



**BUSINESS STUDIES
GRADE 11
JUNE EXAMINATION
2013**

MARKS: 200

TIME: 2 HOURS

EXAMINER: MISS E BURGER
MODERATORS: MRS C EDY
MRS N SKJOLDE

SECTION A – (COMPULSORY – ANSWER ALL QUESTIONS IN THIS SECTION)

QUESTION 1

1.1 Write only the correct letter next to the number in ANNEXURE A on your answer booklet.

1.1.1 Which one of the following is not a socio-economic issue?

- A Poverty
- B HIV/aids
- C Difficult employees
- D Crime (2)

1.1.2 Which one of the following forms part of the macro environment?

- A Competitors
- B Mission
- C Intermediaries
- D Technological (2)

1.1.3 involves a group of people who voluntarily exchange information.

- A Lobbying
- B Networking
- C Alliances
- D Empowerment (2)

1.1.4 The mission statement and organisational goals are elements over which the business can exercise control:

- A limited
- B full
- C no
- D a degree of (2)

1.1.5 When resources are moved from one area to another to reduce costs this is known as

- A resource deployment.
- B resource allocation.
- C resource stock control.
- D resource procurement. (2)

- 1.1.6 Which is not a factor that may exist between local and international markets?
- A Cultural differences
 - B Political differences
 - C Economic differences
 - D Internet differences (2)
- 1.1.7 Which of the following could be outsourced?
- A A factory
 - B A franchise
 - C Delivery of supplies
 - D A bank loan (2)
- 1.1.8 Which parastatal formed an alliance with other similar companies?
- A Eskom
 - B SAA
 - C Denel
 - D Telkom (2)
- 1.1.9 Which Act was introduced into South Africa to advance economic development, social justice, labour peace and democratisation in the workplace:
- A Labour Relations Act.
 - B B-BBEE Act.
 - C Employment Equity Act.
 - D Basic Conditions of Employment Act. (2)
- 1.1.10 Which form of ownership must submit a Memorandum of Incorporation?
- A Public company
 - B Private company
 - C Personal liability company
 - D All of the above (2)

(10 X 2 = 20)

1.2 In each case choose the correct concept from Column B, which matches the information given in Column A. Fill in the correct Letter in **ANNEXURE A**.

COLUMN A		COLUMN B	
1.2.1	This process includes activities such as marketing, purchasing and administration.	A	Tertiary
1.2.2	This sector brings goods and services within easy reach of consumers.	B	Piracy
1.2.3	The unauthorised duplication of original music and films without the consent of the rightful owner.	C	Leasing
1.2.4	A business arrangement that allows for the use of an asset for a specific period at a specific cost.	D	Counterfeit
1.2.5	Giving out specific tasks to other businesses to perform on your behalf.	E	Business functions
		F	Outsourcing

(5 X 2 = 10)

1.3 Give the correct term for each of the following. Write only the **TERM** next to the relevant question number in your answer book.

1.3.1 The study of the age, gender, family size and different income levels of a population.

1.3.2 The legal document that prevents an action (such as a strike) from taking place.

1.3.3 This environment is also known as the wider external environment.

1.3.4 The position of the company when the total value of all its assets exceeds the total value of all its liabilities.

1.3.5 This situation occurs when an organisation or individual attempts to influence government laws.

(5 x 2 = 10)

TOTAL MARKS FOR SECTION A: 40

SECTION B – COMPULSORY (CHOOSE TWO QUESTIONS)

QUESTION 2

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

- 2.1 What is a crisis and what type of crisis did Lonmin Platinum mines face? (4)
- 2.2 List the stages of crisis management that should be followed to manage a crisis. (10)
- 2.3 Stress is usually connected to a crisis. Explain how both emotional and physical stress can be managed. (20)
- 2.4 Briefly discuss three forms of labour action that is legal according to the Labour Relations Act. (3 x 5)[15]
- 2.5 Which sector does Lonmin Platinum mines belong to? (1)
- 2.6 Draw up a diagram to explain the three stages of production. Use a product made from minerals to illustrate these stages. (10)[60]

QUESTION 3

- 3.1 Tabulate FIVE differences between a private company and a public company. (5 x 2)[10]
- 3.2 Before a Franchise opens, a contractual agreement between the Franchisor and Franchisee needs to be signed. Name FIVE points that should be covered in a Franchise contract. (10)
- 3.3 List the FOUR steps to planning a business project. (4)
- 3.4 Use the following information to complete the Gantt chart (refer to Annexure B): (10)

