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Department:
Basic Education
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SENIOR CERTIFICATE EXAMINATIONS

BUSINESS STUDIES

2018

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 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, e.g. QUESTION 1 – new page, QUESTION 2 – new page, etc.
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 numbers (1.1.1 to 1.1.10) in the ANSWER BOOK, e.g. 1.1.11 B.

1.1.1 This Act regulates the implementation of affirmative action when businesses make new appointments:

- A Consumer Protection Act, 2008 (Act 68 of 2008)
- B Employment Equity Act, 1998 (Act 55 of 1998)
- C Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003)
- D Labour Relations Act, 1995 (Act 66 of 1995)

1.1.2 Yashika Supermarket has ... control over challenges related to its vision and mission statement.

- A full
- B no
- C limited
- D little

1.1.3 It is compulsory for ... to hold an annual general meeting for its shareholders.

- A Shark Tale General Dealer (Pty) Ltd
- B Shrek Building Appliances CC
- C Incredible Toy Store Ltd
- D Healthy Living NPC

1.1.4 This aspect should be considered when designing a multimedia presentation:

- A Prepare for the feedback session
- B Cover a large amount of information
- C Keep eye contact with the audience
- D Choose relevant images

1.1.5 Thrums Traders insured their building for R80 000. The actual value of the building is R100 000. Damages caused by fire amounted to R50 000. What will be the compensation for the loss?

- A R100 000
- B R80 000
- C R62 500
- D R40 000

- 1.1.6 Businesses use team dynamics theories to ...
- A promote total satisfaction.
 - B allocate tasks according to the roles of team members.
 - C allocate tasks to team members with similar personalities.
 - D encourage competition within teams.
- 1.1.7 When resolving differences between employees in the workplace, management needs to ...
- A dismiss the affected worker.
 - B shift the blame.
 - C address the causes of conflict.
 - D transfer the difficult worker.
- 1.1.8 The process a senior manager uses to choose the best solution, is known as...
- A problem solving.
 - B routine thinking.
 - C decision making.
 - D brainstorming.
- 1.1.9 A framework that businesses use to manage key processes to maintain good standards:
- A Quality control
 - B Quality management system
 - C Quality management
 - D Quality performance
- 1.1.10 The process of choosing the five most suitable candidates for the job is known as ...
- A interview.
 - B recruitment.
 - C reference checking.
 - D shortlisting.
- (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 numbers (1.2.1 to 1.2.5) in the ANSWER BOOK.

debenture holders; Jungian; administration; description; interest;
Belbin; dividend; marketing; shareholders; specification

- 1.2.1 The job ... outlines the minimum requirements of a vacancy.
- 1.2.2 A reward paid out to shareholders on the profits of the business is known as ...
- 1.2.3 Investors who lend money to a company are called ...
- 1.2.4 The ... theory is based on the idea that people are born with preferences for certain attitudes and functions.
- 1.2.5 Keeping business information up to date is the responsibility of the ... function. (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 numbers (1.3.1 to 1.3.5) in the ANSWER BOOK, e.g. 1.3.6 K.

COLUMN A		COLUMN B	
1.3.1	Consumer Protection Act	A	new candidates bring new talents and ideas to the business
1.3.2	Learnership	B	compels businesses to focus only on increasing profitability
1.3.3	Triple bottom line	C	a vacancy advertised on the notice board and in the newsletters of the business
1.3.4	External recruitment	D	consumers can lodge complaints with the National Credit Regulator
1.3.5	National Skills Development Strategy	E	obtaining skills without receiving a formal qualification
		F	includes action plans to ensure that the level of post-school education and training improves
		G	a framework that serves as a guideline for responsible and sustainable business practice
		H	stipulates that businesses may not market or sell goods at unfair prices
		I	a framework that classifies the levels of occupational qualifications
		J	includes practical work experience as part of training

(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, e.g. QUESTION 2 on a NEW page, QUESTION 3 on a NEW page, etc.

