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Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES

NOVEMBER 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 D.

1.1.1 This Act protects employers from a financial burden should employees be involved in an accident at the workplace:

- A Consumer Protection Act, 2008 (Act 68 of 2008)
- B Skills Development Act (SDA), 1998 (Act 97 of 1998)
- C Compensation for Occupational Injuries and Diseases Act (COIDA), 1997 (Act 61 of 1997)
- D Labour Relations Act (LRA), 1995 (Act 66 of 1995)

1.1.2 It was easy for Dada Fish & Chips to acquire a trading licence. This refers to the ... as an element of Porter's Five Forces.

- A power of suppliers
- B threat of substitution/substitutes
- C power of buyers
- D threats/barriers for new entrants to the market

1.1.3 John, a vegetable farmer, implemented the ... integration strategy when he bought the fruit and vegetable stall that sells his products.

- A backward
- B forward
- C intensive
- D horizontal

1.1.4 This form of ownership is established by a group of people who agree to work together for their mutual economic benefit:

- A Cooperative
- B Close corporation
- C Personal-liability company
- D Private company

1.1.5 The amount that the insured must pay when a claim is lodged:

- A Excess
- B Premium
- C Book value
- D Interest

- 1.1.6 A/An ... leader ensures that employees follow strict rules and procedures when performing their tasks.
- A bureaucratic
 - B democratic
 - C autocratic
 - D laissez-faire/free-reign
- 1.1.7 Team dynamic theories help businesses to ...
- A allocate tasks to team members with similar personalities.
 - B allocate tasks according to the role of each team member.
 - C establish good relationships with teams.
 - D promote individual satisfaction.
- 1.1.8 A King Code principle that requires companies to have their financial statements audited regularly:
- A Profitability
 - B Responsibility
 - C Sustainability
 - D Transparency
- 1.1.9 A small group of voluntary workers that meets regularly to discuss quality-related matters in the workplace:
- A Quality circles
 - B Shop stewards
 - C Quality managers
 - D Employee representatives
- 1.1.10 Gerald lost his job at Green Industries, therefore he is entitled to claim from the ... Fund.
- A Road Accident
 - B Compensation
 - C Medical Aid
 - D Unemployment Insurance
- (10 x 2) (20)

- 1.2 Complete the following statements by using the words provided 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.

dismissed; compulsory; liability policies; language;
business plan; race; retrenched; strategy; fringe; retirement annuities

- 1.2.1 A ... is the plan of action used by businesses to solve challenges.
- 1.2.2 An investor can only withdraw money from ... when he/she reaches a certain age.
- 1.2.3 A business that appoints an interpreter for meetings is addressing ... as a diversity issue.
- 1.2.4 Econ Traders offer housing allowances as a ... benefit to attract new employees.
- 1.2.5 Tim's employment contract was not renewed because he was ... due to gross misconduct. (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	Annual leave	A	conduct preliminary interviews to identify suitable applicants
1.3.2	Bar graph	B	only young people are considered for appointments
1.3.3	Inclusivity	C	disagreement between two or more parties in the workplace
1.3.4	Grievance	D	visualise a whole unit and the proportion of its components
1.3.5	Selection	E	attracting suitable candidates to apply for a vacant post
		F	employees are entitled to 21 consecutive days
		G	a set of sales figures shown as a series of rectangles
		H	when an employee has a complaint in the workplace
		I	people from different backgrounds are employed
		J	employees are entitled to six weeks in a three-year cycle

(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 FOUR pillars of the Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003). (4)
- 2.2 Outline the role of SETAs in supporting the Skills Development Act, 1998 (Act 97 of 1998). (8)
- 2.3 Read the scenario below and answer the questions that follow.

DUKA MINES (DM)		
Duka Mines specialise in the extraction of platinum. Their suppliers of mining equipment have increased their prices by more than 20%. The supervisor does not have a good working relationship with his employees. DM can no longer export their products due to an increase in the exchange rate.		