No.	Steps to establish a business	Time frame
1	Register the business	2 months beginning January
2	Open a bank account	Completed by the end of January
3	Recruit staff	3 months beginning January
4	Interview staff	2 months after registration is completed
5	Purchase vehicle	1 month once staff have been recruited
6	Register with SARS	1 st 5 months
7	Sign the lease agreement for the premises	2 months once vehicle has been purchased
8	Design the promotional material	5 months from April
9	Start the manufacturing process	The full second half of the year
10	Open the business	Start in September continuing throughout the rest of the year

- 3.5 Discuss the THREE main reasons why a small business requires funding. (12)
- 3.6 Explain what is meant by equity funding and give examples. (4)
- 3.7 Evaluate trade credit as a source of debt capital. (10)

[60]

QUESTION 4

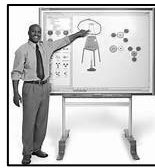
- 4.1 Discuss in detail:
 a) How the Delphi problem solving technique works. (12)
 b) The steps to follow when using the Force field analysis technique. (12)[24]

4.2 Working in a group to solve problems has its advantages. Briefly describe TWO advantages of working with others. (6)

4.3 Briefly describe the following presentation aids: (8)



A



B



C



D

4.4 Create a graphic illustration from the information below:

Frame Textiles Ltd - 2012												
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Turnover (millions)	32	30	34	30	27	24	25	28	30	34	36	30

(10)

4.5 What important points need to be remembered when responding to questions and feedback during a presentation? (12)
[60]

TOTAL MARKS FOR SECTION B: 120

SECTION C (COMPULSORY – CHOOSE ONE ESSAY ONLY)

QUESTION 5

“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)

OR

QUESTION 6

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)

OR

QUESTION 7

Businesses have little control over the macro environment in which they operate. The key to success lies in their flexibility to adapt to the continually changing environment. Discuss each of the variables in the macro environment and analyse the potential influence of each of these environments on businesses. (40)

TOTAL MARKS FOR SECTION C: 40

GRAND TOTAL: 200

GRADE 11 BUSINESS STUDIES ANSWER BOOKLET

NAME: _____

ANNEXURE A

1.1.1		1.2.1	
1.1.2		1.2.2	
1.1.3		1.2.3	
1.1.4		1.2.4	
1.1.5		1.2.5	
1.1.6		1.3.1	
1.1.7		1.3.2	
1.1.8		1.3.3	
1.1.9		1.3.4	
1.1.10		1.3.5	

ANNEXURE B

Steps to establishing a business	January	February	March	April	May	June	July	August	September	October	November	December
Register the business												
Open a bank account												
Recruit staff												
Interview staff												
Purchase vehicle												
Register with SARS												
Sign the lease agreement for the premises												
Design the promotional material												
Start the manufacturing process												
Open the business												

Please tick questions you answered

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	TOTAL
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	40	60	60	60	40	40	40	200

GRADE 10 BUSINESS STUDIES EXAM – JUNE – MEMORANDUM

QUESTION 1

1.1.1	C	1.2.1	E
1.1.2	D	1.2.2	A
1.1.3	B	1.2.3	B
1.1.4	B	1.2.4	C
1.1.5	A	1.2.5	F
1.1.6	D	1.3.1	Demographics
1.1.7	C	1.3.2	Court interdict
1.1.8	B	1.3.3	Macro
1.1.9	A	1.3.4	Solvent
1.1.10	D	1.3.5	Lobbying

TOTAL SECTION A: [40]

QUESTION 2

- 2.1 A crisis is an unforeseen event that can cause major changes in an organisation. ✓✓
Lonmin Platinum mines faced a life-threatening event. ✓✓

(4)

2.2

Stage 1 – Have an emergency plan prepared in advance. ✓✓

Stage 2 - Identify the type of crisis

Stage 3 – Respond to the event

Stage 4 – Evaluate the damage or situation

Stage 5 – Feedback on what worked and what did not work

(5 x 2)[10]

2.3

Reduce the intensity of your emotional reactions to stress✓

The stress reaction is triggered by the way you look at the aspect of perceived danger, whether it is physical danger or emotional danger.

