

BASIC EDUCATION
Hillcrest High School

TRIALS EXAMINATION

BUSINESS STUDIES

MARKS: 300

THIS EXAM CONSISTS OF 9 PAGES

SECTION A (COMPULSORY) QUESTION 1

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A-D) next to the question number (1.1.1-1.1.10) in the ANSWER BOOK, for example 1.1.11 B.

1.1.1 Wholesalers in the tertiary sector usually have control over challenges in the macro-environment.

- A little
- B some
- C no
- D complete

1.1.2 A group of representatives made up of employees selected in an organisation that employs more than 100 workers and which encourages joint problem-solving between employer and employee:

- A Shop stewards
- B Workplace forum
- C Staff meeting
- D Congregation

1.1.3 The BBBEE Act targets several pillars for growth and development. is identified as one of the pillars.

- A ownership
- B capital
- C quality of performance
- D insurance

1.1.4 An example of unprofessional and unethical behaviour is ...

- A selling second-hand goods as new.
- B employing unskilled workers.
- C increasing prices in line with competitors.
- D finding a substitute for the competitor's product.

1.1.5 Which ONE of the following is an expense for the business?

- A Rent income
- B Interest on a fixed deposit
- C Interest on a loan
- D Debentures

1.1.6 This function creates a favourable image of the business:

- A Public Relations
- B Human Resources
- C Risk Management
- D General Management

1.1.7 Sipho has recently received an amount of R2 000 as a dividend from an investment with MTN. This investment was in the form of...

- A a fixed deposit.
- B bonds.
- C shares.
- D fixed property.

1.1.8 When an employer and employees cannot agree on demands for an increase in salary and better working conditions, they can refer these matters to the ...

- A welfare court.
- B lock-out clause.
- C workplace forum.
- D CCMA.

1.1.9 The final step in conflict resolution process:

- A Arbitration
- B Negotiation
- C Reconciliation
- D Retrenchment

1.1.10 Which one of the following is an advantage for a business to use work teams?

- A All team members must agree upon different issues.
- B It encourages individualism.
- C Greater output through collaboration is attained.
- D Technology is a requirement to succeed. (10x2) [20]

- 1.2 Choose the correct word(s) from those given in brackets. Write only the word(s) next to the question number (1.2.1-1.2.5) in the ANSWER BOOK.
- 1.2.1 A (SWOT analysis/job analysis) is a tool for auditing a business and its environment.
- 1.2.2 The (shareholders/board of directors) are responsible for the management of public companies.
- 1.2.3 The (code of ethics/instruction manual) is a written document stating the principles and values which the business/organization upholds.
- 1.2.4 The (Labour Relations Act/Skills Development Act) makes provision for different SETAs to train the labour force.
- 1.2.5 A worker is not allowed to work overtime for more than (13 hours/ 10 hours) a week.
(5x2) [10]
- 1.3 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A-G) next to the question number (1.3.1-1.3.5) in the ANSWER BOOK, for example 1.3.6 H. (5 x 2) [10]

COLUMN A	COLUMN B
1.3.1 Synergy	A helps to achieve the vision of the company
1.3.2 South African Revenue Services	B Creative problem solving technique
1.3.3 Iron-safe clause	C standards and behaviour for a particular occupation
1.3.4 Professionalism	D workers work at a slower pace than normal so that they deliberately do not meet the production quota
1.3.5 Mission	E stipulates that the books or stock records of the business should be kept in a fire-proof safe
	F an institution responsible for collecting tax
	G the whole is greater than the sum of its parts

TOTAL SECTION A: 40 MARKS

SECTION B (COMPULSORY)

QUESTION 2

2.1 Using Porter's five forces model, name FIVE forces that should be used to analyse the market environment. (10)

2.2 Read the following scenario and answer the questions that follow:

A business, like a garden, will flourish under the right conditions and just as a greenhouse creates the perfect environment for growth, BBBEE is an initiative that will accelerate the development of South African's economy.

2.2.1 What do the terms BBBEE as stated in the article stand for? (2)

2.2.2 Name any FOUR pillars of the BBBEE Act, 2008. (4)

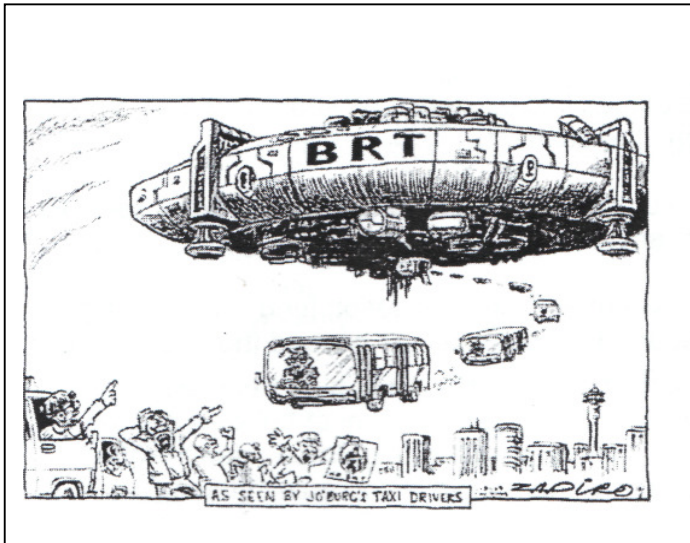
2.3 Answer the following questions based on the Employment Equity Act, 1998 (Act 55 of 1998).

2.3.1 State the main purpose of the Employment Equity Act. (2)

2.3.2 Evaluate the impact of this Act on business operations. (6)

2.3.3 Propose TWO ways in which government can contribute to the successful implementation of this Act. (4)

2.4 Read the following scenario and answer the question that follows:



You are one of the managers at a SUPERSPAR in Johannesburg, tasked with strategic planning. Use the macro factors supplied in the table below as part of a PESTLE analysis to suggest challenges caused in the Political and Economic environment for SPAR as a result of the taxi strike. An appropriate strategy for the challenges needs to be suggested as well as a motivation for the choice of strategy. Answer this question according to the table provided, under the following headings:

PESTLE FACTOR	Challenge from the external environment related to the strike. (4)	Appropriate strategy to overcome the challenge (4)	Motivation for the choice of strategy (4)
Political			
Economic			

(12)

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

AN ENTREPRENEUR WITH A VISION

Being able to manage your workload and your time is a vital skill. Train your staff to manage their time and they will perform better and feel less stressed. Though barely in his thirties, Jojo Tsheola has attained entrepreneurial success. His passion for tourism, youthful zest for life and unfailing belief in himself led him to start his own company, Tsheola Dinare Tours and Transport, in 2007. He has not looked back.

