



2016

Grade 11 Business Studies examination



TIME: 3 HOURS

MARKS: 300

11/23/2016

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)

QUESTION 1

- 1.1 Various options are provided as answers to the following questions. Write only the letter of your answers (A - D) next to the relevant question number, e.g. 1.1.4-B Use **ANNEXURE A** to complete this question.
- 1.1.1 When handling questions and feedback on a business presentation:
- A. Always allow interruptions during the presentation.
 - B. Accept questions from people with a high position only.
 - C. Admit it when you do not know the answer to a question.
 - D. Say anything so that you do not humiliate yourself.
- 1.1.2. Which ONE of the following forms part of the macro environment?
- A. The mission of the business.
 - B. The economic environment.
 - C. Customers.
 - D. Suppliers.
- 1.1.3 When a group of people try to influence laws or regulations that affect their business, it is called
- A. lobbying.
 - B. hedging.
 - C. strategizing.
 - D. alliancing.
- 1.1.4 Demand-oriented pricing can be described as:
- A. production cost + profit mark-up.
 - B. what the consumer is prepared to pay and can afford
 - C. the price as compared with competitors
 - D. a price-lowering strategy to draw customers to a particular shop
- 1.1.5 This team theory focusses on eight roles that need to be performed for effective team work.
- A. Belbin
 - B. Jungian
 - C. Margerison-McCann
 - D. MTR-i

(5 x 2= 10)

- 1.2 Fill in the missing word/s. Write only the question number and the correct word/s.
- 1.2.1 ... is calculated by dividing the total cost by the number of manufactured goods.
- 1.2.2 Carl Jung identified four functional types in people viz., thinking, feeling, sensation and
- 1.2.3 The stage in a team development where teams work together effectively as a unit is known as ...
- 1.2.4 When a business pays for the use of an asset for a certain period of time, instead of buying it, it is known as ...
- 1.2.5 A ... is a group of employees in a particular industry who come together as a collective. (5 x 2= 10)
- 1.3 Match the concept in Column A with the descriptions in Column B. Write down only the correct answer, e.g. 1.3.6 F

COLUMN A		COLUMN B	
1.3.1	Procedures for claiming temporary disablement	A	South African Bureau of Standards
1.3.2	Exclusive rights granted to the creator of an original work	B.	Royalties
1.3.3	The way the body reacts to situations that a person find difficult to control	C.	Compensation for Occupational Injuries and Diseases Act (COIDA), no. 61 of 1997
1.3.4	The official quality assurance body that sets and maintains	D	Stress
1.3.5	Payment for the right to market a popular brand	E.	Occupational Health And Safety Act
		F.	Copyright

(5 x 2= 10)

- 1.4 State whether the following statements are True or False. Write only the number and whether it is "True" or "False".
- 1.4.1 Wages is a variable cost in production.
- 1.4.2 6 Sigma refers to a quality control system.
- 1.4.3 The breakeven point is the point at which customers and staff are equal.
- 1.4.4 Shortages of water supply is a threat to the Secondary Sector.
- 1.4.5 Carl Jung identified four functional types of reasoning.

(5 x 2= 10)

TOTAL SECTION A: 40

SECTION B (Answer THREE questions from this section)

QUESTION 2: BUSINESS ENVIRONMENTS [60]

2.1 The following appears in a presentation by Bidvest online:



We are Bidvest

A leading South African services, wholesale and distribution group operating in the areas of commercial and industrial products, electrical products, financial services, freight management, office and print solutions, outsourced hard and soft services and automotive retailing

Fill in the missing word/s. Write only the number and word/s:

- 2.1.1 This is an example of a business's
- 2.1.2 A business also has a that guides employees to reach the goals that have been set by top management.
- 2.1.3 This forms part of the environment of a business. (6)

2.2 Examine the following certificate and answer the questions that follow:

The Bidvest Group Limited
Including Subsidiaries Listed in Annexure "A" of Certificate

Registration Number: 1946/021180/06
Address: Bidvest House, 18 Crescent Drive, Melrose Arch, Melrose, 2196

Level Four Contributor				
Scorecard Information	Actual Score	Target Score	Analysis	Results
Ownership	25.00	25.00	≥ 51% Black Ownership	Yes
Management Control	9.84	19.00	Black Ownership Voting Rights	*62.89%
			Black Ownership Economic Interest	*53.57%
Skills Development	14.10	20.00	≥ 30% Black Women Ownership	No
Enterprise and Supplier Development	29.62	40.00	Black Women Ownership Voting Rights	*26.42%
			Black Women Ownership Economic Interest	*25.52%
Socio-Economic Development	5.00	5.00	Modified Flow Through Principle Applied	No
Total Score	83.56	109.00	51% Black Owned Designated Group Supplier	No
Empowering Supplier	Yes		VAT Number	4350116036
Procurement Recognition Level	100.00%		Issue Date	21 April 2016
Discounting Principle Applicable	No		Expiry Date	20 April 2017
Recorded Procurement Recognition Level	100.00%		Re-issue Date	20 July 2016

*51% Black-owned means an entity in which black people hold at least 51% of the exercisable voting rights, black people hold at least 51% of the economic interest and has earned all the points for net value.
*30% Black women owned means an entity in which black women hold more than 30% of the exercisable voting rights, black women hold more than 30% economic interest and has earned all the points for net value.