- 2.3.1 Name the business sector in which DM operates. Motivate your answer by quoting from the scenario above. (3)

Use the table below as a guide to answer the questions that follow.

CHALLENGES (2.3.2)	BUSINESS ENVIRONMENTS (2.3.3)	EXTENT OF CONTROL (2.3.4)
1.		
2.		
3.		

- 2.3.2 Quote THREE challenges from the scenario above that Duka Mines have to deal with. (3)
- 2.3.3 Classify EACH challenge quoted in QUESTION 2.3.2 according to the business environment. (3)
- 2.3.4 State the extent of control that DM has over EACH business environment. (3)
- 2.4 Describe THREE types of diversification strategies. (9)
- 2.5 Explain the purpose of the Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997). (6)

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

SPEEDY DRYCLEANERS (SD)

Speedy Drycleaners advertised a vacant post for a receptionist in the newspaper. People with disabilities were encouraged to apply for this vacant position.

- 2.6.1 Identify the Act that was applied by Speedy Drycleaners. Motivate your answer by quoting from the scenario above. (3)
- 2.6.2 Evaluate the impact of the Act, identified in QUESTION 2.6.1, on businesses. (8)
- 2.7 Advise businesses on steps that they should follow when evaluating a strategy. (10)
- [60]**

QUESTION 3: BUSINESS VENTURES

- 3.1 Give THREE examples of insurable risks. (3)
- 3.2 Outline TWO rights of ordinary shareholders. (4)
- 3.3 Tammy allocates tasks to employees according to their level of maturity.
- 3.3.1 Name the leadership theory that Tammy is applying. (2)
- 3.3.2 Discuss the leadership theory identified in QUESTION 3.3.1. (8)
- 3.4 Distinguish between a *private company* and a *public company*. (8)
- 3.5 Read the scenario below and answer the questions that follow.

Ronnete wants to invest R30 000 in a fixed deposit for two years. She approached two banks. Saints Bank offered her 12% simple interest per annum and Caprica Bank 12% compounded interest per annum.

- 3.5.1 Calculate the interest amount Ronnete will receive after two years if she invests with Saints Bank. (3)
- 3.5.2 Calculate the interest amount Ronnete will receive after two years if she invests with Caprica Bank. (4)
- 3.5.3 Recommend the best investment option for Ronnete. Motivate your answer. (3)
- 3.6 Discuss any TWO principles of insurance. (6)

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

JAVAS SHOE MANUFACTURER (JSM)

Sipho, the marketing manager of JSM, explained his future plans to increase sales to various stakeholders. Hard copies of his plans were distributed for future reference.

- 3.7.1 Identify the type of visual aid that Sipho used. Motivate your answer by quoting from the scenario above. (3)
- 3.7.2 Evaluate the impact of the visual aid identified in QUESTION 3.7.1. (8)
- 3.7.3 Advise Sipho on the factors that he should consider when responding to questions in a professional manner. (8)
- [60]**

QUESTION 4: BUSINESS ROLES

- 4.1 State FIVE causes of conflict in the workplace. (5)
- 4.2 Outline the benefits of diversity in the workplace. (8)
- 4.3 Read the scenario below and answer the questions that follow.

SHINING STARS (SS)

Lerato, Josiah and Gerry started a recycling project, known as Shining Stars. Josiah always questioned the other members' ideas and opinions as he wanted to be the team leader. The team members eventually reached an agreement and consensus on the way forward.

- 4.3.1 Identify the TWO stages of team development that were experienced by SS. Motivate your answer by quoting from the scenario above. (6)

Use the table below as a guide to answer QUESTION 4.3.1.

STAGES OF TEAM DEVELOPMENT	MOTIVATION
1.	
2.	