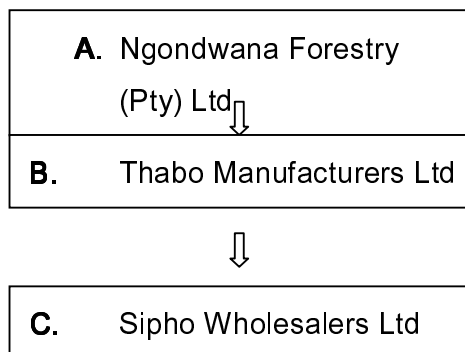
The company offers customised travel packages for corporate travel, luxury coaches, shuttle services and a private VIP travel service. An impressive client list includes leading corporations and prestigious foreign companies. Tsheola describes himself as a 'self-driven, results-orientated person with a positive outlook and a clear business focus on profitability'. He is a natural planner, who critically assesses his own performance to achieve excellence.

[Source: *Succeed*, May 2011]

2.5.1 Identify the business sector to which Tsheola Dinare Tours and Transport belongs. (2)

2.5.2 Jojo Tsheola is running a successful business. Give FIVE examples from the case study above to support this statement. (10)

2.6 Study the diagram below, then answer the question.



Identify the sectors for **A** and **B** and the form of ownership for **C** in the diagram above. Motivate each answer. (3 x 4) [12]

[60]

QUESTION 3

- 3.1 Explain TWO ways in which the employer/manager can help to reduce the stress levels of employees in the workplace. (6)
- 3.2 State any FIVE entrepreneurial qualities that a successful business is measured against. (10)
- 3.3 Name FOUR characteristics of a team that successfully achieves its goals. (8)
- 3.4 Describe any FOUR aspects that may lead to conflict in a workplace. (12)
- 3.5 Read the scenario below and answer the questions that follow.

INVESTMENT, THE BEST CHOICE EVER

Zinhle Ngcobo from Bisho won R500 000 in the National Lottery on 1 December 2008. In January 2009 she bought 30 000 shares at R10 each from Sasol Ltd. In December 2010 she sold all her shares at R15 each. The remaining R200 000 was invested at a commercial bank as a fixed deposit for two years at 15% simple interest per year, with effect from 1 January 2009.

- 3.5.1 Analyse Zinhle's investments in terms of the risk factor. (4)
- 3.5.2 Which investment earned a higher return over the two-year period? Substantiate your answer. NOTE: Show ALL workings. (16)
- 3.5.3 Recommend any TWO forms of investment to Zinhle besides the two mentioned in the scenario. (4)

[60]

QUESTION 4

- 4.1 List any FIVE steps which a business organisation should follow in order to solve problems which might arise in the workplace. (10)
- 4.2 The following strategies are used by different businesses to overcome specific challenges. Identify the type of strategy used for each of the following scenarios:
- 4.2.1 A business enterprise sells two delivery vehicles to pay its creditors. (2)
- 4.2.2 New Look furniture factory buys a farm with tree plantations. (2)
- 4.2.3 A South African business that has been selling designer clothing in South Africa only, is now selling their products in France. (2)

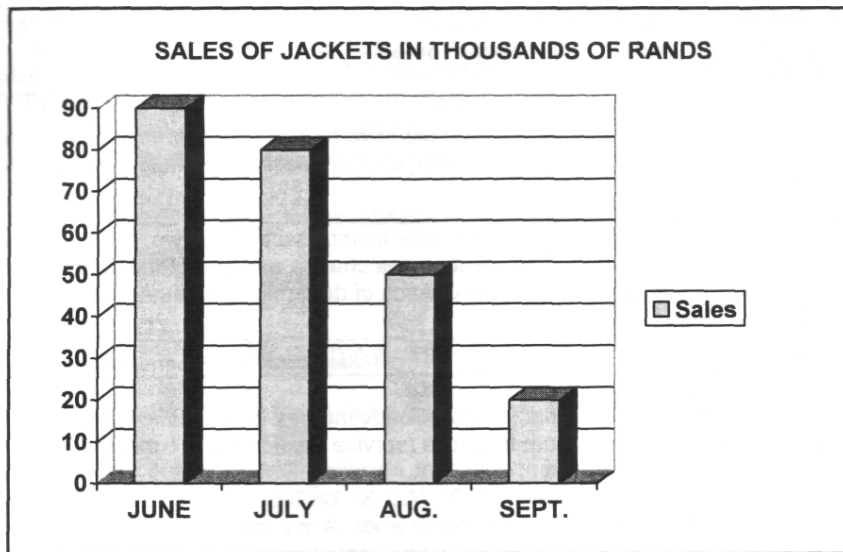
- 4.2.4 A cellphone shop starts to sell microwave ovens. (2)
- 4.2.5 An existing communication company charges lower rates per call than other companies. (2)
- 4.3 Name FOUR functions of the workplace forum. (8)
- 4.4 Read the scenario below and answer the questions that follow.

Mr and Mrs Pillay recently got married and are planning to buy a house in Verulam, using a loan from the bank.

Would you advise Mr and Mrs Pillay to take out a specific insurance for their mortgage bond? Give reasons for your advice. (8)

4.5 Discuss how the pricing of goods in the rural areas and sexual harassment could challenge ethical and professional behaviour. Also recommend how these forms of unethical behavior can be addressed by business organisations. (12)

4.6 Study the graph below and answer the questions that follow.



- 4.6.1 Identify the type of graph presented above. (2)
- 4.6.2 Which month represents the highest sales? Give TWO possible reasons for your answer. (6)
- 4.6.3 Name TWO strategies which you could use to improve the sales performance for September. (4)

[60]

TOTAL SECTION B: 180

SECTION C

Answer ANY TWO questions.

NOTE: Write down the QUESTION NUMBER only. The answer to EACH QUESTION must begin on a NEW PAGE, for example QUESTION 5 on a NEW page, QUESTION 6 on a new page, etc.

QUESTION 5

Exxaro is one of the businesses that ensure that it helps the poor and impoverished communities on social issues such as education, living standards, skills development and health.