QUESTION 2: BUSINESS ENVIRONMENTS

- 2.1 List any FOUR forces of Porter's Five Forces model. (4)
- 2.2 Outline the role of SETAs in supporting the Skills Development Act, 1998 (Act 97 of 1998). (10)
- 2.3 Identify the pillar of the Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003) that Mpho Auditors has complied with in EACH statement below:
- 2.3.1 Mpho Auditors uses Themba Shuttle services to transport their employees.
- 2.3.2 They have donated laptops to schools in rural areas.
- 2.3.3 A learnership programme has been offered to all their employees.
- 2.3.4 Mpho Auditors has promoted two black females as heads of various departments.
- 2.3.5 They have invited the Bakwena community to buy shares in their company. (10)
- 2.4 Distinguish between *product development* and *market development*. (8)
- 2.5 Read the scenario below and answer the questions that follow.

MANGO GROOVE MANUFACTURERS (MGM)

Mango Groove Manufacturers employed 50 workers to manufacture office furniture. MGM did not provide their employees with protective clothing and equipment. While operating a machine Gert permanently injured his arm. MGM advised him not to report the injury since they did not take the necessary precautions, according to the Act.

- 2.5.1 Name the Act MGM violated in the scenario above. (2)
- 2.5.2 Discuss the negative impact of the Act, identified in QUESTION 2.5.1, on MGM. (8)

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

SUPER ENERGY ENTERPRISE (SEE)

Super Energy Enterprise produce maize meal and instant soft porridge. They buy their raw material from Early Bird Maize Farm which is out of stock sometimes. SEE employees are regularly absent from work. The local government has instructed the management of SEE to register their products with the South African Bureau for Standards.

2.6.1 Name the business sector in which Super Energy Enterprise is operating. (1)

2.6.2 Identify THREE challenges for SEE's business and classify EACH challenge according to the business environment.

Use the table below to answer this question.

CHALLENGE	BUSINESS ENVIRONMENT
(a)	
(b)	
(c)	

(9)

2.7 Analyse the impact of the National Credit Act, 2005 (Act 34 of 2005) on businesses. (8)
[60]

QUESTION 3: BUSINESS VENTURES

3.1 State any FOUR types of Unemployment Insurance Fund (UIF) benefits. (4)

3.2 Identify the type of preference share represented by EACH of the statements below.

3.2.1 Shareholders are entitled to share in any surplus profits. (2)

3.2.2 Shareholders are compensated for past dividends that were not paid out when profits were too low to declare dividends. (2)

3.3 Name THREE other types of preference shares. (6)

3.4 Explain the functions of the Johannesburg Securities Exchange (JSE). (8)

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

Z AND Q ATTORNEYS (Z&Q)

Zama and Quinton are qualified lawyers who have started a business, called Z and Q Attorneys, which lacks continuity. They want to convert their business into a personal liability company.

3.5.1 Name the form of ownership that Zama and Quinton are currently operating. Support your answer by quoting from the scenario above. (3)

3.5.2 Describe the success factors of the form of ownership identified in QUESTION 3.5.1 and those of a personal liability company.

Use the table and criteria below to answer this question.

CRITERIA	FORM OF OWNERSHIP IDENTIFIED (3.5.1)	PERSONAL LIABILITY COMPANY
(a) Management		
(b) Taxation		
(c) Division of profits		

(12)

3.6 Discuss the *transformational leadership theory*. (6)

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

AYISHA'S PRESENTATION

Ayisha presented her sales figures to various stakeholders. At the end of her presentation she ensured that no member of the audience dominated the discussions. She apologised for making an error in her presentation and acknowledged good questions.

3.7.1 Quote THREE ways from the scenario in which Ayisha responded to questions after her presentation. (3)

3.7.2 Advise Ayisha on other ways in which to respond to questions after a presentation. (8)

3.8 Discuss the following factors that should be considered when making investment decisions:

3.8.1 Inflation (2)

3.8.2 Investment period (2)

3.8.3 Return on investment (2)

[60]

QUESTION 4: BUSINESS ROLES

- 4.1 Name THREE King Code principles of good corporate governance. (3)
- 4.2 State THREE causes of conflict in the workplace. (3)
- 4.3 Identify the diversity issue addressed by Nedlim Ltd in EACH statement below:
- 4.3.1 Nedlim Ltd offers a menu that caters for various population groups.
- 4.3.2 The staff consists of young and old employees.
- 4.3.3 There are special facilities for physically challenged employees.
- 4.3.4 Nedlim Ltd employed an interpreter so that all employees can fully understand what is being said during meetings. (8)
- 4.4 Differentiate between *corporate social responsibility* and *corporate social investment*. (4)
- 4.5 Read the scenario below and answer the questions that follow.