- 4.3.2 Explain THREE other stages of team development. (9)
- 4.4 Discuss the advantages of creative thinking in the workplace. (8)
- 4.5 Explain how businesses could apply the force-field analysis technique to solve business problems. (6)

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

LELETHU SHUTTLE SERVICES (LSS)

Lelethu Shuttle Services provide transport services for tourists in Sharpeville. Albert, a well-experienced employee in the transport industry, refuses to take instructions from management. Njabulo, the supervisor at LSS, is always arguing and fighting with the clients.

- 4.6.1 Identify the types of difficult personalities displayed by Albert and Njabulo. Motivate your answer by quoting from the scenario above. (6)

Use the table below as a guide to answer QUESTION 4.6.1.

EMPLOYEES	TYPE OF DIFFICULT PERSONALITY	MOTIVATION
Albert		
Njabulo		

- 4.6.2 Recommend ONE strategy that LSS can use to deal with EACH type of difficult personality identified in QUESTION 4.6.1. (4)

- 4.7 Suggest ways in which businesses could promote social rights in the workplace. (8)
[60]

QUESTION 5: BUSINESS OPERATIONS

- 5.1 Name FOUR sources of internal recruitment. (4)
- 5.2 Outline the purpose of induction as a human resources activity. (8)
- 5.3 Read the scenario below and answer the questions that follow.

ELZETTE TRADING (ET)

Elzette shortlisted five suitable candidates and invited them for interviews. Candidates were allocated the same amount of time and their responses were recorded. All candidates showed confidence and asked clarity-seeking questions.

- 5.3.1 Quote from the scenario above the role of the interviewer and interviewee/candidate during the interview.

Use the table below as a guide to answer QUESTION 5.3.1.

ROLE	QUOTES
Interviewer/Elzette	1. 2.
Interviewee/Candidates	1. 2.

- 5.3.2 Explain the role of the interviewer when preparing for an interview. (4)

5.4 Differentiate between *job description* and *job specification*. (8)

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

STRYDOM LEATHERS LIMITED (SLL)

Strydom Leathers Limited is a large business that specialises in the manufacturing of quality leather bags. They often upgrade their production process to stay ahead of their competitors. Customers are always requested to provide feedback about their products.

5.5.1 Identify the total quality management (TQM) elements applied by SLL. Motivate your answer by quoting from the scenario above.

Use the table below as a guide to answer QUESTION 5.5.1.

TQM ELEMENTS	MOTIVATION
1.	
2.	

(6)

5.5.2 Evaluate the impact of ONE TQM element, identified in QUESTION 5.5.1, on Strydom Leathers Limited as a large business. (8)

5.6 Explain the impact of TQM if it is poorly implemented by businesses. (6)

5.7 Advise businesses on the benefits of a good quality management system. (8)

[60]

QUESTION 6: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

6.1 Identify the PESTLE element that poses a challenge to Tsego Manufacturers in EACH statement below.

6.1.1 Customers cannot afford to buy Tsego Manufacturers' products due to low income levels. (2)

6.1.2 Tsego Manufacturers cannot afford to implement correct measures when disposing of waste material. (2)

6.1.3 Tsego Manufacturers have lost many customers due to a lack of on-line buying facilities. (2)

6.1.4 Tsego Manufacturers have increased their prices due to the high inflation rate. (2)

6.2 Explain the advantages of intensive strategies for businesses. (6)

BUSINESS VENTURES

- 6.3 Discuss the importance of state-owned companies (SOC). (6)
- 6.4 Read the scenario below and answer the questions that follow.

JENNY AND JONE AUDITORS (JJA)

Jenny and Jone Auditors insured their office building for R1 000 000. The market value of the building is R1 500 000. The building was damaged by floods and the damage amounted to R80 000. They received compensation of R53 333 from the insurance company.