Use the case study above to analyse the nature and purpose of Corporate Social Investment (CSI). Illustrate how it works and discuss the benefits and problems of CSI for Exxaro and the communities in which it operates. [40]

QUESTION 6

NORTH-WEST UNIVERSITY (NWU) BECOMES MORE SOCIALLY RESPONSIBLE
North-West University - one of the leading universities in South Africa - is joining the green brigade in a bid to reduce its carbon footprints and become environmentally friendly.

The university has undertaken the following:

- All papers are recycled after it has been used.
- Some of the waste from the hostels is recycled.
- Electricity consumption, waste, etc. are monitored so that the university can be more environmentally friendly.
- New buildings with low electricity consumption are erected.
- Workers from different cultural backgrounds are employed.
- Discrimination is eliminated by protecting the rights of all its employees.

Use the above scenario to describe the nature of human rights, inclusivity and environmental issues. Also evaluate the extent to which North-West University (NWU) addresses each of them. [40]

QUESTION 7

Good management and good leadership will influence businesses and organisations to become more successful and to be able to achieve their goals and objectives favourably. Analyse the above statement and then evaluate autocratic (boss-centred), laissez-faire (free-reign) and charismatic leadership/management styles.

Use examples to explain how these styles could be successfully applied in the workplace. [40]

QUESTION 8

When choosing a form of ownership various factors should be considered as they will lead to success or failure of that form of ownership chosen.

Discuss the impact of capital, management, division of profits and taxation as factors that contribute to the success or failure of a partnership and a company. Make recommendations regarding the type of ownership to an entrepreneur starting a small business selling shoes. Justify your recommendations. [40]

TOTAL SECTION C: 80

GRAND TOTAL: 300

NAME: _____ TEACHER: _____

RESULTS:

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	

Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	TOTAL
40	60	60	60	40	40	40	40	300

2.1.1	BBBEE	2		
2.1.2	Pillars	4		
2.2.1	EE Act2			
2.2.2	EE Act6			
2.2.3	EE Act4			
2.3.1	Macro environ.		}	12
2.3.2	Strategy			
2.3.3	Strategy			
2.4.1	Sectors2			
2.4.2	success factors	10		
2.5	teams	8		
3.1	stress	6		
3.2	entr. qualities	10		
3.3	investment	4		
3.4.1	investment	4		
3.4.2	investment	16		
3.4.3	investment	4	(60)	
4.1	creative thinking	10		
4.2	Strategies scenarios	10		
4.3	workplace forum	8		
4.4	Insurance for mortgage bond – yes/no? reason	8		
4.5	Ethics & Professionalism	12		
4.6	Business information (presenting & analyzing)	2+6+4	(60)	
5.	CSI	40		
6.	Human Rights, Inclusivity & environmental issues	40		
7.	Evaluate autocratic, laissez-faire & charismatic leadership/management styles	40		
8.	Forms of ownership	40		

M1	
U1	B
U2	C (Essay)
U3	B
U4	B
M2	
U1	B
U2	C (ESSAY)
U3	B
U4	B
U5	C (ESSAY)
M3	
U1	B
U2	B & C (essay)
U3	C (ESSAY)
U4	B
U5	B
U6	B
U7	

BUSINESS STUDIES
SEPTEMBER 2012
MEMORANDUM

SECTION A

QUESTION 1

1.1.1	C✓✓	1.2.1	SWOT analysis ✓✓
1.1.2	B	1.2.2	Board of Directors
1.1.3	A	1.2.3	Code of ethics
1.1.4	A	1.2.4	Skills Development Act
1.1.5	C	1.2.5	10 hours
1.1.6	A	1.3.1	G ✓✓
1.1.7	C	1.3.2	F
1.1.8	D	1.3.3	E
1.1.9	A	1.3.4	C
1.1.10	C	1.3.5	A

[40]

SECTION B

QUESTION 2

- 2.1 Supplier Power ✓✓
Buyer Power
Level of Rivalry/Competitive Rivalry
Threat of Substitution
Threat of New Entry (5 x 2) [10]

2.2.1 Broad-based Black Economic Empowerment

Accept any other relevant answer

(12)

- 2.2.2 Ownership ✓
Management ✓
Employment Equity ✓
Skills Development ✓
Preferential Procurement ✓
Enterprise Development ✓
Corporate Social Investment (4 x 1) [4]

2.3.1

- To implement the affirmative action plan of the government. ✓✓
- Businesses must create equal job opportunities for all people in the country.
- Eliminate unfair discrimination.
- Achieve diversity in the workplace.
- Address historical imbalances of the past.
- Equal representation in the workplace. Any 1 x 2 (2)

2.3.2

- Employers must create opportunities for previously ✓✓
disadvantaged/career mobility of people.
- Employers are prohibited from discriminating against anyone
on the basis of race, gender, age or disabilities.
- Employers must transform their workplaces so that barriers
to employment equity are eliminated.
- Any other relevant answer relating to the impact of the
Employment Equity Act.
- Cost implications for implementing the Act.
- Implementing the Act is time consuming.
- Staff turnover is affected.
- Could lead to loss of qualified workers.
- Could lead to conflict in the workplace. Any 3 x 2 (6)

2.3.3

- Transforming the workplace through SETAs / Learnerships. ✓✓
- Employers are fined if they do not implement the provisions of the Employment Equity Act.
- Employers must furnish regular reports to the Department of Labour on their Employment equity plans.
- Sending out inspectors to monitor the implementation of the Act.
- Those companies who comply with the Act will be given certificates.
- Provide incentives to companies who comply with the Act.
- Any other relevant answer relating to government's contribution.

Any 2 x 2 (4)

2.4

PESTLE factor	Challenge from the external environment related to the strike	Appropriate strategy to overcome the challenge:	Motivation for the choice of strategy
Political	Strike causes a lack of confidence in South Africa. International investors and local investors could develop a 'bear market' mood	SPAR needs to ensure investors that internal operations were not affected by strikes and that SPAR rectifies any aspects for concern by for example organizing transport.	SPAR will stabilize investor confidence and therefore share prices will also be stabilized.
Economic	Many labourers make use of taxis as method of transport. If they stay away from work, SPAR cannot operate and will therefore lose out. A country wide strike causes many losses in a day.	SPAR can try to organize temporary labourers/transport as they knew of the strike well ahead of time. The distribution centres could make sure that all orders are attended to before the time. Lost time can be made up by working overtime.	If SPAR has temporary staff/transport, they will not have to close for the day. Losses will therefore be reduced. In this way distribution centres will not lose out even though they had to close due to the strike.

