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Department:
Basic Education
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NATIONAL SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES

FEBRUARY/MARCH 2018

MARKS: 300

TIME: 3 hours

This question paper consists of 15 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of **THREE** sections and covers all **FOUR** 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. 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 D.

1.1.1 The ... makes provision for the establishment of the CCMA and bargaining councils.

- A National Credit Act, 2005 (Act 34 of 2005)
- B Consumer Protection Act, 2008 (Act 68 of 2008)
- C Employment Equity Act, 1998 (Act 55 of 1998)
- D Labour Relations Act, 1995 (Act 66 of 1995)

1.1.2 Comfort Furniture specialises in the distribution of office furniture. It operates in the ... sector.

- A primary
- B secondary
- C tertiary
- D public

1.1.3 Clinton invested R2 000 in a savings account at ABC Bank at 8% simple interest per year. He will earn ... interest after two years.

- A R160
- B R320
- C R2 160
- D R2 320

1.1.4 The government holds the majority of shares in this form of ownership:

- A Sakhisizwe SOC Ltd
- B Neil (Pty) Ltd
- C Johns Ltd
- D Zamani and Son

1.1.5 Team members gather information and impressions about each other in this stage of team development:

- A Mourning/Adjourning
- B Storming
- C Norming
- D Forming

- 1.1.6 The right to choose and practise a religion is an example of ... rights.
- A economic
 - B social
 - C consumer
 - D cultural
- 1.1.7 Creative thinking in the workplace means ... to solve business problems.
- A using old ways
 - B generating innovative ideas
 - C using routine thinking
 - D allowing one employee
- 1.1.8 The process of matching a new employee's skills and abilities with the requirements of a job:
- A Selection
 - B Job analysis
 - C Placement
 - D Recruitment
- 1.1.9 The ... function ensures that accurate information is available to management for decision-making.
- A financial
 - B administration
 - C public relations
 - D marketing
- 1.1.10 The role of the interviewer is to ...
- A know the job specification and job description.
 - B explain how he/she has dealt with past mistakes.
 - C know his/her strengths and weaknesses and be prepared to discuss it.
 - D ask the same candidates different questions. (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.

dispute; National Skills; manager; fixed deposits; grievance;
leader; RSA Retail Savings Bonds; forced combinations;
quality management; public relations

- 1.2.1 The ... Development Strategy guides the responsibilities of education and training stakeholders in South Africa.
- 1.2.2 Gert inspires his workers to do their best. He is therefore a good ...
- 1.2.3 An employee lodges a ... through a formal, written complaint to senior management.
- 1.2.4 The National Treasury of South Africa offers ... as a secure investment option.
- 1.2.5 Business operations meet the required standards through ... (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	SETA	A	an amount paid out due to loss of life
1.3.2	Fronting	B	keep staff informed of latest quality standards
1.3.3	Security	C	solve business problems by consulting experts individually
1.3.4	Force-field analysis	D	ensures equity in the workplace
1.3.5	Involvement of all employees/People-based management	E	an amount paid out below market value
		F	appointing black people in managerial positions
		G	solve business problems by considering the pros and cons
		H	misrepresentation of a company's BEE status
		I	pays grants to businesses based on their workplace skills plans
		J	keep shareholders satisfied with the quality standard

(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 List the THREE types of integration strategies. (3)

2.2 Name THREE types of business environments and state the extent of control businesses have over EACH environment.

Redraw the table below in the ANSWER BOOK to answer this question.

BUSINESS ENVIRONMENTS	EXTENT OF CONTROL
(a)	
(b)	
(c)	

(9)

2.3 Explain the provisions of the Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997) in terms of:

2.3.1 Sick leave

2.3.2 Annual leave

2.3.3 Maternity leave (3 x 2) (6)

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

BARKER INCORPORATED (BI)	
An employee of Barker Incorporated lost his hand due to an injury sustained while performing his duties. The management of the company is refusing to submit the claim to the Compensation Fund as they did not register the employee with the commissioner of the Compensation Fund.	

2.4.1 Identify the Act that allows employees to claim for workplace injuries. Motivate your answer by quoting from the scenario above. (3)

2.4.2 Discuss the penalties that Barker Incorporated may face for not complying with the Act identified in QUESTION 2.4.1. (6)

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

ROYAL STAR HOTEL (RSH)

The management of Royal Star Hotel want to improve their strategic management process. They conducted an environmental scan and identified the following challenges:

- Many workers are late for work.
- The new Dawn Hotel charges lower prices for similar services.
- RSH is located in an area where the unemployment rate is high.