DREAM TEAM (DT)

Dream Team is a group of computer science graduates who want to undertake a research project. They were comfortable with each other during their first meeting.

- 4.5.1 Identify the stage of team development that is applicable to the scenario above. Motivate your answer by quoting from the scenario. (3)
- 4.5.2 Discuss THREE other stages of team development. (9)
- 4.5.3 Advise DT's team leader on the implications of equality, respect and dignity on businesses. (6)
- 4.6 Explain the correct procedure to deal with grievances in the workplace. (8)
- 4.7 Recommend ways in which businesses can contribute to the wellbeing of their employees. (8)
- 4.8 Suggest TWO strategies businesses can use to deal with the following unethical business practises:
- 4.8.1 Sexual harassment (4)
- 4.8.2 Pricing of goods in rural areas (4)

[60]

QUESTION 5: BUSINESS OPERATIONS

- 5.1 State SIX aspects that should be included in an induction programme. (6)
- 5.2 Outline the selection procedure as an activity of the human resources function. (6)
- 5.3 Describe the role of the interviewee/applicant during an interview. (8)
- 5.4 Read the scenario below and answer the questions that follow.

EZWENI FURNISHERS (EF)

Ezweni Furnishers have appointed Themba and Thoko as sales managers. They are both paid according to the number of units sold. They also enjoy fringe benefits offered by EF.

- 5.4.1 Identify the method used by EF to determine Themba and Thoko's salaries. Motivate your answer by quoting from the scenario. (3)
- 5.4.2 Evaluate the impact of fringe benefits on businesses. (8)
- 5.5 Explain the difference between *quality performance* and *quality management*. (4)
- 5.6 Read the scenario below and answer the questions that follow.

NAIDOO SPICES (NS)

Naidoo Spices is a large business that specialises in selling different types of spices. The management of NS always requests their buyers to complete a questionnaire on the quality of their products and services.

NS has requested their quality circles to make suggestions on how to improve the quality of their products. Employees are also requested to bring new and innovative ideas on how to satisfy the needs of their clients.

- 5.6.1 Quote THREE statements from the scenario above and link EACH ONE to a specific element of total quality management (TQM).

Use the table below to answer this question.

STATEMENT FROM THE SCENARIO	TQM ELEMENTS

- (9)
- 5.6.2 Discuss the importance of quality circles in TQM. (8)
- 5.7 Recommend ways in which businesses could improve the quality of performance within the purchasing function. (8)

[60]

QUESTION 6: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS**

- 6.1 Identify the type of business strategy illustrated in EACH of the statements below.
- 6.1.1 Alex Clothing Manufacturers took over Class Clothing Retailers for efficiency and profitability.
- 6.1.2 Moyeni Supermarkets in Potchefstroom reduced the prices of their products to increase sales.
- 6.1.3 Exclusive Books expanded their business by selling stationery to attract new customers. (6)
- 6.2 Discuss the impact of the Labour Relations Act, 1995 (Act 66 of 1995) on businesses. (8)

BUSINESS VENTURES

- 6.3 Differentiate between *limited* and *unlimited* liability. (4)
- 6.4 Read the scenario below and answer the questions that follow.

RETHABILE TRAINING AND LOGISTICS (RTL)

Rethabile Training and Logistics have increased their number of clients because of the quality of the services offered by the business. The management of RTL have instructed the bank to manage their investment in a diverse portfolio managed by a specialist.