2.5.1 Tertiary Sector ✓✓

(2)

2.5.2 Manage your workload and your time ✓✓

- Train your staff to manage their time ✓✓
- He has not looked back. ✓✓
- Customised travel packages ✓✓
- Impressive client list ✓✓
- Passion for tourism. ✓✓
- Youthful zest for life. ✓✓
- Unfailing belief in himself. ✓✓
- Natural planner. ✓✓
- Self-driven person. ✓✓
- Results-orientated. ✓✓
- Positive outlook. ✓✓
- Clear business focus on profitability. ✓✓
- Critically assesses his own performance to achieve excellence. ✓✓

2.6

A Primary sector ✓✓

Ngondwana Forestry (Pty) Ltd grows trees. ✓✓

B Secondary sector ✓✓

Thabo Manufacturers Ltd manufactures the raw materials into a more useable form for human consumption. ✓✓

C Public company. ✓✓

The name Siphon Wholesalers ends with Ltd. ✓✓

(12)

QUESTION 3

3.1

- Coaching and mentoring ✓✓ e.g. proper guidance to employees. ✓
- Conducting performance appraisal ✓✓ e.g. recognising and appreciating good work done by employees. ✓
- Incentives and rewards ✓✓ e.g. paying fair wages and salaries/offering a bonus. ✓
- Offering market related salary packages. ✓✓ e.g. providing allowances to employees for housing, medical, etc. ✓
- Counselling ✓✓ e.g. referring affected employees to professionals for assistance. ✓
- Motivating ✓✓ e.g. providing employees with job security. ✓
- Team building ✓✓ e.g. taking employees out for team building exercises ✓
- Rehabilitating ✓✓ e.g. referring employees who have problems with drugs and/or alcohol to rehabilitation centres. ✓
- Undertaking staff development programs/in-service training ✓✓ e.g. training in new technology. ✓
- Good mental and physical health ✓✓ e.g. providing recreational facilities. ✓
- Better working conditions ✓✓ e.g. adequate lights ✓
- Open communication policies ✓✓ by engaging employees. ✓
- Management styles ✓✓ e.g. mentoring ✓

- Proper planning √√e.g. strategic plans. √
- Clear policies √√e.g. proper directions given. √
- No discrimination of workers √√ e.g. treats all workers equally. √
- Redesigning jobs / Business process engineering √√e.g. simplifying tasks. √
- Any other relevant answer related to how businesses help to reduce stress levels of the employees.

Facts/Heading 2
Examples/Explanation 1
(Any 2 x 3)(6)

NOTE: AWARD A MAXIMUM ONE MARK FOR EXAMPLE RELATING TO ONE FACT

3.2

- Ability to take calculated risks. √√
- Good organisational, leadership and management skills. √√
- Creativity and ability to be innovative. √√
- Ability to take advantage of profitable opportunities. √√
- Energy, goal orientation and self-motivation. √√
- Good interpersonal skills and ability to listen and work with others. √√
- Good communication skills.√√
- Confidence and belief in their capabilities.√√
- Having a good knowledge of the target market. √√
- Positive outlook. √√
- Combines factors of production. √√
- Manages resources effectively. √√
- Good future planning. √√
- Any other relevant answer related to the entrepreneurial qualities/characteristics of a successful business.

NOTE: BEWARE OF REPETITION OF THE SAME QUALITIES USING DIFFERENT EXPRESSIONS.

(Any 5 x 2)(10)

3.3

- Each member knows his/her role and responsibilities.√√
- There is mutual trust amongst team members.√√
- The members respect the opinions/contributions of other members.√√
- Members take decisions together.√√
- There are open communication lines between members on a regular basis.√√
- Members have clear and achievable goals.√√
- Support one another. √√
- Clear understanding of tasks and deadlines. √√
- Have necessary skills and respects each other skills. √√
- Common desire to achieve goals. √√
- Members must practice loyalty to the organisation. √√
- Members share the success of the team. √√
- Any other relevant answer related to characteristics/qualities of a successful team.

(Any 4 x 2) (8)

3.4

- Lack of communication between employer and employee √√ e.g. management makes changes without informing employees. √
- Differences in goals and objectives √√ e.g. differences in values/vested interest. √
- Personnel matters √√ e.g. unhealthy working conditions/stressful working environment. √
- Unequal treatment of employees √√ e.g. where management favours certain employees. √
- Personality clashes √√ e.g. where people of different personalities fail to work together. √
- Discrimination in the workplace √√ e.g. discrimination against workers based on gender, race or religion. √
- Differences in values √√ e.g. an employee who refuses to work overtime because he wants to attend to his personal matters √
- Different management styles √√ e.g. autocratic v/s democratic. √
- Insufficient/unclear policies √√ e.g. uncertainty amongst workers. √
- Competing for resources √√ e.g. limited finances/equipment etc. √
- Unfair distribution of resources √√ e.g. favouritism √
- Poor interpersonal relations between colleagues. √√ e.g. members, groups, departments, other businesses and suppliers. √
- Pressures from different stakeholders. √√ e.g. Shareholders vs. unions. √
- Any other relevant answer related to the causes of conflict.

Heading 2
Example 1
(Any 4 x 3) (12)

3.5.1

Shares:

- Medium **OR** High risk investment √√

Fixed deposit:

- Low risk √√ (4)

3.5.2

Investment in shares

$$30\ 000 \times R10 = R\ 300\ 000$$

$$30\ 000 \times R15 = R\ 450\ 000$$

$$R\ 450\ 000 \sqrt{} - R\ 300\ 000 \sqrt{} = R\ 150\ 000 \sqrt{\sqrt{}} (4)$$

Investment in fixed deposit

$$R\ 200\ 000 \times 15\ 100$$

$$R\ 30\ 000 \sqrt{} \times 2 \sqrt{} \sqrt{}$$

$$R\ 60\ 000 \sqrt{\sqrt{}} (4)$$

$$\begin{aligned} & - \text{Shares } (150\ 000 \times 100) \sqrt{} = 50\% \sqrt{\sqrt{}} \\ & 300\ 000 \end{aligned}$$

$$\begin{aligned} & - \text{Fixed Deposit } (60\ 000 \times 100) \sqrt{} = 30\% \sqrt{\sqrt{}} (6) \\ & 200\ 000 \end{aligned}$$

Best Return:

- Investment in shares √√ (2)

NOTE:

1. AWARD FULL MARKS IF THE ANSWER IS CORRECT (NO WORKINGS)
-

SHOWN), OTHERWISE ALLOCATE PART MARKS FOR THE UNDERSTANDING OF THE PROCESS/PROCEDURE UP TO A MAXIMUM OF 2 MARKS FOR EACH TYPE OF INVESTMENT.