2.5.1 List the THREE industrial analysis tools that could be applied during the environmental scan. For EACH tool, quote ONE challenge from the scenario above. (9)

2.5.2 Advise RSH on how to conduct their strategic management process. (6)

2.6 Recommend ways in which the business may comply with the Employment Equity Act (EEA), 1998 (Act 55 of 1998). (8)

2.7 Evaluate the impact of the Skills Development Act (SDA), 1998 (Act 97 of 1998) on businesses. (10)
[60]

QUESTION 3: BUSINESS VENTURES

3.1 Identify the type of visual aid presented in EACH case below:

3.1.1 The financial manager is using slides to present financial reports to stakeholders.

3.1.2 The sales manager listed figures for November, December and January in columns to indicate sales turnover.

3.1.3 PSP Auditors are using web cameras on laptops and tablets to conduct meetings with stakeholders at distant locations. (3 x 2) (6)

3.2 Name FOUR factors that the presenter should consider during a presentation. (8)

3.3 Explain the differences between the *democratic leadership style* and the *autocratic leadership style*. (8)

3.4 Elaborate on the meaning of *compound interest*. (4)

3.5 Read the statement below and answer the questions that follow.

Insuring assets against theft, damage, fire and burglary is essential for every business. Businesses should also plan carefully for risks which are not insurable.

3.5.1 Quote THREE examples of insurable risks from the scenario above. (3)

3.5.2 Explain the term *non-insurable risks* and give ONE example of such a risk. (3)

3.5.3 Advise businesses on the importance of insurance. (8)

3.6 Discuss THREE types of benefits covered by the Unemployment Insurance Fund (UIF). (9)

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

MAPULE HAIRDRESSING SALON (MHS)

Mapule Hairdressing Salon specialises in the latest unisex hair styles. Mapule is the only owner of the business and is also responsible for all business risks.

3.7.1 Identify the form of ownership of MHS. Motivate your answer by quoting from the scenario above. (3)

3.7.2 Explain how *division of profits* and *legislation* may influence the success and/or failure of the form of ownership identified in QUESTION 3.7.1. (8)
[60]

QUESTION 4: BUSINESS ROLES

4.1 Name FOUR human rights in the workplace. (4)

4.2 Indicate in EACH case below whether it represents an *unethical* or *unprofessional* business practice.

4.2.1 JJ Motors advertised a second-hand vehicle as new.

4.2.2 The receptionist of Mano's Consulting is using the office telephone for personal calls.

4.2.3 The owner of Timmy Shuttles did not keep his promise to deal with the complaints of the clients.

4.2.4 Getz Manufactures used some of the ideas of Fanon Manufactures in the design of their new products.

4.2.5 Lessing Engineers did not declare all their income to SARS. (5 x 2) (10)

- 4.3 Discuss the disadvantages of corporate social investment (CSI) for communities. (8)
- 4.4 Explain the implications of equality, respect and dignity for businesses. (6)
- 4.5 Read the scenario below and answer the questions that follow.

DORFS FINANCIAL SERVICES LTD (DFS)

Dorfs Financial Services Ltd is failing to attract potential investors due to the company's poor performance. The shareholders discovered from whistle-blowers that the company's poor performance is the result of a lack of competency in the board of directors. The directors of DFS are denying this allegation.

Redraw the table below in the ANSWER BOOK and then answer the questions that follow.

POOR CORPORATE GOVERNANCE (4.5.1)	KING CODE PRINCIPLE (4.5.2)	APPLICATION (4.5.3)
(a)		
(b)		

- 4.5.1 Quote TWO examples of poor corporate governance from the scenario above. (2)
- 4.5.2 Identify the TWO King Code principles for good corporate governance that DFS did not apply. (4)
- 4.5.3 Advise DFS on how to apply each King Code principle identified in QUESTION 4.5.2 to improve their corporate governance. (8)
- 4.6 Evaluate the impact of the Delphi technique in solving business problems. (8)
- 4.7 Suggest ways in which businesses could protect the environment and promote human health in the workplace. (10)
- [60]**

QUESTION 5: BUSINESS OPERATIONS

- 5.1 State FIVE aspects that should be included in an induction programme. (5)
- 5.2 Discuss the purpose of an interview as an activity of the human resources function. (6)
- 5.3 Explain *screening* as part of the selection procedure. (4)

- 5.4 Read the scenario below and answer the questions that follow.

SMART CONSTRUCTION (SC)

Gail and Chris are employees of Smart Construction. Gail is remunerated according to the number of hours spent at work and Chris according to the number of houses built. Gail's employment contract has recently been terminated due to regular absence from work.

- 5.4.1 Name the methods of remuneration applicable to Gail and Chris. Motivate your answer by quoting from the scenario above.

Redraw the table below in the ANSWER BOOK and then answer this question.

METHODS OF REMUNERATION	MOTIVATION
Gail:	
Chris:	

(6)

- 5.4.2 Quote the reason for the termination of Gail's employment contract from the scenario above.

(1)

- 5.4.3 Give TWO other reasons for terminating an employment contract.

(4)

- 5.5 Distinguish between *job description* and *job specification*.

(8)

- 5.6 Read the scenario below and answer the questions that follow.

HUGO SHOE FACTORY (HSF)

Hugo Shoe Factory bought raw materials from Simba Suppliers who did not deliver on time. This resulted in delays in the manufacturing process. HSF is concerned about their productivity levels.

Redraw the table below in the ANSWER BOOK and then answer the questions that follow.

BUSINESS FUNCTIONS (5.6.1)	QUALITY INDICATORS (5.6.2)
(a)	
(b)	

- 5.6.1 Identify TWO business functions that are directly affected by the challenges in the scenario above.