- **Try** not to exaggerate your stressors, e.g. viewing any difficult situation as a disaster. ✓✓
- *Do* not attempt to please everyone all the time. ✓✓
- Do not overreact and view everything as absolutely critical and urgent. ✓✓
- YOU should not feel you must always succeed in every situation. Adopt more moderate views - try to see the stress as something you can cope with rather than something that overpowers you. ✓✓
- Do not dwell on the negative aspects and "what if". ✓✓ (max 5)

Learn to control your physical reactions to stress

- Slow, deep breathing will return your heart rate and respiration to normal.
- Relaxation techniques can reduce muscle tension.
- Medication, when prescribed by a physician, can help in the short-term, but learning to control your physical reactions to stress is the preferable long-term solution. (max 5)

Build your physical reserves

- Exercise three to four times a week (moderate exercise is best, e.g. walking, swimming, cycling or jogging).
- Eat well-balanced, nutritious meals.
- Maintain your ideal weight.
- Avoid nicotine, excessive caffeine and other stimulants.
- Mix work with leisure. Take breaks and get away whenever you can.
- Get enough sleep. (max 5)

Maintain your emotional reserves

- Develop mutually supportive friendships or relationships.
- Pursue realistic goals that are meaningful to you, rather than goals that others have for you.
- Expect some frustrations, failures and sorrows.
- Know where to ask for help if you have a setback.
- Always be kind and gentle to yourself. (max 5)[20]

2.4

Labour strikes ✓

A strike action is a partial or complete refusal to work, or a go slow or the obstruction of work by employees. ✓✓

The purpose of a strike is to:

- force employers to agree to the demands of the strikers ✓✓
- stop employers from implementing certain decisions ✓✓
- force employers to reinstate a dismissed employee. ✓✓

Heading 1

Facts 4 marks

Go-slow ✓

- Workers work as slowly as possible or reduce production output. ✓✓
- Go-slow actions are often used in service-related industries, e.g. refuse removal. ✓✓

Heading 1

Facts 4 marks

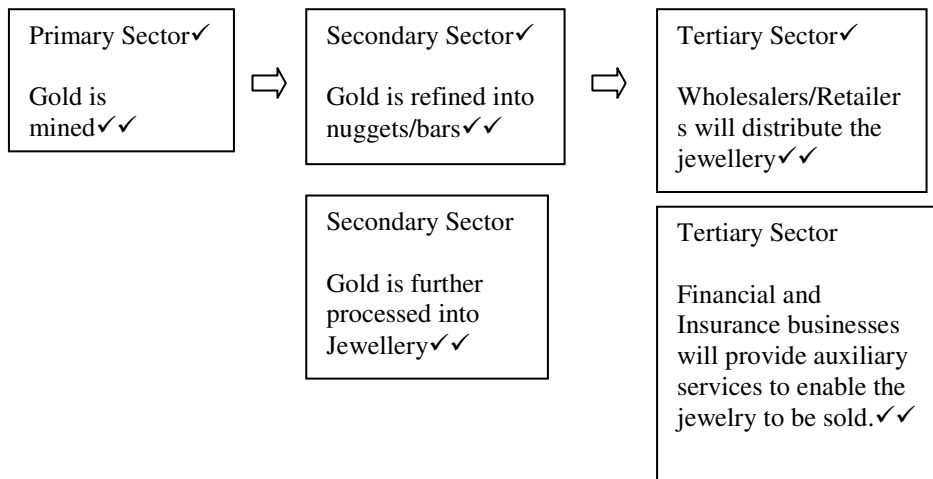
Lock outs✓

- A lock out occurs when an employer locks employees out of a workplace.✓✓
- It is a power tactic employers use when a labour dispute between management and unions is unresolved.✓✓
- To ensure the safety of their premises, equipment and working employees during a strike.✓✓
- Conditions for a lock out:
 - the Trade union is given 48 hours notice in writing of the lock out.✓✓
 - a certificate stating that the dispute remains unresolved has been issued.✓✓
 - the dispute concerns matters of mutual interest and was referred to the CCMA.✓✓

Heading 1
Facts 4 marks

2.5 Primary Sector✓

2.6



1 for each heading

2 for each valid explanation

(Note: each sector must be linked and the product must be made from a mineral)

(max 10)