2. IF THE LEARNER ONLY WRITES 50 % (SHARES) AND 30% (FIXED DEPOSIT) AND INDICATES THAT THE BEST RETURN IS IN SHARES AWARD MAXIMUM OF 16 MARKS.
3. IF THERE ARE NO WORKINGS AND THE RETURNS ARE INCORRECT ALLOCATE ZERO MARKS.
4. IF ONLY THE BEST INVESTMENT IN SHARES IS GIVEN AS AN ANSWER ALLOCATE TWO MARKS.

3.5.3

- Unit Trust ✓✓
- Stokvel ✓✓
- Bonds ✓✓
- Retirement Annuity ✓✓
- Offshore Investment, e.g. Forex ✓✓
- Short term investment ✓✓
- Endowment ✓✓
- Debentures ✓✓
- Fixed property ✓✓
- Antiques/Work of art ✓✓
- Notice deposits ✓✓
- Buying commodities e.g. minerals, platinum, gold, diamonds, etc.
- Sinking fund ✓✓
- Any relevant answer related to types/forms of investment.

(Any 2 x 2) (4)

NOTE: MARK SHARES AND FIXED DEPOSIT WRONG

QUESTION 4

4.1

OPTION 1

- Identify the problem/Define the problem. ✓✓
- Assess the cause of the problem
- Collect as much information as possible about the problem. ✓✓
- Identify possible solutions to the problem/ alternatives. ✓✓
- Facilitate a discussion amongst the persons involved with the problem/analyse the alternative solutions ✓✓
- Select the best solution. ✓✓
- Develop an action plan. ✓✓
- Implement the suggested solution. ✓✓
- Monitor the implementation and evaluate the chosen solution to the problem/ monitor the results. ✓✓

Accept "Ignore the problem"

OPTION 2

- Analyse the conflict
- Determine the conflict – management strategy

- Pre-negotiation
- Negotiation
- Post-negotiation

OPTION 3

Accept grievance/disciplinary procedure steps

(Any 5 x 2) (10)

NOTE: STEPS DO NOT HAVE TO BE IN ANY PARTICULAR ORDER.

4.2

4.2.1 Divestiture/ Defensive strategy ✓✓ (2)

4.2.2 Backward integration ✓✓
 Accept vertical integration (2)
 NOTE: Only the word “integration” equals one mark

4.2.3 Market development/ intensive strategy ✓✓ (2)

4.2.4 Horizontal diversification/diversification/conglomerate ✓✓ (2)

4.2.5 Market penetration/intensive ✓✓ (2)[10]

4.3

- Promoting the interests of all workers (not only trade union members) ✓✓
- Enhancing workplace efficiency ✓✓
- Consulting with employers ✓✓
- Taking part in decision making ✓✓

(4 x 2) [8]

4.4

YES √√ (2)

ADVANTAGES OF INSURANCE ON MORTGAGE BOND

- Service providers require collateral as a surety/compulsory for mortgage bonds √√
- Insurance provides indemnity to the Pillays for losses they may suffer due to fire, natural disasters etc. √√
- The Pillays are protected from losses as a result of ill-health(temporary/permanent employment) , death, disability etc. √√
- Improves credit ratings if previous premiums on mortgage bonds are up to date. √√
- The rates offered by the bank may be more competitive. √√
- Any other relevant answer related to advantages of insurance on mortgage bonds.

NOTE: ACCEPT “SECURITY” IF IT IS NOT REPEATED IN THE PREVIOUS EXAMPLES/FACTS.

YES (2)
Advantages (3 x 2) (6)
Max. (8)

OR

NO √√

- Insurance on a bond is for a limited period. √√
- Insurance premiums are sometimes too high. √√
- Insurance increases expenses of individuals/businesses. √√
- Other insurances (endowment) could be ceded as collateral. √√
- Insurance covers for a risk which may or may not happen, which could be a loss to individuals. √√
- Save and buy a house for cash. √√
- Rent until the Pillays have enough money. √√
- The value of the property could be much higher than the bond itself. √√
- Mortgage insurance do not offer any cash value when surrendered. √√
- Insurance agents demand various commission rates which result in inconsistencies in premiums paid. √√
- Savings could earn guaranteed returns via interest. √√
- Any other relevant answer related to disadvantages of insurance when taking out policies on mortgage bonds.

NO (2)
Disadvantages (3 x 2) (6)
Max. (8)

4.5

- Pricing of goods in rural areas
- Prices of goods and services in the rural areas are higher than those in the urban areas.√√
- Little or no competition (no other sellers) / some businesses are the only suppliers of goods and services, therefore they charge higher prices. √√
- Lack of infrastructure results in businesses having no competition. √√
- Lack of monitoring by regulatory bodies on legislated/recommended prices. √√
- Most businesses hire transport to buy stock from far places which result in them charging higher prices. √√
- Any other relevant answer related to the pricing of goods in rural areas.

Recommendations

- Constant monitoring by regulatory bodies especially when prices are fixed.
- Government should improve infrastructure in rural areas√√
- Businesses in rural areas should be encouraged to charge fair and market related prices for goods and services√√
- Businesses should gain customer loyalty and patronage by avoiding unethical practices√√
- Any other relevant answer related to how businesses can address pricing of goods in rural areas.

Discussion Any (2 x 2) (4)

Recommendation Any (1 x 2) (2)

Sexual harassment

- This refers to any sexual advance, gestures or remarks that cause a person to feel intimidated/threatened at work. √√
- It includes request for sexual favours in return for employment benefits.√√
- It includes physical/ verbal advances or jokes e.g. touching in a sexually expressive manner. √√
- Refers to violation of basic human rights normally by person misusing his/her position of authority against the other. √√
- Any other relevant answer related to sexual harassment.

Recommendations

- Implement complaints and disciplinary procedures√√
- Educate employers on sexual harassment matters. √√
- Formulate a policy regarding sexual harassment√√
- Create a good working condition where all employees' rights and dignity are respected√√
- After internal enquiries, serious cases/matters on sexual harassment should be reported to appropriate institutions such as the South African Police Services.√√
- Ensures compliance with the law. √√
- Any other relevant answer related to how businesses can address sexual harassment.

