsible – Zola.

In-service training will take place from 1 December to 22 December 2017. (Week 3-5). Member responsible – Khumalo.

- 5.4 Follow the outline of the preceding case study and fill in the Gantt chart provided. (USE ANNEXTURE C). (12)
- 5.5 Give FIVE requirements that if followed, will lead to a successful presentation. (5 x 2) [10]
- 5.6 The marketing assistant has collected information on book sales for the past six months and has asked you to help him to present this information in a line-graph format.
- 5.6.1 Draw a line graph using the following data (USE ANNEXTURE B):

Month	Book sales
January	R5 500
February	R7 000
March	R7 500
April	R12 000
May	R13 500
June	R14 000

(10)

5.6.2 Analyse the information given in the table above, by answering the following questions:

- 5.6.2.1 Which month recorded the highest sales figure? (2)
- 5.6.2.2 What is the average sales figure for the six months? (2)
- 5.6.2.3 Why do you think January had the lowest sales figure? (2) [16]

TOTAL: 60

QUESTION 6 (BUSINESS ENVIRONMENTS AND BUSINESS ROLES)

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

The owners of Hoho Plantations have decided to expand their business to include a furniture manufacturing company, called Unathi Timber Products. They use their own vehicles to transport raw materials and finished goods. They approached their local branch of Nedbank to finance their expansion. The owners also decided to approach the insurance company Metropolitan to inform their workers about insurance.

6.1.1 Classify the businesses mentioned in the case study according to the various sectors they operate in. (4 x 2=8)

6.1.2 Define the sectors mentioned in 6.2.1 (3 x 2=6)

[14]

6.2 The Kleinzee diamond company is an industry in one of sectors mentioned in 6.1.1.

6.2.1 Give a complete explanation of this sector with examples of each sub sector. (16)

6.2.2 Discuss the interrelationship of this business with the other sectors in industry. Use practical examples to illustrate your answer. (8) [24]

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

6.4 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.

6.4.1 Apply the force-field problem-solving technique to address the above problem. (10)

6.4.2 Recommend whether the mining operation should commence or not. Give ONE reason for your answer. (5) [15]

TOTAL: 60

TOTAL SECTION B: 180

Section C (Answer any TWO questions from this section)

QUESTION 7 (BUSINESS ENVIRONMENTS)

South African businesses face numerous challenges in the macro environment.

Discuss the issue depicted in the cartoon and name and briefly describe FOUR other challenges faced by businesses in the macro environment.

[40]



QUESTION 8 (BUSINESS VENTURES)

There is a general perception amongst entrepreneurs that access to capital is a major inhibitor to entrepreneurial growth and activity. The general misconception is that this is a result of scarcity of funds available to funding institutions. A recent Global Entrepreneurship Monitor study revealed that South Africa is no worse or better off than any other country in terms of the availability of capital. Although one may still be in doubt as to where the drawback lies, funding is available in abundance in South Africa and the issue of scarcity is more a myth than a reality.

– (FNB spokesperson in association with the Gordon Institute of Business Science)

Considering this statement, discuss the acquisition of funding to businesses with unlimited liability.

[40]

QUESTION 9 (BUSINESS ROLES)

Discuss widely used change management theories in the business world and outline how the new

Recently, Kalahari and Takealot merged to increase their presence on the internet. Management plays a key role in changes and need to guide and support the workers to adapt to and accept change.

“Takealot” would manage change in the most successful way by discussing the NINE steps of change management.

[40]

QUESTION 10 (BUSINESS ROLES)

Unprofessional and unethical behaviour is not uncommon in South Africa. Assume you are an advisor to a new company on establishing a code of ethics. Write a report showing:

- how professionalism and ethics differ;
- FIVE steps that can be followed to apply professionalism and ethics in the business
- the three-point test guide for determining behaviour in grey areas; and
- what creating a code of ethics would require. [40]

TOTAL SECTION C:

80

GRAND TOTAL: 300