QUESTION 3

3.1

Characteristic	Private company	Public company
Name	Ends in (Pty) Ltd ✓	Ends in Ltd ✓
Capital	Shares are bought by shareholders of the company ✓	Shares are sold to the public ✓
Management	Minimum of one director ✓	Minimum of three directors ✓
Shares	Bought by shareholders of the company ✓	Can be sold to the public ✓
Financial statements	Does not need to publish its financial statements ✓	Must publish its financial statements ✓
Owners	1-unlimited shareholders ✓	No. of shareholders determined by number of shares issued. ✓

(max 10)

3.2 The Franchise contract should cover:

- The obligations of the Franchisor and Franchisee ✓✓
- The training and operational support the franchisor will provide and the cost involved
- The exact territory and any exclusivity
- The initial duration of the franchise and any renewal rights
- The total investment
- How to deal with trademarks, patents and logos
- What royalties and service fees will be paid
- Tax requirements
- How to sell or transfer the franchise
- Advertising policies
- Settlement of disputes

(5 x 2)[10]

3.3 Step 1: Project goals ✓

Step 2: Project deliverables ✓

Step 3: Project schedule ✓

Step 4: Supporting plans ✓

(4)

3.4

	January	February	March	April	May	June	July	August	September	October	November	December
Register the business			✓									
Open a bank account		✓										
Recruit staff				✓								
Interview staff					✓							
Purchase vehicle					✓							
Register with SARS						✓						
Sign the lease agreement for the premises							✓					
Design the promotional material									✓			
Start the manufacturing process												
Open the business												

✓
✓

(10)

3.5 Reasons why a small business requires funding:

- Starting up. ✓✓ Usually a business starts small and has one or a small number of owners. ✓✓ This means only a limited amount of money can be provided, which will mean that they will have to find additional finance to cover the start-up costs, including premises, machinery, raw materials, etc. ✓✓
- Cash flow for day-to-day costs. ✓✓ Payments received from customers do not always match the timing of payments that must be made to suppliers of raw materials or the payments for employees, e.g. wages and salaries. ✓✓ Finance may be needed to cover those periods where the business is short of cash. ✓✓
- Expansion. ✓✓ If a business wants to move to larger premises, open up more shops or needs to buy more equipment, the business will need finance. ✓✓

(3 x 4)[12]

3.6 Equity funding is the money provided by entrepreneurs from their own savings, ✓✓ which include personal loans ✓ or gifts from family and friends. ✓ (4)

3.7 **Evaluation of Trade Credit:**

Trade Credit

Suppliers usually allow a small business a period of time between buying material and paying for them. ✓✓ **Trade credit** is the time, usually between one and three months, which a business has before it has to settle a debt. ✓✓

The biggest advantage of trade credit is:

- businesses can first use the supplies and sell it, therefore effectively using the client's money to pay the supplier. ✓✓

Trade credit could impact negatively on the business in that:

- discounts for prompt payment (payment within seven days) will be lost to the small business ✓✓
- new businesses might not easily get credit facilities from suppliers ✓✓
- if the business does not pay on time, it will be very difficult to get credit again from the same supplier ✓✓
- if the business gets a bad credit rating, or gets black-listed, then it will be very difficult for it to get credit from other suppliers. ✓✓

(max 12)

[60]

QUESTION 4

4.1

a) Delphi technique

How it works:

- A panel consisting of experts in particular subject area is selected. ✓✓
- A questionnaire is drawn up that contains questions on the selected topic and is distributed to the panel. ✓✓
- These responses are summarised by the researcher and grouped according to similarity. From these responses a second questionnaire is drawn up so that it will bring the responses in line with each other. ✓✓
- The second questionnaire is distributed together with the summary of findings of the first questionnaire. ✓✓
- The panel members can now see the previous responses and their motivation. They need to keep this in mind when responding to the second set of questions. ✓✓
- This normally continues for 3 to 4 rounds until panel members are requested to motivate why they don't agree with the general consensus. Members do not know at any time how other members responded. ✓✓ (12)

b) Force Field Analysis

Steps to follow:

- Describe the current situation (as it is now) ✓ and the desired situation (as the vision for the future). ✓
- Identify what will happen if there is no action taken. □
- List all the forces for and the forces against the proposed change. □
- Discuss the key restraining forces and determine their strengths. □
- Discuss the key driving forces and determine their strengths. □
- Allocate a score to each force using a numerical scale where 1 is very weak ✓ and 10 is very strong. ✓
- In the scale list, the driving forces on the left and the restraining forces on the right. ✓
- Analyse the restraining forces at hand and how to address them. ✓
- Explore the driving forces and the best way of advancing them. ✓
- Identify priorities and produce an action plan. ✓ (12)[24]

4.2 The advantages of working with others:

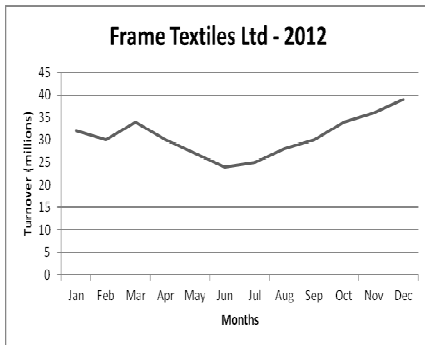
- **Pooling of ideas** ✓
One of the biggest advantages of working in a group is having other people's ideas pooled together. Each member of the group has something unique that he or she can contribute. You hear other sides to the story and other angles on the problem. ✓✓

- **Learning from others**✓
Someone might know something that you didn't, and they could teach it to you, or vice versa. If you are not as strong in a subject, or do not fully understand an idea, a team member can explain it to you.✓✓
- **More thorough discussion**✓
One group member's answer or idea can trigger another group member to think of something else. This broadens the scope of the discussion.✓✓
- **Learning to accept others' points of view**✓
You can learn to express your ideas and concerns, as well as to accept others' ideas and concerns. If you don't get along with others and listen to their ideas, it is very hard to manage in life.✓✓
- **The principle of synergism**✓
It is a known proven fact that the combined effort of a number of people will produce a greater result than the sum of the individual contributions, this is known as synergy.✓✓ (2 X 3)[6]

4.3 Presentation aids:

- a) Data projector:✓
Images are projected onto a screen/whiteboard that are created on a computer/laptop/tablet✓ (2)
- b) Interactive whiteboard:✓
Images from a computer are projected onto a whiteboard, which can be manipulated by use of a pen, finger, stylus etc. ✓ (2)
- c) Flip chart:✓
An extension of the blackboard. Consists of a large writing pad on a stand.✓ (2)
- d) Video-conferencing:✓
With use of web cameras, TV screen and internet connected devices, people are able to hold a conversation from different locations.✓ (2)[8]

4.4 Graphic illustration – either one is acceptable



Accuracy – max 5 marks
Heading – 1 mark



Axis Labels – max 2 marks
Neatness - 2 marks (10)

4.5

Important points to remember when responding to questions and feedback

- Allow for questions - this shows that you are confident about your presentation. ✓✓
- Try to anticipate possible questions and prepare appropriate answers.
- Decide how many questions you will allow and do not exceed the allocated time.
- Be assertive when answering questions, but take care not to be aggressive.
- Spread the questions amongst the audience - do not allow one person to dominate the session and be assertive.
- If the questions are controversial, allow the audience to participate, but make sure to limit discussion.
- Refer questions that are out of context to the relevant section or person.
- Use the question and answer session to wrap up your presentation. (max 12)

TOTAL SECTION B:

[120]

SECTION C

QUESTION 5

Introduction:

All businesses are negatively affected by the socio-economic issues the country is facing today. Both the government and businesses are responsible for alleviating some of these issues. ✓✓

(2)

Content:

Socio-economic issues and their impact on South African businesses:

Income and inflation: ✓✓

Impact:

- Inflation occurs when buying power of low-income workers decreases. (✓✓)
- Impact includes: low-income workers are reluctant to spend their money and some businesses are forced to close down; people switch to cheaper products which affect product lines offered and rising fuel costs increase the production and distribution costs. (✓✓)

Solution:

- In times of inflation, businesses try to accommodate low-income consumers by means of subsidising their purchases in the hope to keep their clients. ✓✓
- Businesses try to increase their productivity in order to stimulate economic growth. ✓✓

Heading 2
Impact 2
Solution 2
Max:6

Social issues ✓✓

Impact:

- Businesses have to write off outstanding debts, when people lose their jobs and have no monthly income, putting a strain on the cash flow budget. ✓✓
- HIV/aids and other diseases impact heavily on productivity and businesses are losing trained workers as a result of the spread of HIV/Aids. ✓✓