*** Ordinary Ownership includes mandated investments and total ownership incorporates continuing**

- 2.2.1 What is the purpose of this scorecard? (2)
- 2.2.2 How can Bidvest benefit from this scorecard? (4)
- 2.2.3 How can businesses' influence Bidvest, which is a major supplier in the South African economy? (4)[10]

2.3

Bidvest Namibia Limited is listed on the Namibian Stock Exchange. Bidvest Namibia's operating divisions are under two holding companies namely Bidvest Namibia Fisheries Holdings (Bidfish) which is focused on the fishing industry in Namibia and Angola and Bidvest Namibia Commercial Holdings (Bidcom).
http://www.bidvest.com/downloads/pdf/Bidvest_Prod_Bro_Aug2013.pdf

- 2.3.1 As an international company, does Bidvest have control over the macro environment? Motivate your answer. (2)
- 2.3.2 The fishing industry has recently faced shortages of certain species of fish. How can Bidfish influence the physical environment to ensure that it remains sustainable in the future? (2) [4]

2.4 The following notice recently appeared in a Government Gazette:

ECONOMIC DEVELOPMENT DEPARTMENT
 NOTICE 566 OF 2016 566

COMPETITION TRIBUNAL:

NOTIFICATION OF DECISION TO APPROVE MERGER:

The Competition Tribunal gives notice in terms of rule 35(5)(b)(ii) of the "Rules for the conduct of proceedings in the Competition Tribunal" as published in Government Gazette No. 22025 of 01 February 2001, that on 31 August 2016 it approved without conditions the merger between The Bidvest Group Limited and Brandcorp Holdings Proprietary Limited. (CDM case no.: LM052Jul16)

The Chairperson
 Competition Tribunal

- 2.4.1 What is a merger? What effect would a merger have on Bidvest? (4)
- 2.4.2 The Competition Amendment Act, which is enforced by the Competition Tribunal, makes provision for penalties to be imposed against uncompetitive business practices? Briefly explain TWO types of uncompetitive business practices. (4)
- 2.4.3 Provide an example of another regulator that can be challenging for businesses in the market place. (2) [10]

2.5 Discuss the impact of the following socio-economic issues on businesses and provide a

solution for each:

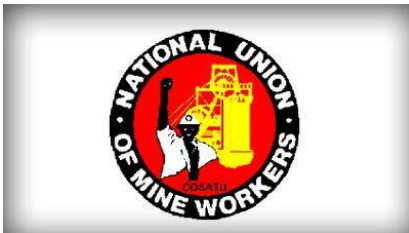
- 2.5.1 Economic crime
- 2.5.2 Ethical misconduct
- 2.5.3 Dumping
- 2.5.4 Piracy

(16)

2.6 Read the following article and answer the questions that follow:

Eskom gets interdict preventing workers from striking

Wednesday 10 August 2016 08:25
Sashin Naidoo



The union says it has decided to embark on full-blown industrial action to press for wage demands. (SABC)

Power utility **Eskom** has obtained a court interdict preventing their employees from embarking on an illegal strike.

About 15 000 National Union of Mineworkers members at **Eskom** were planning to join the strike on Wednesday.

The union says it has decided to embark on full-blown industrial action to press for wage demands.

Eskom's Khulu Phasiwe says, "Tuesday evening we got a court interdict prohibiting all National Union of Mineworkers (NUM) members including other unions from going on this illegal strike action that they are planning for Wednesday."

"So essentially we are expecting everyone to be back at their posts today and the court interdict also prohibits them from picketing or from marching or protesting. Any sort of action that they are planning to do is illegal and therefore law enforcement agencies will be ready to deal with the situation as it arrives," says Phasiwe.

- 2.6.1 Which Labour law is NUMSA violating? (1)
- 2.6.2 What does picketing refer to? (2)
- 2.6.3 What procedure should NUMSA follow to ensure the strike is legal? (2)
- 2.6.4 What precautionary measure did Eskom take to avoid the negative impact of a strike? (1)
- 2.6.5 Name TWO functions of a Trade Union such as NUMSA. (4) [10]

2.7 Which sector does Eskom belong to? Give two other examples of industries in this sector. (4)

[60]

QUESTION 3: BUSINESS VENTURES

3.1 Read the following and answer the questions that follow:

Molemo Kgomo

Vital Stats

- **Entrepreneur:** Molemo Kgomo
- **Business:** Ntombenhledolls
- **Website:** www.ntombenhledolls.co.za



Molemo Kgomo started her entrepreneurial journey when she wanted to purchase an African doll that would enable her daughters to embrace their heritage and skin colour. However, she couldn't find anything locally made that she thought was suitable.