(4)

- 5.6.2 Advise HFL on the quality indicators for EACH business function identified in QUESTION 5.6.1.

(8)

- 5.7 Explain the differences between *quality control* and *quality assurance*.

(8)

- 5.8 Advise businesses on the role of quality circles in improving the quality of their products and services.

(6)

[60]

QUESTION 6: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS**

- 6.1 Identify the relevant pillar of the Broad-Based Black Economic Empowerment Act (BBEE), 2003 (Act 53 of 2003) that Abil Bricks & Tiling Ltd complied with in EACH case below.
- 6.1.1 Thandi and Tsego were promoted to senior positions.
- 6.1.2 Previously disadvantaged employees were invited to buy shares in the company.
- 6.1.3 Employees are encouraged to attend training sessions regularly.
- 6.1.4 The human resources manager ensures that everyone is given an equal opportunity to apply for a vacancy. (4 x 2) (8)
- 6.2 Explain the differences between *market development* and *product development*. (8)

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- 6.3 Discuss situational leadership as a management and leadership theory. (8)
- 6.4 Read the scenario below and answer the questions that follow.

KAY BED & BREAKFAST (KBB)

Kay Bed & Breakfast insured their property for R600 000, but the property is valued at R800 000. Fire destroyed part of the property and damages amounted to R500 000.

- 6.4.1 Identify the insurance clause that will be applied to KBB's claim for damages. (2)
- 6.4.2 Calculate the amount that the insurer will pay KBB for damages incurred. (4)

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- 6.5 Name FOUR components of corporate social responsibility (CSR). (4)
- 6.6 Explain the responsibilities of workers in promoting human health and safety in the workplace. (4)
- 6.7 Recommend ways in which businesses can contribute to the well-being of their employees. (6)

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6.8 Give FOUR examples of fringe benefits in the workplace. (4)

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

JULIA CLOTHING MANUFACTURERS (JCM)

Tudo has started working at JCM as a forklift operator recently. He was requested to read and sign the employment contract, which included his remuneration and details on the termination of the contract.

6.9.1 Quote TWO aspects from the scenario above, included in Tudo's employment contract. (2)

6.9.2 Advise JCM on any other TWO aspects that must be included in the employment contract. (4)

6.10 Explain how total quality management (TQM) may impact on the reduction of the cost of quality. (6)
[60]

TOTAL SECTION B: 180

SECTION C

Answer ANY TWO questions in this section.

NOTE: Clearly indicate the QUESTION NUMBER of each question chosen. 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 Consumer Protection Act (CPA), 2008 (Act 68 of 2008) promotes consumer rights. The National Credit Act (NCA), 2005 (Act 34 of 2005) was introduced to ensure that businesses address the needs of the consumer credit market. These Acts are beneficial to both businesses and consumers.

You are an expert in consumer legislation. Write an essay on the following aspects:

- Discuss FOUR consumer rights according to the Consumer Protection Act (CPA).
- Explain the purpose of the National Credit Act (NCA).
- Evaluate the impact of the NCA on businesses.
- Recommend ways in which businesses can comply with the NCA.

[40]**QUESTION 8: BUSINESS VENTURES (INVESTMENT: SECURITIES)****MPHO CAR WASH**

Recently Mpho Car Wash made large profits due to excellent services rendered. Mpho, the owner, wants to invest his surplus funds in unit trusts and buy shares which are listed on the Johannesburg Security Exchange Ltd (JSE).

Write an essay to guide Mpho on the following investment aspects:

- Discuss the functions of the JSE.
- Explain the following factors that must be considered when making investment decisions:
 - Return on investment
 - Investment period
 - Liquidity
- Describe FOUR types of shares.
- Advise Mpho on the effectiveness of unit trusts as a good investment.

[40]

QUESTION 9: BUSINESS ROLES (DIVERSITY AND CONFLICT MANAGEMENT)

Businesses employ people who have different ways of doing things, which may lead to conflict. It is important that businesses identify diversity issues and find ways to deal with them. Businesses should be well informed about handling conflict in the workplace.

Write an essay on the following aspects:

- Discuss the benefits of a diverse work force.
- Suggest ways in which businesses may deal with *language* and *age* as diversity issues in the workplace.
- Explain the causes of conflict in the workplace.
- Advise businesses on how they should handle conflict in the workplace.

[40]**QUESTION 10: BUSINESS OPERATIONS (QUALITY MANAGEMENT)****ZAMALEK LTD (ZL)**

Zamalek Ltd (ZL) lost customers due to the poor quality of their products. Their management does not know how to implement total quality management (TQM) to ensure the continuous provision of quality products and services to their customers.

Consider the statement above and provide a detailed account on the following aspects:

- Explain the negative impact on ZL if TQM is poorly implemented.
- Discuss the benefits of a good quality management system.
- Evaluate the impact of the following TQM elements on ZL:
 - Total client/customer satisfaction
 - Continuous skills development/Education and training
- Advise ZL on how they should apply the PDCA model/cycle in order to improve the quality of their products.

[40]

TOTAL SECTION C:	80
GRAND TOTAL:	300