Solution:

- Businesses get involved in social responsibility programs to find ways to alleviate poverty. ✓✓

Heading 2
Impact 2
Solution 2
Max:6

Cultural/demographic ✓✓

Impact:

- Businesses must reflect the cultural diversity and population demographics. ✓✓

Solution:

- When businesses employ a more diverse workforce, they are in a better position to serve the needs of their diverse customers. ✓✓

Heading 2
Impact 2
Solution 2
Max: 6

Economic crime ✓✓

Impact:

- The loss to businesses is huge and also difficult to control ✓✓
- Economic crimes are committed in businesses for personal financial gain. ✓✓

Solution:

- The Second-Hand Goods Act was passed to regulate dealers in second-hand goods and pawnbrokers to combat trade in stolen goods. ✓✓
- The best way to prevent economic crime is to have good internal control measures and to explain the code of conduct to employees. ✓✓

Heading 2
Impact 2
Solution 2
Max: 6

Ethical misconduct ✓✓

Impact:

- Sexual harassment can lead to immediate dismissal. ✓✓
- Corruption is an increasing problem in the world, causing huge financial losses to many businesses. ✓✓

Solution:

- Proper screening of employees who deal with highly confidential information might help to prevent the problem of **identity theft**. ✓✓
- Businesses must create a strong ethical culture that is linked to the code of conduct, employees should be able to report unethical behaviour without the fear of being victimized. ✓✓

Heading 2
Impact 2
Solution 2
Max: 6

Population growth✓✓

Impact:

- Proper screening of employees who deal with highly confidential information might help to prevent the problem of **identity theft**.✓✓
- Businesses must create a strong ethical culture that is linked to the code of conduct, employees should be able to report unethical behaviour without the fear of being victimized.✓✓

Solution:

- Businesses can help to educate the workforce regarding population growth by getting involved in specific programs, for example to prevent wastage and to implement green policies. ✓✓

Heading 2
Impact 2
Solution 2
Max: 6

Illiteracy & lack of skills✓✓

Impact:

- Lack of the required skills for a position within the formal sector requires additional training costs to the business, and it takes longer for employees to be productive at the required level. ✓✓
- Businesses can import people with the necessary skills (also known secondment) at a high cost but this solution does not solve unemployment.✓✓

Solution:

- Businesses are legally required to pay skills levies and participate in Sector Education Training Authority (SETA) programs to improve the skills of the workforce. ✓✓

Heading 2
Impact 2
Solution 2
Max: 6

Unavailability, exhaustion and inefficient use of natural resources✓✓

Impact:

Some of South Africa's resources are nearing depletion. ✓✓ Shortages of energy and increased prices impact the budget of a business. ✓✓

Solution:

- Businesses would have to find alternative resources and save on existing resources by being more environmentally friendly.✓✓
- Most businesses are actively involved in the Reduce, Recycle, Reuse programme.✓✓

Heading 2
Impact 2
Solution 2
Max: 6

Dumping✓✓

Impact:

- This kind of action, depending on the type of product, can have severe consequences for small businesses in the receiving country as they cannot compete with the low price.✓✓

Solution:

- Businesses should not get involved in the selling of dumped goods.✓✓

Heading 2
Impact 2
Solution 2
Max: 6

Piracy ✓✓

Impact:

- Businesses should not get involved in the selling of dumped goods.✓✓

Solution:

- Businesses can lobby with regulators to make it very difficult for trespassers to make money from illegal activity.✓✓

Heading 2
Impact 2
Solution 2
Max: 6

Strikes✓✓

Impact:

- Strikes may cause a loss of revenue, and/or customers, and can lead to the shutdown of the business. ✓✓
- Strikes always have a huge financial impact on business operations.✓✓

Solution:

- Strikes may cause a loss of revenue, and/or customers, and can lead to the shutdown of the business. Strikes always have a huge financial impact on business operations.✓✓

Conclusion: ✓✓

Businesses are faced with many socio-economic challenges. ✓With careful planning, management can reduce the negative impact that these issues have on the business. ✓

(2)

MARK ALLOCATION	
Introduction	2
5 Socio-economic issues (heading)	5 x 2 =10
Socio-economic impact	5x 2 = 10
Solutions	5 x 2 = 10
Conclusion	2
LAYOUT	2
ANALYSIS	2
SYNTHESIS	2
ORIGINALITY	2
TOTAL	40

