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**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

**BUSINESS STUDIES
FEBRUARY/MARCH 2017**

MARKS: 300

TIME: 3 hours

This question paper consists of 14 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of **THREE** sections and covers all main topics.

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. No marks will be awarded for answers that are numbered incorrectly.
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 and depth of an answer.
6. Use the table below as a guide for mark and time allocation when answering each question.

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

7. Begin the answer to **EACH** question on a **NEW** page, for example **QUESTION 1** – new page, **QUESTION 2** – new page, et cetera.
8. You may use a non-programmable calculator.
9. Write neatly and legibly.

SECTION A (COMPULSORY)**QUESTION 1**

- 1.1 Various options are provided as possible answers to the following questions. Write down the question number (1.1.1–1.1.10), choose the answer and make a cross (X) over the letter (A–D) of your choice in the ANSWER BOOK.

EXAMPLE:

1.1.11

 A B C D

- 1.1.1 Employers pay 1% as a skills development levy if their annual salary expense exceeds ...
- A R50 000.
 - B R500 000.
 - C R1 000 000.
 - D R100 000.
- 1.1.2 The process whereby a business stops operating and sells all assets to pay off debts:
- A Retrenchment
 - B Market development
 - C Divestiture
 - D Liquidation
- 1.1.3 Which ONE of the following businesses can be classified under the tertiary sector?
- A Solly Training & Development CC
 - B Trust Furniture Manufacturers
 - C TRIX Coal Mine
 - D Nandi Sugar Cane Growers
- 1.1.4 A minimum of R1 000 must be invested in this form of investment:
- A Unit trusts
 - B Shares
 - C Fixed deposit
 - D RSA Retail Savings Bonds
- 1.1.5 Unlimited liability means ...
- A owners' personal assets are protected in the event that the business becomes insolvent.
 - B owners stand to lose their personal assets in the event that the business becomes insolvent.
 - C owners cannot lose more than what they have invested in the business in the event that the business becomes insolvent.
 - D owners are not entitled to share in the profits of the business.

1.1.6 Businesses apply this management and leadership theory to change, develop and motivate employees over a short period of time:

- A Situational theory
- B Trait theory
- C Transformational theory
- D Leaders and followers

1.1.7 The right of employees to join trade unions is known as freedom of ...

- A association.
- B expression.
- C movement.
- D speech.

1.1.8 Businesses protect the environment through ...

- A recycling programmes.
- B dumping toxic waste in rivers and dams.
- C air pollution.
- D non-compliance with environmental legislation.

1.1.9 A human resources activity where the competency of the employee is matched with his/her position:

- A Interview
- B Induction
- C Placement
- D Screening

1.1.10 The production manager for BAC Beverages conducts regular inspections on final goods to ensure that the required standards are met. This process is known as quality ...

- A circles.
- B planning.
- C assurance.
- D control.

(10 x 2) (20)

- 1.2 Complete the following statements by using the word(s) in the list below. Write only the word(s) next to the question number (1.2.1–1.2.5) in the ANSWER BOOK. Each word should only be used ONCE.

decision-making; National Credit Act; problem-solving; managers;
retirement; piecemeal; retrenchment; Consumer Protection Act;
leaders; time-related; Porter's Five

- 1.2.1 ... forces businesses to disclose more information about their products and processes.
- 1.2.2 ... have authority because of their position in the company.
- 1.2.3 ... is usually applied to reduce the number of employees due to restructuring in the business.
- 1.2.4 ... requires creative thinking skills to generate and evaluate alternative solutions.
- 1.2.5 ... salary determination is used to pay employees when agreed-upon parts of a project are completed. (5 x 2) (10)

1.3 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–J) next to the question number (1.3.1–1.3.5) in the ANSWER BOOK, for example 1.3.6 K.