Discussion Any (2 x 2) (4)

Recommendation Any (1 x 2) (2)

Max. (12)

4.6.1

Bar graph √√

NOTE: DO NOT ACCEPT "HISTOGRAM" (2)

4.6.2

June √√ (2)

Motivation:

- It is winter season during June. √√
- Many people buy jackets because of the cold weather. √√
- Many retail shops could offer sales discounts. √√
- Jackets could be in fashion. √√
- Highest sales (R90 000) in June. √√
- Any other relevant motivation for highest sales in June. (Any 2 x 2 = 4)Max. (6)

4.6.3

- Sell products that could be adapted for use in different seasons/versatile products. √√
- Diversification of products. √√
- Offer sales discount / market penetration√√
- Intensify marketing efforts. √√
- Expand business to other areas that experience cold weather/ market development√√
- Redefine target market. √√
- Any other relevant strategy (type/practical way) on improving sales during September. (Any 2 x 2)(4)

[60]

Total Section B: 180

SECTION C

QUESTION 5

5.1 Introduction

Corporate social investment refers to the contribution that the company makes to uplift or develop and solve problems in the community.

Generally, most of the employees of the company come from the local community. Therefore, the company deems it fit to invest some of its funds to projects that are much needed by the community.

The government cannot solve problems of the country and therefore encourages big business to foster partnerships with the local community.

The community in response buys the product of the company.

Any 3 x 1 (3)

5.2

Corporate business engages the local community with, amongst others, the following programs:

- HIV/Aids awareness - by sponsoring NGO's.
- Education and training - by providing bursaries to learners.
- Conservation of the environment and pollution - by sponsoring projects that preserve the environment.
- Poverty alleviation - by job creation.
- Pensioners, deprived children and orphans - by sponsoring housing projects.
- Empowerment of women - by sponsoring conferences.
- Rural development - by forming partnerships.

Max 6

5.3 Characteristics / Features of Corporate Social Investment (process)

CSI (Corporate social investment) is mainly implemented by big business.

CSI is enforced by legislation.

CSI is seen as a political expectation.

CSI is seen as part of the business operations and is sustainable.

Business organisations choose the programs for the community e.g. support for education, a Business organisations support the community with the product that they manufacture e.g. a paper manufacturing company may donate duplicating paper to the local schools in the community. 9 Partnerships are formed with local communities, the government and non profit organisations.

In South Africa BEE (Black Economic Empowerment) companies play a vital role in CSI.

Max 6

5.4 How it works:

Corporate social responsibility is influenced by various factors:

- Companies identify a particular need in the community and funds the project e.g. the building of a community hall.
- Ethics has a decisive influence in the business, and, management and employees have an important role to play in the community.
- Government legislation encourages companies to engage in social investment programmes.
- Competitors force a company to engage in social responsibility programs. Max 6

5.5 Benefits of CSI for the business and the community

5.5.1 Benefits for the business

- Improved health for its workers.
- Sustained Conservation of the environment may lead to reduction in costs which could be channelled elsewhere.
- May attract experienced employees which could benefit the enterprise in terms of increased productivity.
- The community supports the business by purchasing its products and thereby contributing to the business profitability.
- The business enjoys goodwill.
- Improves the image of the company.
- Any other relevant benefit for the business. Max 6

5.5.2 Benefits for the community

- The Community provides the labour, customers and suppliers to the business enterprise.
- Provision of bursaries.
- Improves the welfare of society.
- The standard of living of the community is uplifted.
- The business needs to give something back in the form of money, products, services etc.
- Improved health for the community and customers.
- Any other relevant benefit for the community. Max 6

Note: Benefits of CSI for the business and the community (Max 12)

5.6 Problems of CSI for the business and the community:

5.6.1 Problems of CSI for the business

- The community may not support the enterprise i.e. does not buy the product of the enterprise.
- Difficulty in adherence to legislation governing the CSI.
- Small and medium enterprises find it difficult to implement CSI programmes.
- Distribution of scarce CSI resources to selected beneficiaries in the community may cause problems such as discrimination. Max 6

5.6.2 Problems of CSI for the community

- The benefits of the programme may not filter to the intended persons within the community.
- Insufficient provisioning that does not satisfy all the needs of the community.
- May be rejected by the community. Max 6

Note: Problems of CSI for the business and the community (Max 12)

5.7 Conclusion:

- From the above discussion it can be concluded that many communities have benefited from CSI initiatives.
- Corporate Businesses in South Africa have come to the rescue of many poor communities by building schools, creches, clinics, etc. (2)

Sub total 49: Max 32

Breakdown of mark allocation

Details	Maximum	Subtotal	Total
Introduction		3	Max 32
Nature of CSI	6	42	
Characteristics / Features	6		
How CSI Works	6		
Benefits of CSI for the Business	6		
Benefits of CSI for the Community	6		
Problems of CSI for the Business	6		
Problems of CSI for the Community	6		
Conclusion		2	
INSIGHT			
Layout			2
Analysis, interpretation			2
Synthesis			2
Originality, examples			2
TOTAL MARKS			40

- LASO - For each component
 Allocate 2 marks if all requirements are met.
 Allocate 1 mark only if some of the requirements are met.
 Allocate 0 marks where requirements are not met at all. [40]

QUESTION 6

6.1 Introduction

- Businesses are socially responsible for promoting human rights and inclusivity in the workplace as well as protecting the environment. ✓
- Promoting human rights, inclusivity and protecting the environment will promote a good image for the business. ✓
- Sustainability of any business enterprise depends largely on its ability to address Human Rights, Inclusivity and environmental issues. ✓
- Any other relevant introduction related to Human rights, inclusivity and environmental issues. (Any 3 x 1) (3)

6.2 Human Rights

6.2.1 Nature of human rights

- Human rights refer to the basic rights to which all citizens are entitled to. ✓✓
- In South Africa, basic human rights are protected by the Bill of Human Rights as stipulated in the Constitution. ✓✓
- It includes the right to be treated in a dignified manner, freedom of speech, privacy, etc. ✓✓
- Human Rights are the framework of good relations and welfare of society. ✓✓
- Any other relevant answer related to nature of Human Rights. (Any 4 x 2)(8)