- 6.4.1 Identify the insurance clause applied by the insurance company in the scenario above. (2)
- 6.4.2 Elaborate on the meaning of the insurance clause identified in QUESTION 6.4.1. (4)
- 6.4.3 Outline TWO advantages of insurance for businesses. (4)

BUSINESS ROLES

- 6.5 Give FOUR examples of unfair advertising. (4)
- 6.6 Identify the problem-solving technique applied by Garry Cycling Store in EACH statement below.
- 6.6.1 Garry engages in a role-play conversation with an imaginary person to clarify a proposed solution to a problem.
- 6.6.2 Employees were requested to first generate ideas and then share their ideas with other group members.
- 6.6.3 Experts were requested to complete a questionnaire on how to solve their business problems. (6)
- 6.7 Recommend strategies that businesses could use to deal with the pricing of goods in rural areas. (6)

BUSINESS OPERATIONS

- 6.8 Define *placement* as a human resources activity. (2)
- 6.9 Explain TWO salary determination methods that businesses could apply to remunerate their employees. (6)
- 6.10 Advise the human resources manager on aspects that should be included in an employment contract. (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, e.g. QUESTION 7 on a NEW page, QUESTION 8 on a NEW page, etc.

QUESTION 7: BUSINESS ENVIRONMENTS (LEGISLATION)

Many consumers have welcomed the introduction of the Consumer Protection Act (CPA), 2008 (Act 68 of 2008) and the National Credit Act (NCA), 2005 (Act 34 of 2005) as they protect them against unfair business practices. Some businesses believe that the NCA reduces their market share and therefore they do not want to comply with this Act.

As an expert on recent legislation, write an essay on the following aspects:

- Outline the purpose of the CPA.
- Discuss the impact of the CPA on businesses.
- Recommend ways in which businesses could promote the following consumer rights, as stipulated in the CPA:
 - Right to privacy and confidentiality
 - Right to information about products and agreements
 - Right to fair value/good quality and safety
- Advise businesses on penalties/consequences that may be imposed for non-compliance with the NCA.

[40]**QUESTION 8: BUSINESS VENTURES (INVESTMENTS AND FORMS OF OWNERSHIP)**

Peter and Teko are partners in P & T Consultancy. They are considering investing their surplus funds in RSA Retail Savings Bonds/government retail bonds and in preference shares of companies listed on the JSE.

Keep the scenario above in mind and write detailed notes on the following aspects:

- Outline the functions of the JSE.
- Describe FOUR types of preference shares.
- Evaluate the impact of the RSA Retail Savings Bonds/government retail bonds on investors.
- Advise Peter and Teko on how the following factors could contribute to the success and/or failure of their partnership:
 - Management
 - Legislation

[40]

QUESTION 9: BUSINESS ROLES (SOCIAL RESPONSIBILITY, CSR AND CSI)

Businesses are required to contribute towards the wellbeing of the communities in which they operate. HIV/Aids and unemployment have been identified as major socio-economic issues impacting on businesses. Businesses are expected to address these issues through corporate social responsibility (CSR) and corporate social investment (CSI) initiatives.

Write an essay in which you address the following aspects:

- Differentiate between *CSR* and *CSI*.
- Explain the impact of *CSR* on communities.
- Recommend strategies on how businesses could deal with HIV/Aids and unemployment as socio-economic issues.
- Suggest FIVE ways in which businesses could contribute time and effort to improve the well-being of the community, excluding HIV/Aids and unemployment strategies.

[40]**QUESTION 10: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)**

Businesses implement quality assurance in order to produce quality products. Some managers believe that this can be achieved by focusing on quality management and quality performance. Others argue that the general management function and production function play an important role in implementing total quality management (TQM).

Give an in-depth analysis of quality of performance by referring to the following aspects:

- Elaborate on the meaning of *quality assurance*.
- Distinguish between *quality management* and *quality performance*.
- Suggest quality indicators of the general management function and the production function.
- Advise businesses on how TQM could impact on the reduction of the cost of quality.

[40]

TOTAL SECTION C:	80
GRAND TOTAL:	300