COLUMN A		COLUMN B	
1.3.1	Belbin role theory	A	different individuals work together towards one goal
1.3.2	Private company	B	responsible for selecting raw materials at the best prices
1.3.3	Strategy evaluation	C	assumes that people are born with a preference for certain attitudes and functions
1.3.4	Financial function	D	has to register and publish a prospectus
1.3.5	Storming stage	E	assumes that successful team performance is influenced by the behaviour of team members
		F	process of monitoring business activities and measuring performance
		G	process of using business tactics to overcome challenges
		H	power struggle for the position of team leader occurs sometimes
		I	responsible for preparing annual budgets
		J	shares are not freely transferable

(5 x 2) (10)

TOTAL SECTION A: 40

SECTION B

Answer ANY THREE questions in this section.

NOTE: Clearly indicate the QUESTION NUMBER of each question that you choose. The answer to EACH question must start on a NEW page, for example QUESTION 2 on a NEW page, QUESTION 3 on a NEW page, et cetera.

QUESTION 2: BUSINESS ENVIRONMENTS

- 2.1 Name the SIX components of the PESTLE analysis. (6)
- 2.2 List THREE business environments and state the extent of control that businesses have over each environment. (9)
- 2.3 Explain the meaning of *learnerships*. (4)
- 2.4 Read the scenario below and answer the questions that follow.

GLEN SHUTTLE SERVICE (GSS)

Glen Shuttle Service transports clients to and from the airport. Some clients have requested GSS to sell soft drinks while travelling. GSS has decided to merge with Clear Beverages to be able to satisfy the needs of their clients.

- 2.4.1 Identify the type of integration strategy that GSS applied in the scenario above. Motivate your answer. (3)
- 2.4.2 State TWO other integration strategies. (2)
- 2.4.3 Give THREE reasons why businesses may use integration strategies. (6)
- 2.5 Read the scenario below and answer the questions that follow.

QUICK CASH FUNDING (QCF)

Quick Cash Funding makes loans available to anyone who needs cash at short notice. QCF encourages people to apply for loans regardless of their financial status. They also use misleading and deceptive methods to attract potential clients.

- 2.5.1 Quote TWO ways from the scenario above in which QCF is not complying with the National Credit Act (NCA), 2005 (Act 34 of 2005). (2)
- 2.5.2 Recommend ways in which QCF can comply with this Act. (8)
- 2.6 Discuss the impact of the Broad-Based Black Economic Empowerment (BBBEE) Act, 2003 (Act 53 of 2003) (amended in 2013) on businesses. (10)
- 2.7 Justify the effectiveness of the Employment Equity Act (EEA), 1998 (Act 55 of 1998) on businesses. (10)

[60]

QUESTION 3: BUSINESS VENTURES

- 3.1 State FOUR factors to be considered when responding to questions at the end of a presentation. (8)
- 3.2 Identify the type of shares represented by EACH statement below.
- 3.2.1 Shares are issued to existing shareholders as compensation for loss of dividends.
- 3.2.2 Shareholders receive their dividends before others can be paid out.
- 3.2.3 These shares are issued to shareholders who started the company.
- 3.2.4 These shareholders may receive higher dividends when the company has made large profits. (8)
- 3.3 Outline the functions of the Johannesburg Securities Exchange Ltd (JSE). (8)
- 3.4 Elaborate on the importance of investing in fixed deposits. (3)
- 3.5 Tabulate the differences between *compound* and *simple interest*. (8)
- 3.6 Read the scenario below and answer the questions that follow.
- BALOYI TRADERS (BT)**

Ms Green, a manager at Baloyi Traders, regularly requests employees to contribute ideas on how to increase business profits.
- 3.6.1 Name the leadership style that Ms Green is applying in the scenario above. Motivate your answer. (3)
- 3.6.2 Discuss the impact of Ms Green's leadership style identified in QUESTION 3.6.1 on Baloyi Traders. (8)
- 3.6.3 Advise Ms Green on the benefits of using the situational leadership theory in the workplace. (6)
- 3.7 Explain how the following factors can contribute to the success and/or failure of a non-profit company:
- 3.7.1 Capital (4)
- 3.7.2 Management (4)
- [60]**