So, in true entrepreneurial spirit she decided to create African dolls herself for African people across the whole continent. Initially she sold between 10 and 15 dolls a month, business was picking up but it was slow going. Kgomo then decided to create an online store with which she could reach more people and sure enough the demand was so great it almost overwhelmed her start-up business.

Kgomo is now expanding her product line to include Indian dolls, boy's dolls and dolls of superheroes that African children can relate to.

Molemo Kgomo shares a valuable entrepreneurship lesson:

“The biggest lesson I've learnt as an entrepreneur is to be patient. You've got to know what it is you want and you've got to have perseverance and faith to carry on no matter how slow it is.” – Molemo Kgomo

- 3.1.1 What entrepreneurial characteristics highlight Molemo's ability to become a successful entrepreneur? (2)
- 3.1.2 What other characteristics would Molemo possess to be considered a successful entrepreneur? (4)
- 3.1.3 How did Molemo increase her customer base and what key business skills would be required to ensure continued growth of her business? (4) [10]
- 3.2 When starting a business, different sources of debt capital need to be explored to ensure an adequate cash flow. Evaluate THREE forms of debt capital that start-up businesses can make use of, when equity capital is insufficient. (15)
- 3.3 Mathilda has her own company designing information systems. The project to design an information interface for a new sales knowledge management system was outsourced to her. She has provided a table with tasks to assist Molemo. Complete the Gantt chart using the information in the table. (Use ANNEXURE A) (12)

TASK	LENGTH	DEPENDENT ON
A. Form & train user group	1 week	
B. Install systems	1 day	A
C. Specify sales training	2 weeks	B
D. Design initial screen interface	2 weeks	A
E. Test interface in pilot area	2 days	D
F. Modify interface	1 week	D

3.4 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 parties.

- 3.4.1 Identify the business concept discussed in the case study. (1)
- 3.4.2 Critically evaluate this method of acquiring a business. (12)
- 3.4.3 Outline FIVE aspects that should be covered in the business agreement. (10) [23]

TOTAL: 60

QUESTION 4: BUSINESS ROLES

4.1 Many businesses recognize the importance of creating teams to accomplish tasks.

What advantages are there when working as a team?

(10)



4.2 Choose whether each of the following is a relative, objective, consequential or deontology theory of ethics.

4.2.1 It is the right thing to do because it is the right thing to do, irrespective of the consequences of the action.

4.2.2 It is the right thing to do if the cultural norms of a particular community find it acceptable.

4.2.3 It is the right thing to do if the consequences of the action are good.

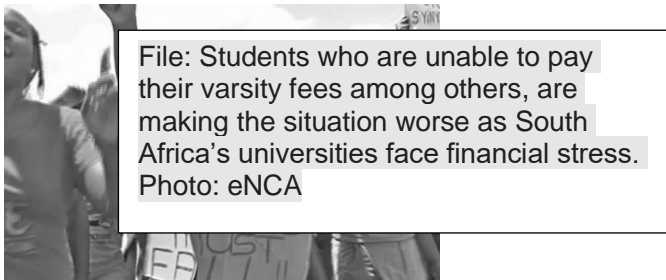
4.2.4 If the action is justifiable in terms of the moral norm, then it is the right action.

4.3 Explain the difference between ethics and professionalism. (8)
(4)[12]

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

SA universities face financial struggle

- SOUTH AFRICA
- Thursday 11 August 2016 - 3:32am



TSHWANE – South African universities are currently struggling financially and the situation is worsened by the huge, ballooning debt owed to the [institutions by students](#), the Commission of Inquiry into Higher Education and Training chaired by Justice Jonathan Arthur Heher heard on Wednesday.

<https://www.enca.com/south-africa/sa-universities-face-financial-struggle>

4.4.1 What type of crisis are universities in South Africa facing? (2)

4.4.2 Name the steps that should be followed when dealing with a crisis. (10)[12]

4.5 In any crisis situation, management will experience stress. Explain how stress can best be managed. (18)


4.6 Discuss the purpose and functions of workplace forums. (8)

[60]

QUESTION 5: BUSINESS OPERATIONS

- 5.1 Study the information below of LK's Braai's (PTY) Ltd., a manufacturer of portable braais.

LK'S BRAAI'S (PTY) LTD	PRODUCTION COSTS FOR OCTOBER 2015
Raw materials	R140 000
Labour	R185 000
Rent	R30 000
Cleaning materials	R18 000
Packaging	R8 000
Insurance	R30 000
Rent	R18 000



'LK's braai's' manufactured 3 000 units during the month of October.

