



Basic Education

KwaZulu-Natal Department of Basic Education
REPUBLIC OF SOUTH AFRICA

BUSINESS STUDIES

PREPARATORY EXAMINATION

SEPTEMBER 2014

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

MARKS: 300

TIME: 3 hours

This question paper consists of 11 pages.

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 of the FIVE questions in this section

SECTION C: Consists of FOUR questions.

Answer any TWO of the FOUR questions in this section.

2. Read the instructions for each question carefully and take particular note of what is required.
3. Number the answers correctly according to the numbering system used in this question paper.
4. Except where other instructions are given, answers must be in full sentences.
5. Use the mark allocation and nature of each question to determine the length of an answer.
6. Use the table below as a guide for marks and time allocation when answering each question.

SECTION	QUESTION	MARKS	TIME
A: Multiple-choice questions, matching items COMPULSORY	1	40	30 min.
B: FIVE direct/indirect type questions (CHOICE: Answer any THREE)	2	60	30 min.
	3	60	30 min.
	4	60	30 min.
	5	60	30 min.
	6	60	30 min.
C: FOUR essay type questions (CHOICE: Answer any TWO)	7	40	30 min.
	8	40	30 min.
	9	40	30 min.
	10	40	30 min.
TOTAL		300	180 min.

7. Begin the answer to each question on a NEW page, for example: QUESTION 1 – new page, QUESTION 2 – new page, et cetera.
8. Non-programmable calculators may be used.
9. Write neatly and legibly.

SECTION A: (COMPULSORY)**QUESTION 1**

- 1.1 Four options are provided as possible answers to the following questions. Choose the correct 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 A

1.1.1 Which one of the following laws in South Africa promotes inclusivity?

- A. Skills Development Act
- B. Basic Conditions of Employment Act
- C. Employment Equity Act
- D. South African Qualifications Authority Act

1.1.2 Government recently announced that all mining companies in South Africa must launch empowerment programmes to expand the participation of black-owned businesses in the mining industry. Managers at Anglo American Gold Mines must create plans which **will align the organisation with this change in its environment.**

What kind of plans will Anglo's management be creating?

- A. Tactical plans
- B. Strategic plans
- C. The mission and vision
- D. Operational plans

1.1.3 While a company's bottom line traditionally refers to its economic motive; the _____ refers to the need to consider the social and environmental impacts as well.

- A. balanced scorecard
- B. triple bottom line
- C. social investments index
- D. corporate social investment index (CSI)

1.1.4 An improvement in **productivity** is associated with the _____ environment of the organisation.

- A. economic
- B. technological
- C. social
- D. political

- 1.1.5 This is a problem-solving technique that promotes creative thinking and creative problem solving by encouraging idea generation through non-critical discussion and its advantage is that group members can build on one's ideas.
- A. Delphi technique
 - B. Force-field analysis
 - C. Brainstorming
 - D. Empty chair
- 1.1.6 The process where a business looks at its own methodologies to perform a task and then compares them to methods used elsewhere is known as ...
- A. benchmarking
 - B. quality circles
 - C. business Process Re – engineering
 - D. Total Quality Circle Management
- 1.1.7 Conflict should be managed in every organisation.
_____ is one technique to manage organisational conflict whereby each of the conflict parties gives up something of value.
- A. smoothing
 - B. compromise
 - C. avoidance
 - D. problem solving
- 1.1.8 Kimbelin has inherited a certain amount of money from his late father's estate. He has decided to invest R100 000 in a fixed deposit account at Nedbank for two years, earning an interest of 14% p.a. compounded annually. The maturity value of his investment is.....
- A. R104 000
 - B. R129 960
 - C. R4000
 - D. R114 000
- 1.1.9 _____ **leaders** do what managers do. They clarify the role of subordinates, initiate structures and provide appropriate rewards.
- A. Charismatic
 - B. Transformational
 - C. Dynamic
 - D. Transactional

1.1.10 Which of the following statements are correct about transactional leaders?

1. They have a special ability to bring about innovation and change.
2. They have the capacity to motivate people to do more.
3. They clarify the role of subordinates.
4. They initiate structures.
5. They provide rewards and conform to organisational norms and values.