QUESTION 4: BUSINESS ROLES

- 4.1 List FIVE economic rights of employees in the workplace. (5)
- 4.2 Explain how businesses should handle conflict in the workplace. (8)
- 4.3 Identify the unethical or unprofessional business practice illustrated in each of the following scenarios:
 - 4.3.1 Masakhane Stores charges more for the same goods in the village than in the city.
 - 4.3.2 The director of KNZ Consulting uses the business credit card to pay for personal expenses.
 - 4.3.3 Employees of Zamu Attorneys spend more time on social networks during office hours than on their duties. (6)
- 4.4 Describe how businesses can apply the brainstorming technique to solve their business problems. (8)
- 4.5 Discuss the following criteria for assessing successful team performance:
 - 4.5.1 Interpersonal attitude and behaviour (2)
 - 4.5.2 Communication (2)
- 4.6 Elaborate on the importance of team dynamic theories in improving team performance. (4)
- 4.7 Discuss the benefits of diversity in the workplace. (8)
- 4.8 Read the scenario below and answer the questions that follow.

NATASHA DÉCOR (ND)

The financial manager of Natasha Décor ensures that value-added tax (VAT) is paid over to SARS on time. Employees are paid according to the amount of effort and time spent at work. ND do not use identical ideas from their competitors to benefit their own business.

List the THREE ways in which ND conduct business professionally, responsibly and ethically. Quote from the scenario to support your answer. Use the table below to present your answer.

BUSINESS PRACTICE	QUOTE FROM SCENARIO

- 4.9 Recommend ways in which businesses may create an environment that promotes creative thinking in the workplace. (8)
- [60]**

QUESTION 5: BUSINESS OPERATIONS

- 5.1 Name FIVE methods of external recruitment. (5)
- 5.2 State THREE aspects that should be included in the induction programme. (6)
- 5.3 Read the scenario below and answer the questions that follow.

TOM FLOORING (TF)

Mr Du Preez is the newly appointed financial manager at Tom Flooring. His employment contract only bears his signature. The contract states that he may be required to work 12 hours overtime per week. He is expected to perform other duties which are not listed in his contract.

- 5.3.1 Identify the challenges with regard to Mr Du Preez's employment contract. Make recommendations for improvement. (9)
- 5.3.2 Outline any TWO other legal requirements of the employment contract. (4)
- 5.4 Discuss the selection procedure as one of the activities of the human resources function. (8)
- 5.5 Identify the total quality management (TQM) element illustrated in EACH statement below.
- 5.5.1 The management of JKM Fresh Fruits ensures that customer complaints are handled within 24 hours.
- 5.5.2 The employees of Tumi's Consulting regularly attend training courses on service delivery.
- 5.5.3 Home Appliances Manufacturers uses modern production technology to ensure their products are in line with the latest innovations.
- 5.5.4 The managing director of Themba's Holiday Lodge allows the staff to make inputs during strategic planning sessions.
- 5.5.5 Duncan Computers can afford to employ two additional experts in their Information Technology department. (10)
- 5.6 Explain how total quality management (TQM) can reduce the cost of quality. (6)
- 5.7 Distinguish between *quality performance* and *quality management*. (4)
- 5.8 Suggest TWO quality indicators for EACH of the following business functions:
- 5.8.1 Marketing function (4)
- 5.8.2 Administration function (4)

[60]

QUESTION 6: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS**

6.1 Read the scenario below and answer the questions that follow.

DAVE DIGITAL SOUND (DDS)

DDS specialise in selling radios and car sound systems. They employ qualified sound engineers. The business does not have sufficient capital to buy and sell sound systems that cater for large events. Businesses in the same industry are closing down due to ineffective marketing campaigns. DDS is located in a high crime area.