QUESTION 6

Introduction

Management decisions need to be guided by a code of ethics. üTheir relations with stakeholders should be on a professional level and goals should be reached by maintaining focus and work while respecting superiors, peers and subordinates, (2)

Body

Professionalism is an attitude; it is the way you talk, the way you work, the way you present yourself to the people you work with and at all times adhere to the business standard of expected practices. ✓✓

Ethics refers to the moral values that guide businesses in their decision-making process. ✓✓

The difference in lies in that professionalism is an attitude, whereas business ethics is a way of doing business. ✓✓

Professional people will find it very difficult to be unethical, because they have respect for other people and their property. ✓✓

Professional people might find themselves in an unethical business environment where appearances can be deceptive. ✓✓

People can pretend to be professional but can easily be very unethical in the way they do business, e.g. selling stolen or fake products. ✓✓ (max 10)

Applying professionalism and business ethics

Adapting an ethical and professional framework will guide businesses in making correct decisions. The following steps can be followed:

- **Recognise the ethical dimension involved in the decision** ✓✓

Business owners or managers all too often fail to take into account the ethical impact when making decisions until it is too late. ✓✓ Before making an informed ethical decision, they must recognise that an ethical situation exists and must consider ethical forces at work, ✓✓ e.g. honesty, fairness, respect for the community, concern for the environment and trust. ✓✓

- **Identify the key stakeholders involved and determine how a decision will affect them** ✓✓

Stakeholders are often in conflict with one another, putting the business in a position where it must choose which group to satisfy. ✓✓ Managers must sort out **conflicting interests** by determining what each stakeholder stands to gain or lose. ✓✓ While this will not resolve the conflict, it will prevent harm being done accidentally. ✓✓

• **Generate alternative choices and distinguish between ethical and unethical responses**✓✓

Although this is not always easy, experience will help find more options that are also ethical.✓✓

• **Choose the "best" ethical response and implement it**✓✓

There are always a number of ethical choices to pick from. ✓✓Comparing these choices with the ideal ethical outcome may help managers to make the final decisions that should be consistent with a company's goals, culture and value systems.✓✓

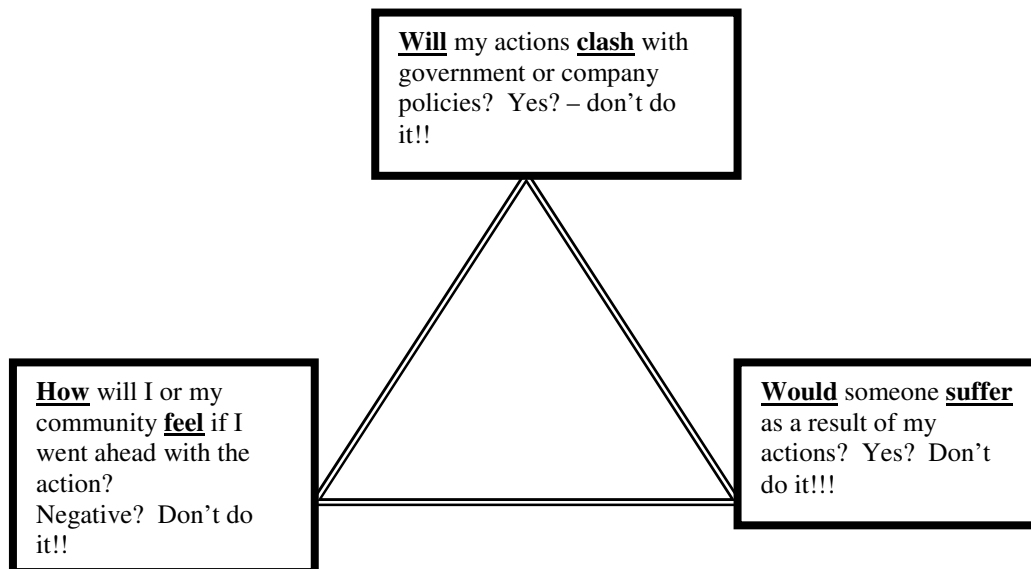
(max 10)

Difference between good and bad decisions

- Our understanding of right and wrong comes from the values we believe in.✓✓ In many cases ethical issues are clear. ✓✓For example, if something is against the law, good morals and public policy, it is obviously also unethical. ✓✓Ethics involve what is right or wrong, and then doing the right thing - but the right thing is not always as straightforward as it may sound.✓✓
- Good decisions are those decisions that are ethically correct and will also benefit the business without harming others. ✓✓Bad decisions are not always unethical; it can be the result of the wrong information. ✓✓A decision that brings in lots of profit, but is based on unethical business practices, is bad. ✓✓In the long run, no business can survive if its policies and way of doing things are unethical.✓✓

3 point test guide

If actions are not against the law, but could be harmful to another person or business a three point test should be performed to make the correct ethical decision.