- 6.4.1 Identify the type of investment option that is applicable to the scenario above. (2)
- 6.4.2 Discuss the advantages of the type of investment identified in QUESTION 6.4.1. (6)
- 6.5 Identify the type of compulsory insurance applicable to EACH statement below.
- 6.5.1 Nathalie broke her leg when her car collided with another car and she is demanding compensation. (2)
- 6.5.2 Piet lost his job due to retrenchment and he is claiming compensation from the Department of Labour. (2)

BUSINESS ROLES

- 6.6 Name any FOUR types of problem-solving techniques. (4)
- 6.7 Discuss the advantages of creative thinking in the workplace. (6)
- 6.8 Recommend ways in which professional, responsible, ethical and effective business practices should be conducted. (6)

BUSINESS OPERATIONS

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

NIVEN GRILLED CHICKEN (NGC)

Niven Grilled Chicken (NGC) sold grilled chicken to a variety of customers. NGC were known for the high quality of their chickens and obtained a large market share. Then the management of NGC neglected the implementation of certain total quality management (TQM) elements. NGC received poor publicity due to the low quality of some products. Their profits also declined resulting in investors withdrawing their money.

- 6.9.1 Quote TWO results of poor implementation of TQM by NGC from the scenario above. (2)
- 6.9.2 Explain the impact if TQM is poorly implemented by businesses, except those mentioned in QUESTION 6.9.1. (6)
- 6.9.3 Advise NGC on the benefits of a good quality management system. (6)
- [60]**

TOTAL SECTION B: 180

SECTION C

Answer ANY TWO questions in this section.

NOTE: Clearly indicate the QUESTION NUMBER of each chosen question. The answer to EACH question must start on a NEW page, e.g. QUESTION 7 on a NEW page, QUESTION 8 on a NEW page, etc.

QUESTION 7: BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)**ZYL MANUFACTURERS (ZM)**

ZM specialise in the manufacturing of men's clothing. The business is struggling to pay its creditors due to the high inflation rate. ZM need to conduct the strategic management process in order to devise the best strategy that will assist them to overcome the challenges of the macro environment.

Write an essay on the strategic management process. Include the following aspects in your response:

- Outline TWO aspects that should be considered during the initial stages of the strategic management process.
- Explain how ZM can apply the PESTLE model to deal with the challenges of the macro environment.
- Describe THREE types of defensive strategies that businesses may use to deal with challenges in the business environment.
- Advise ZM on the steps that they should consider when evaluating strategies.

[40]**QUESTION 8: BUSINESS VENTURES (MANAGEMENT AND LEADERSHIP)**

Managers and leaders have realised that they need both management and leadership skills for successful business ventures. They are also in agreement that personal attitude plays an important role in promoting a good team spirit.

With reference to the statement above, write an essay on the following aspects:

- Give THREE differences between *management* and *leadership*.
- Discuss the role of personal attitude in successful leadership.
- Analyse the impact of *democratic* and *laissez-faire/free reign* leadership styles on businesses.
- Recommend situations in which the above-mentioned leadership styles could be applied in the workplace.

[40]

QUESTION 9: BUSINESS ROLES (ECONOMIC RIGHTS AND ENVIRONMENTAL ISSUES)

Businesses must ensure that the economic rights of employees are observed and respected at all times. However, employees also have the responsibility to protect the workplace environment with the support of the health and safety representatives.

As an expert on economic rights and environmental issues, address the following aspects in your essay:

- Outline the economic rights of employees in the workplace.
- Explain the responsibilities of employers and employees in protecting the workplace environment.
- Discuss the roles of health and safety representatives in protecting the workplace environment.
- Suggest ways in which businesses could protect the environment and human health in the workplace.

[40]**QUESTION 10: BUSINESS OPERATIONS (HUMAN RESOURCES)****TOMMY FINANCIAL SERVICES (TFS)**

Tommy Financial Services specialise in accounting and taxation services and are looking for an experienced accountant within the business. The new employee is expected to sign an employment contract and to be placed where he/she will function effectively. The new employee will have to undergo in-service training as well.

Keeping the scenario above in mind, write an essay on the following aspects:

- Discuss the impact of internal recruitment on businesses.
- Explain the legal requirements of an employment contract to TFS.
- Advise TFS on the correct placement procedure.
- Elaborate on the implications of the Skills Development Act, 1998 (Act 97 of 1998) for the human resources function.

[40]

TOTAL SECTION C:	80
GRAND TOTAL:	300