6.1.1 Compile a SWOT analysis for DDS. (4)

6.1.2 Suggest ONE strategy to handle each weakness and threat identified in QUESTION 6.1.1. (4)

6.2 Discuss the advantages of the Compensation for Occupational Injuries and Diseases Act (COIDA), 1993 (Act 130 of 1993) (amended in 1997). (6)

BUSINESS VENTURES

6.3 Give TWO examples of non-verbal presentation methods. (2)

6.4 Explain how *return on investment* and *risk* may influence the decision to invest in shares. (4)

6.5 Compare a *partnership* and a *personal-liability company* as forms of ownership in terms of the following criteria:

6.5.1 Continuity (4)

6.5.2 Taxation (4)

BUSINESS ROLES

6.6 Outline any FOUR problem-solving steps. (4)

6.7 Identify the King Code principle illustrated in EACH statement below.

6.7.1 Rocky Traders publishes the value of their shares in their financial reports. (2)

6.7.2 The directors of John Shoes Ltd take responsibility for their decisions and actions. (2)

6.8 Mr Nel is employed as a sales representative. He is subjected to unfair treatment in the workplace. Explain the correct procedure that he should follow to deal with his grievance. (8)

BUSINESS OPERATIONS

6.9 Read the scenario below and answer the questions that follow.

CLEANCUT BUTCHERY (CB)

Cleancut Butchery employs ten dedicated workers who always meet deadlines. CB has decided to offer them free accommodation and medical aid as a token of appreciation for good service.

6.9.1 Name TWO types of fringe benefits offered by CB. (2)

6.9.2 Discuss the advantages of fringe benefits for CB. (6)

6.10 Analyse the negative impact on businesses if TQM is poorly implemented. (8)
[60]

TOTAL SECTION B: 180

SECTION C

Answer ANY TWO questions in this section.

NOTE: Clearly indicate the QUESTION NUMBER of the chosen question. The answer to EACH question must start on a NEW page, for example QUESTION 7 on a NEW page, QUESTION 8 on a NEW page, et cetera.

QUESTION 7: BUSINESS ENVIRONMENTS (LEGISLATION)

The relationship between employers and employees is guided by the Labour Relations Act (LRA), 1995 (Act 66 of 1995). Businesses who do not comply with this Act may face penalties.

As a labour relations expert, provide a detailed report on the following aspects of the Labour Relations Act:

- Outline the rights of employers and employees according to the LRA.
- Discuss the purpose of the Labour Relations Act.
- Evaluate the impact of this Act on businesses.
- Recommend ways in which businesses can comply with the LRA.

[40]**QUESTION 8: BUSINESS VENTURES (INSURANCE AND PRESENTATION)****SMARTSURANCE (SS)**

Mr Funa is an insurance broker at Smartsurance. He has to do a presentation on different types of insurance products at a meeting of local business owners. He is also expected to convince potential clients on the importance of insurance.

Mr Funa needs details on the following aspects to be included in his presentation. He requires you to:

- Distinguish between *compulsory* and *non-compulsory insurance*. Give TWO practical examples of each.
- Explain the importance of insurance for businesses.
- Discuss THREE principles of insurance.
- Advise him on how he can improve his next presentation.

[40]

QUESTION 9: BUSINESS ROLES (SOCIAL RESPONSIBILITY AND CORPORATE CITIZENSHIP)

Businesses are compelled to initiate corporate social responsibility (CSR) programmes that are aimed at enhancing the quality of life of communities. Some businesses believe that they should not be expected to invest in corporate social investment (CSI) projects as these are not the primary objectives of their business.

Support the above argument by referring to the following aspects:

- Describe differences between *CSR* and *CSI*.
- Evaluate the impact of *CSI* on businesses.
- Explain the relationship between social responsibility and triple bottom line.
- Recommend FIVE ways in which businesses can contribute time and effort to advance the well-being of their employees.

[40]**QUESTION 10: BUSINESS OPERATIONS (HUMAN RESOURCES AND QUALITY OF PERFORMANCE)****SHAKES MANUFACTURING LTD (SML)**

Shakes Manufacturing Ltd is a large business specialising in the manufacturing of school uniforms. Schools are not happy with the quality of SML's products. The management of SML wants to recruit and appoint a production manager to monitor and evaluate their quality processes.

Provide a detailed report on the following aspects:

- Explain the recruitment procedure that SML should follow to fill the vacancy.
- Advise SML on the benefits of inducting the production manager.
- Elaborate on the advantages of monitoring and evaluating SML's quality processes as a TQM element.
- Recommend ways in which the general manager of SML can contribute to the quality of performance of the business.

[40]**TOTAL SECTION C: 80**
GRAND TOTAL: 300