- 5.1.1 Calculate the variable costs for the month. (4)
- 5.1.2 Calculate the fixed costs for the month. (4)
- 5.1.3 Calculate the total production costs for the month. (3)
- 5.1.4 Calculate the production cost of one portable braai. (3)[14]
- 5.2 Quality control is important for manufacturers of quality products.
- 5.2.1 How can management ensure the safety of the workers in a factory? (6)
- 5.2.2 List and explain three types of quality management systems that are widely implemented by businesses today. (9)
- 5.2.4 What quality control body has long been established in South Africa? (1)
- 5.2.5 What needs to be considered during the planning stages of production regarding machinery? (4)[20]
- 5.3 Marketing is an important function in any business.
- 5.3.1 What type of product does 'LK's braai's' manufacture? What packaging would be suitable for this type of product? (2)
- 5.3.2 Design a distribution channel for this product. (4)
- 5.3.3 What kinds of unethical practices in advertising should 'LK's braai's' avoid? (4)
- 5.3.4 How could 'LK's braai's' make use of publicity for their product? (6)
- 5.3.5 Discuss factors that could influence 'LK's braai's' pricing policy. (10)[26]

[60]

QUESTION 6: MISCELLANEOUS TOPICS

- 6.1 Read the following statement carefully and answer the questions that Follow:

“First National Bank recently launched a new prepaid foreign currency travel card called Traveller Exchange (“Travelling Gold”). South African travellers pay the current exchange rate for all purchases made using foreign currency (Euro, pound or US dollar) during their trip. Customers can pay for any goods and services purchased in any country they visit using the ‘Travelling Gold’ travel card.”

- 6.1.1 Identify the business environment being discussed in the extract above. (2)
- 6.1.2 Name TWO components of the business environment mentioned in QUESTION 6.1.1, as referred to in the case study. (2 x 2) (4)
- 6.1.3 Explain the extent of control the business has on the environment referred to in QUESTION 6.1.1. (2 x 2) (4)[10]
- 6.2 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.

- 6.2.1 Classify the enterprises mentioned in the case study according to the various sectors they operate in. (4 x 2) (8)
- 6.2.2 Define the various sectors mentioned in QUESTION 6.2.1. (3 x 2) (6)[14]
- 6.3 “Problems within the business need to be solved as soon as possible.”
- 6.3.1. What are the problem solving steps when faced with a problem? (14)
- 6.3.2 Mention any FOUR steps that can be used when applying the Delphi technique when solving a problem. (8)[22]
- 6.4 Discuss how one should prepare a presentation to ensure a professional delivery? (8)
- 6.5 “Bruce Tuckerman mentioned that there are four stages for team development in order to achieve success with a project.”
- Describe the FOUR stages of team development. (12)

[60]

SECTION C (Answer TWO questions from this section)

QUESTION 7: BUSINESS VENTURES

Unathi Timber Products sells furniture to Joy Furniture in King William's Town. The raw material which is used by Unathi Timber Products is sourced from Hoho Plantations in Keiskammahoek.

It is clear that economic sectors are interdependent on each other and do not function in isolation. Discuss each of these sectors and analyse their relatedness with each other in detail. Use examples throughout to support your answer.

(40)

QUESTION 8: BUSINESS VENTURES

Peter and John are two friends from the rural area of the Eastern Cape. They have studied business subjects. Peter had completed his bachelor of commerce from Rhodes University and John was running a butchery with his father. The two decided to establish their own business undertaking organising adventure tours in the Eastern Cape.

Both these friends approached you to help them in choosing a suitable form of ownership. Prepare a presentation for them, comparing the establishment procedures, liability and legal position and taxation of partnerships, close corporations and companies to help them choose the best form of ownership. Recommend a suitable form of ownership for them.

(40)

QUESTION 9: BUSINESS ROLES

Shell South Africa has stated the following on its website:

"We aim to be a good neighbour wherever we work, by contributing to the well-being of neighbouring communities. We work closely with them to manage the social impacts of our business activities, address any concerns about our operations, and enhance the benefits that we are able to bring."

Shell represents a growing trend in the businesses world to increase their involvement in the community in which they operate.

Discuss this trend under the following headings:

- The roles of businesses in their communities
 - Reasons for businesses to become more involved in social programmes
 - The benefits of social investment for companies
 - The importance of the role of individuals in a business community
- (40)

QUESTION 10: BUSINESS OPERATIONS

The Human Resources department in a large firm is responsible for various activities that all relate to employees within the business.

Name and provide an explanation of any **THREE** activities common to Human Resource departments in the business world. (40)

TOTAL SECTION C: 80

GRAND TOTAL: 300