(max 10)

Conclusion

If management were to apply a code of ethics and professionalism when conducting business, they could reach their goals and maintain a good reputation far more easily than if they don't.

✓✓

(2)

MARK ALLOCATION	
Introduction	2
Differences between professionalism and ethics	5 x 2 =10
Application of professionalism and ethics	10
Differences between good and bad decisions	10
Conclusion	2
LAYOUT	2
ANALYSIS	2
SYNTHESIS	2
ORIGINALITY	2
TOTAL	40

QUESTION 7

Introduction

All businesses are affected by various elements in the macro environment. To sustain a business, management need to research and find ways to adapt to the environment. (2)

ECONOMIC ENVIRONMENT ✓✓

Economic forces such as interest rates, inflation, exchange rates, economic growth and levels of employment are not within the direct control of the business. The business can however influence this environment. Businesses can, for example, increase their productivity, which will contribute towards job creation and help to improve the economic growth of the country.

TECHNOLOGICAL ENVIRONMENT ✓✓

This environment is the fastest changing environment and new technologies are being developed constantly. Businesses may not be able to control all technological developments, but they can influence this variable by, for example designing customised computer programs, such as stock control and security programs, to fit their needs.

POLITICAL ENVIRONMENT

This environment includes people whom the public elected to form a government to represent them. In South Africa, the African National Congress (ANC) has been the ruling party since it was democratically elected in 1994. The most important policies of the ANC as the governing party are:

- to distribute the national wealth equally amongst all people
- to ensure equal job opportunities
- to narrow the gap between rich and poor members of the population.

LEGAL ENVIRONMENT

This component of the macro environment comprises specific legislation aimed at the operation of the business. A business has no control over this factor and has to manage the consequences as best they can. An example is the National Credit Act No. 34 of 2005, which was amended in 2008 to better protect the consumer. It placed businesses under administrative pressure.

INTERNATIONAL ENVIRONMENT

The international environment includes the import and export of products and services. Businesses are exposed to new markets and to international competition. Businesses have very little control over the developments in the global economy and will have to adapt to the changes brought about by international trade.

SOCIAL ENVIRONMENT

The social component is part of the macro environment that describes the characteristics of the society in which the business enterprise operates. Businesses need to monitor the demographics, trends and development in their markets by analysing age profiles, family structure, population growth, educational qualifications and contributions towards the gross domestic product (GDP). Businesses have no control over the demographics in a country, but can get involved in social development programmes to influence the social environment of their customers.

PHYSICAL (ECOLOGICAL) ENVIRONMENT

This environment consists of limited natural resources, which must be looked after for future generations. Businesses are forced to take control of their actions and have tried to minimise the impact of their operations by restricting bad practices such as air pollution, waste products, exploitation, water pollution, deforestation, etc.

THE INSTITUTIONAL ENVIRONMENT

Businesses have no control over the institutional environment and must stay aware of new developments regarding trade agreements, policies and programmes that can influence the business. The institutional environment includes private-public partnerships, which are formed between government and private enterprise.

Conclusion

Management need to continually scan the macro environment for changes and adapt to it, so that it can remain a viable business. ✓✓ (2)

[Marks: 40] [Total: 100]

	Marks	Maximum	Assessment
Introduction	2 X 1 = 3	2	
Body - heading 1	8 X 1 = 8	8 (6)	
- discussion	8 X 2 = 16	16 (12)	
Potential influence	8 x 2 = 16	16 (12)	
Conclusion	2	2	
LASO:		8	
Layout (L)	2		
Analysis (A)	2		
Synthesis (S)	2		
Originality (O)	2		
Total		40	

TOTAL SECTION C:

[40]

GRAND TOTAL: 200