6.2.2 Evaluation

- Employ more employees with disabilities. ✓✓
- Employ more employees from different cultural groups. ✓✓
- Implement more skills development programmes for their workers. ✓✓
- Make donations to various organisations. ✓✓
- Help disadvantaged people to be more productive by implementing practical courses. ✓✓
- Treat all employees equally and fairly. ✓✓
- Pay employees fair remuneration. ✓✓
- Ensure freedom of association in the workplace. ✓✓
- Implement fair, consistent and transparent disciplinary measures. ✓✓
- Honour basic human rights as outlined in the Constitution of South Africa. ✓✓
- Provide a safe and pleasant work environment. ✓✓
- Implement human rights policy. ✓✓
- Ensure that workers are not discriminated against. ✓✓
- Any other relevant answer related to how NWU can address human rights. (Any 4 x 2)(8)

6.3 Inclusivity

6.3.1 Nature of inclusivity

- Aims to redress the past imbalances by ensuring that no one is discriminated against. ✓✓
 - Employers must follow a policy of equal opportunities for all employees. ✓✓
 - Inclusivity ensures that nobody is excluded on the basis of gender, race, disability and/or sexual orientation. ✓✓
 - The Employment Equity Act and the BBBEE Act were put in place by the
-

- government to promote inclusivity. ✓✓
- Any other relevant answer related to nature of inclusivity. (Any 4 x 2)(8)

6.3.2 Evaluation

- Including more workers with disabilities. ✓✓
- Making the workplace to be representative of the South African society. ✓✓
- Addressing gender issues. ✓✓
- Providing equal opportunities for women in the workplace. ✓✓
- Eliminating unfair business practices. ✓✓
- Respecting employee's rights. ✓✓
- Making appointments and promotions on the basis of merit without any kind of discrimination. ✓✓
- Implementing an affirmative action strategy. ✓✓
- Implementing the Employment Equity Act which promotes equal opportunity and fair treatment for all employees. ✓✓
- Implementing the Skills Development Act to equip employees with necessary skills especially from previously disadvantaged groups. ✓✓
- Any other relevant answer related to how NWU can promote inclusivity. (Any 4 x 2)(8)

6.4 Environmental issues

6.4.1 Nature of environmental issues

- Environmental issues refer to how businesses use its natural resources. ✓✓
- The business has responsibility to protect the environment, e.g. not to pollute the environment. ✓✓
- All businesses must be environmental friendly. ✓✓
- Emphasis on global warming. ✓✓
- Disposal of toxic waste. ✓✓
- Any other relevant answer related to nature of environmental issues. (Any 4 x 2)(8)

6.4.2 Evaluation

- Donate money or expertise to nature conservation programmes/involvement in social responsibility programmes by donating funds for nature conservation. ✓✓
- Ensure environmental sustainability. ✓✓
- Develop alternative sources of energy. ✓✓
- Comply with all environmental laws. ✓✓
- Take active steps to decrease and control pollution. ✓✓
- Comply with legislation regarding the environment. ✓✓
- Take an active role in restoring and protecting the environment. ✓✓
- Implement recycling programmes involving community members. ✓✓
- Involvement in social responsibility programmes by donating funds for nature conservation. ✓✓
- Any other relevant answer related to how NWU can implement environmental initiatives. (Any 4 x 2)(8)

6.5 Conclusion

- Human rights issues, inclusivity and environmental issues should be addressed by businesses for its continued existence. √√
- Businesses which are not socially or environmentally responsible may lose its share in the market. √√
- Any other relevant conclusion related to the implementation of human rights, inclusivity and environmental issues. (Any 1 x 2)(2)

BREAKDOWN OF MARKS

Details	Maximum	Total
Introduction	3	Max 32
Human Rights: Nature	8	
Evaluation	8	
Inclusivity: Nature	8	
Evaluation	8	
Environment: Nature	8	
Evaluation	8	
Conclusion	2	
INSIGHT		
Layout		
Analysis, interpretation		2
Synthesis		2
Originality, examples		2
TOTAL MARKS		40

LASO – For each component

Allocate 2 marks if all requirements are met.

Allocate 1 mark if only some of the requirements are met.

Allocate 0 marks where requirements are not met at all.

[40]

NOTE: IF THE LEARNER WRITES DOWN STRATEGIES GIVEN IN THE CASE STUDY ALLOCATE A MAXIMUM OF ONE MARK PER FACT.

QUESTION 7

7.1 Introduction

- Good leaders have to apply specific management and leadership styles to a particular situation. ✓
 - This depends on the type of workers/employees the leader deals with. ✓
 - Highly skilled and unskilled workers require different management and leadership styles. ✓
 - Any other relevant introduction related to management and leadership styles.
- (Any 3 x 1)(3)

7.2 Analysis of statement

OPTION 1:

Agree with the statement. ✓✓ (2)

Motivation

- Leaders give direction to the business. ✓✓
- Good leaders help businesses to work towards the achievement of business goals and objectives. ✓✓
- Leaders make decisions which help the business to grow/expand. ✓✓
- Any other relevant motivation related to how good management and good leadership will influence businesses and organisations to become more successful. (Any 1 x 2)(2)

OR

- Disagree with the statement. ✓✓ (2)

Motivation

- Business could be well established. ✓✓
- No competition. ✓✓
- Products could be in high demand. ✓✓
- Business could have strong brand loyalty. ✓✓
- Strong financial situation. ✓✓
- Well informed target market. ✓✓
- Any other relevant motivation related to disagreement on the statement of leadership and management contribution to successful business performance and achievement of goals and objectives. (Any 1 x 2)(2)

OPTION 2

NOTE: ALLOCATE FOUR MARKS (2X2) WHEN THE MOTIVATION IS GIVEN AND WHERE THERE IS NO “YES” OR “NO”

7.3 Evaluation of Leadership/Management styles

7.3.1 Autocratic/Boss centred/Authoritarian leadership/management style.

- The leader makes all the decisions alone. ✓✓
 - The leader has little or no consideration for the needs of subordinates. ✓✓
-

- Subordinates are told what to do and how to do it without being given the opportunity to make inputs or suggestions. ✓✓
- The leader gives directives/instructions as a way of communicating with subordinates. ✓✓
- It is used when the manager has all the information to solve the problem. ✓✓
- This leadership style if not used correctly, may lead to crisis situations within the organisation. ✓✓
- Leaders must use this style carefully because it may de-motivate subordinates
- Any other relevant answer related to Autocratic/Boss centred/Authoritarian leadership/management style.