- A. 1,2
B. 1,2,3
C. 3,4,5
D. 1,2,3,4,5

(10 x 2) (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 (Job description / Job specification) indicates qualifications, experience, responsibilities and physical effort and skills that are necessary to do the job.

1.2.2. (100% /60%) of the Skills Development levy that companies pay can be reclaimed on implementation of various training related structures, interventions and reports

1.2.3 The employment contract comes into existence as soon as the employee (accepts the job offer/ signs the contract).

1.2.4 This sector focuses on the distribution of goods and rendering of services (tertiary sector/ secondary sector).

1.2.5 The (unemployment insurance fund/ workmen's compensation fund) provides income for people who lost their work due to circumstances beyond their control such as retrenchment or closing of the business.

(5 x 2) (10)

QUESTION 6**MISCELLANEOUS**

- 6.1 The property of LIVERPOOL LTD has a current market value of R300 million. The warehouse was partly damaged by fire. Damages were assessed at R60 million. The insurance company is not prepared to pay the full amount of the claim because LIVERPOOL LTD insured the property for only R200 million.
- 6.1.1 Which principle of insurance is applicable to the above claim? (2)
- 6.1.2 Calculate the compensation that LIVERPOOL LTD will receive from the insurance company. Show ALL the calculations. (6)
- 6.1.3 Explain the principle of re-instatement and why it is not applicable in the above insurance claim. (6)
- 6.2 Kyle bought 100 000 ordinary shares at R2 per share from a public company listed on the Johannesburg Securities Exchange. At the end of the financial year, he received his first dividend cheque of R40 000 from the company.
- 6.2.1 Calculate the percentage return on investment received by Kyle. (6)
- 6.2.2 Will Kyle be happy with his return on the investment? Motivate your answer. (4)
- 6.3 Explain how you would assess team performance using FOUR team criteria. (12)
- 6.4 The statements below refer to specific business operations. They describe a business sector. Identify the business sector and explain the reason for your answer.
- 6.4.1 Diamond mining in Kimberly. (4)
- 6.4.2 Financial institutions offering different types of investment opportunities. (4)
- 6.5. Discuss the following business functions and analyse how the quality of performance of these functions will ensure the success or failure in a large business.
- 6.5.1 Public relations function. (8)
- 6.5.2 Financial Function. (8)
- (60)**

SECTION C

Answer any TWO questions only.

QUESTION 7

Business can use different types of strategies to respond to the challenges of the macro environment. Describe the steps to be followed in the formulation of strategies. Discuss using examples the various types of integration and Intensive strategies that a business can use to increase turn over. Outline the steps to be followed in the evaluation and control process of implementation.

QUESTION 8

Discuss the impact of capacity, legislation and division of profits as factors that can contribute to the success or the failure of a Partnership and a Personal-liability Company. Based on the above factors, make a recommendation regarding type of ownership to an entrepreneur starting a small business selling shoes. Justify your recommendation.

(40)

QUESTION 9**Survival of the fittest**

According to this myth, business is essentially a competitive struggle in which only the fittest will survive. The competitive nature of business means that you cannot afford to bother about the interests of your competitors, as that will jeopardize your own chances of survival. You need to focus only on beating them whatever it takes. Ethics has no place in business as it undermines your competitiveness and so your chances of survival.

Distinguish, with examples, between professional behaviour and unprofessional behaviour. Explain possible reasons why prices in rural areas and unfair advertising are regarded to be unethical business practices. Discuss ways in which professional, responsible, ethical and effective business practice should be conducted.

(40)

QUESTION 10

You are the human resource manager of Saints Financial Solutions. Anton has been appointed as the new Financial Director.

In view of the above statement:

- Describe the contents of the **contract of employment** for Anton.
- Discuss in detail the induction process Anton has to undertake as a newly appointed employee of Saints Financial Solutions.
- Explain the impact of the Employment Equity Act on the human resource function.

(40)

TOTAL MARKS: [300]



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