Application

- When dealing with uncooperative employees in the workplace. ✓✓
- Implementing policies of the organisation. ✓✓
- During crisis situations in the workplace. ✓✓
- Implementing government legislation. ✓✓
- Any other relevant answer relating to the application of Autocratic/Boss centred/Authoritarian leadership/management style.

Discussion (Any 4 x 2) (8)
Application (Any 2 x 2) (4)
 Max. 12

7.3.2 Laissez-faire/free reign leadership/management style

- The leader is not part of the decision making process, but allows employees to make all the decisions within the framework/limits of the policy. ✓✓
- The leader gets involved when requested. ✓✓
- The leader is responsible and accountable for the employees' decisions and actions. ✓✓
- Employees are left on their own with minimal interference. ✓✓
- This may lead to frustration on the part of employees when they lack experience or have not earned the trust of the leader. ✓✓
- Any other relevant answer related to Laissez-faire/free reign leadership/management style.

Application

- This leadership style can be used when the leader is empowering his/her employees through the delegation of duties. ✓✓
- Useful when employees are knowledgeable and experienced. ✓✓
- It works well in situations where employees are highly skilled in analysing situations and offering solutions. ✓✓
- Any other relevant answer related to the application of Laissez-faire/free reign Leadership/management style

Discussion (Any 4 x 2) (8)

Application (Any 2 x 2) (4)

Max. 12

7.3.3 Charismatic Leadership/management style

- Useful when personal charm, inspiration and emotion rather than power and authority are used to influence or lead subordinates. ✓✓
- The leader serves as a role model and subordinates follow him/her. ✓✓
- The leader has a vision and is able to communicate well with others. ✓✓
- Subordinates are praised even for little success achieved. ✓✓
- The leader has good values and directs the company to greater success. ✓✓

- Commonly used by politicians, religious leaders and business teams. √√
- Charismatic leaders are intolerant of challenges and they regard themselves as irreplaceable. √√
- Any other relevant answer related to Charismatic Leadership/management style.

Application

- It is applied when management has identified low morale amongst its employees. √√
- The leadership style can be applied to motivate and inspire subordinates. √√
- It is suitable when an organisation is undergoing changes. √√
- Any other relevant answer related to the application of Charismatic leadership/management style.

Discussion (Any 4 x 2) (8)
Application (Any 2 x 2) (4)
 Max. 12

7.4 Conclusion

- Different leadership/management styles are influenced by the nature of the organisation and expertise of the employees. √√
- The personality of the leader plays an important part in the type of the leadership style to be used. √√
- Any other relevant answer related to conclusion of management and leadership styles. (Any 1 x 2)(2)

BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	3	Max 32
Evaluation of statement	4	
Autocratic style/Boss centred/ Authoritarian leadership style	12	
Laissez-faire/free-reign leadership style	12	
Charismatic leadership style	12	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality, examples		2
TOTAL MARKS		40

LASO – For each component
 Allocate 2 marks if all requirements are met.
 Allocate 1 mark if only some of the requirements are met.
 Allocate 0 marks where requirements are not met at all. [40]

NOTE:

1. THE DISCUSSION AND APPLICATION COULD BE INTEGRATED
2. CANDIDATES SHOULD BE AWARDED MARKS WHEN EXAMPLES ARE USED TO DEMONSTRATE UNDERSTANDING.

QUESTION 8

8.1 Introduction

- The right choice of form of ownership is important when starting a business.
- The form of ownership affects the success or the failure of a business enterprise.
- The management of financing within the organisation plays a vital role in the success or failure of the business.

	PARTNERSHIP	COMPANIES
TAXATION	Partners pay tax in their personal capacity on the profits earned from the partnership. The high tax rates may lead to financial hardship and their personal life suffers as a failure to meet its tax obligation. This unlimited liability may contribute to the failure of the business.	Companies have more opportunities to pay less tax. This is achieved through allowance etc. and this may lead to the success of the company. (8)
MANAGEMENT	Partner have a personal interest in the business. Therefore they ensure that the business is well managed. Partners are not specialists and therefore this could lead to the under performance of the business.	The company has directors elected to manage the company. These are specialists who lead the company successful. Directors do not have a personal interest in the company and this could lead to failure. (8)
CAPITAL	Partnership allow up to 20 partners to contribute. In a partnership it is easier to raise funds (such as bank loans) collectively as it easier to secure the loan. This could contribute to the success of the business. (4)	Companies can also raise loans (from a bank) without affecting shareholders. In the case of companies as they are legal personalities they are able to secure for finance from various sources i.e. the issuing of share, as companies can issue further share because their capacity to raise capital is unlimited. They may also issue debentures. This can contribute to the success of the business. (4)
	In a partnership large amount of capital cannot be raised because the creditworthiness is limited to 20. This can restrict expansion and growth and can contribute to the failure of the partnership. (4)	Large loans leads to large capital repayments plus interest company is not performing well it may be difficult to attract investors. This may contribute to the failure of the company (4)
DIVISION OF PROFITS	Companies being a legal entity may or may not distribute profits to the share holders in a year. As profits belong to the company it is their decision of when to declare dividends and the value thereof. When profits are high shareholder may receive a high dividend and this will attract investors – increasing the price of shares. This may contribute to the success of the business. (4)	Partners distribute profits according to their partnership agreement. If there are only 2 partners and the partnership generate a large profit partners will enjoy a large share of the profit. This can contribute to the success of the business. (4)
	If a company has operational problems this will impact negatively on the price of share. Investors loose confidence and may sell shares at a loss. This may contribute to the failure of the company.	If the partnership makes a loss partners are jointly and severally liable for the loss incurred. This can lead to the failure of the business.

5.2 Conclusion:

From the above discussion it is clear that these factors may contribute to the success or failure of the business.

Management must have this in mind whenever they make a decision. (2)

DETAILS	MAXIMUM	REDUCED TO	SUBTOTAL	TOTAL
Introduction			3	Max 32
Capital	Partnership 4	Max 8	32	
	Company 4			
Management	Partnership 4	Max 8		
	Company 4			
Division of profits	Partnership 4	Max 8		
	Company 4			
Taxation	Partnership 4	Max 8		
	Company 4			
Recommendation	2		2	
Conclusion			2	
INSIGHT				
Structure				2
Synthesis				2
Analysis interpretation				2
Originality examples				2
TOTAL MARKS				40

TOTAL SECTION C: [40] GRAND TOTAL: 200
