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Department:  
Basic Education  
**REPUBLIC OF SOUTH AFRICA**

## **SENIOR CERTIFICATE EXAMINATIONS/ NATIONAL SENIOR CERTIFICATE EXAMINATIONS**

**BUSINESS STUDIES**

**2019**

**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.

Note that ONLY the first THREE questions in SECTION B and the first TWO questions in SECTION C will be marked.

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

7. Begin the answer to EACH question on a NEW page, e.g. QUESTION 1 – new page, QUESTION 2 – new page.
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 ensures that a wider group of previously disadvantaged people have access to ownership and management positions in a business:

- A Consumer Protection Act (CPA), 2008 (Act 68 of 2008)
- B Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003)
- 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 Which ONE of the following businesses can be classified under the secondary sector?

- A Dundee Gold Mine
- B Shop and Pay Supermarket
- C Villa Attorneys
- D Qubeka Handbags Manufacturers

1.1.3 The role of SETAs:

- A Register learnership programmes
- B Train employees in the workplace
- C Provide employment opportunities
- D Promote skilled employees

1.1.4 An example of long-term insurance:

- A Money in transit
- B Vehicle insurance
- C Endowment policy
- D Personal liability

1.1.5 When designing a multimedia presentation, a presenter must ...

- A prepare for the feedback session.
- B limit the amount of information on each slide.
- C prepare a suitable venue.
- D practise in front of someone to get an opinion.

1.1.6 The value of Sipho's stock is R40 000 and he insured it for R30 000. Damage caused by fire amounted to R8 000. Sipho will receive ... as compensation.

- A R6 000
- B R8 000
- C R3 000
- D R4 000

1.1.7 Benny promotes ... by employing people from diverse backgrounds in his supermarket.

- A accountability
- B discrimination
- C social rights
- D inclusivity

1.1.8 ONE of the steps that businesses may consider when handling conflict in the workplace:

- A Implement disciplinary procedures
- B Provide recreational facilities
- C Select an appropriate solution
- D Provide fringe benefits

1.1.9 The human resources activity which ensures that the skills and competencies of newly appointed employees match the requirements of the job:

- A Selection
- B Placement
- C Recruitment
- D Training

1.1.10 Sara Designers used ... to recruit possible candidates amongst existing employees.

- A employment agencies
- B educational institutions
- C notice boards
- D local newspapers

(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.

fringe; quality performance; description; skills development levy;  
graphs; skills development strategy; tables; compulsory;  
specification; quality management

- 1.2.1 Collin uses ... to display sales figures in columns for his presentation to management.
- 1.2.2 The unemployment insurance fund is also regarded as a ... benefit.
- 1.2.3 Lindsay Manufacturers contributes 1% of their payroll to SARS as a ... to train employees.
- 1.2.4 Marble Constructions uses ... to measure specified standards within each of their business functions.
- 1.2.5 Job ... requires applicants to have relevant qualifications and work experience. (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 Debentures	A aims at uplifting the standard of living in communities
1.3.2 COIDA	B allows employees to have access to health care
1.3.3 Economic right	C represents a short-term loan to a business
1.3.4 CSI project	D compels employees to contribute 1% of their salary for injuries sustained while on duty
1.3.5 Aggressive	E enables businesses to make loans from investors
	F an employee who is always unhappy about decisions taken by others in a meeting
	G aims at making maximum profits
	H allows employees to be paid equally for work of equal value
	I compels businesses to contribute monthly towards the compensation fund
	J an employee who becomes argumentative when confronted by others in a meeting

(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.

**QUESTION 2: BUSINESS ENVIRONMENTS**

- 2.1 Name any FOUR components of the PESTLE analysis. (4)
- 2.2 Outline the purpose of the Labour Relations Act (LRA), 1995 (Act 66 of 1995). (8)
- 2.3 Identify the consumer right that is implemented by Carlio Ltd in EACH statement below:
- 2.3.1 The salesperson allows customers to shop around for the best price.
- 2.3.2 Management does not share personal information of their employees with clients.
- 2.3.3 Customers are charged the same price for the same goods/services in different areas.
- 2.3.4 Consumers are given a written warranty for durable products. (8)
- 2.4 Read the scenario below and answer the questions that follow.

**MOHAMMED FINANCIAL SERVICES (MFS)**

Mohammed Financial Services opened a money market department which grants loans to their customers. The management of MFS always conducts a financial affordability assessment of each client who applies for a loan.

- 2.4.1 Identify the Act that MFS is complying with. Motivate your answer by quoting from the scenario above. (3)
- 2.4.2 Explain to Mohammed other ways in which businesses can comply with the Act identified in QUESTION 2.4.1. (8)
- 2.5 Describe THREE types of intensive strategies. (9)

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

<b>SAM BAKERY (SB)</b>		
Sam's Bakery produces fresh birthday cakes. His employees lack good customer service. He lost most of his customers to Florah Bakeries. SB had to replace some of its stolen equipment due to the high crime rate in their area.		

Use the table below as a GUIDE to answer QUESTIONS 2.6.1 to 2.6.3.

<b>CHALLENGES 2.6.1</b>	<b>BUSINESS ENVIRONMENT 2.6.2</b>	<b>EXTENT OF CONTROL 2.6.3</b>
(a)		
(b)		
(c)		

2.6.1 Quote THREE challenges for SB from the scenario above. (3)

2.6.2 Classify SB's challenges according to the THREE business environments. (6)

2.6.3 State the extent of control SB has over EACH business environment mentioned in QUESTION 2.6.2. (3)

2.7 Advise businesses on the following forces of Porter's Five Forces model:

2.7.1 Bargaining power of suppliers/Power of suppliers (4)

2.7.2 Threat of substitution/Substitutes (4)  
**[60]**

### QUESTION 3: BUSINESS VENTURES

3.1 Give FIVE examples of non-insurable risks. (5)

3.2 Outline the functions of the Johannesburg Securities Exchange/JSE. (8)

3.3 Distinguish between *insurance* and *assurance*. (8)

3.4 Explain how the following factors can contribute to the success and/or failure of a private company (Pty) Ltd:

3.4.1 Management (4)

3.4.2 Capital (4)

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

Nellie won R500 000 in the lottery draw and decided to invest the money in a fixed deposit at Ithuba Bank. The bank offered her an interest rate of 12% compounded annually over a period of three years.

3.5.1 Define *compound interest*. (2)

3.5.2 Calculate the amount of interest that Nellie will receive after three years. Show ALL calculations. (5)

3.5.3 Name another type of interest that could be offered by Ithuba Bank. (2)

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

**GIANT COMPUTER SOFTWARE (GCS)**

GCS specialises in developing new computer software for various computer programmes. Cindy, the production manager, offers rewards to motivate employees who meet set targets. Tom, the marketing manager, uses charm to influence his team to work hard.

3.6.1 Identify the leadership style used by Cindy and Tom. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 3.6.1.

	LEADERSHIP STYLE	MOTIVATION
Cindy		
Tom		

(6)

3.6.2 Discuss the impact of Tom's leadership style as identified in QUESTION 3.6.1 on businesses. (8)

3.7 Evaluate the effectiveness of interactive whiteboards/smart boards as a visual aid. (8)

**[60]**

**QUESTION 4: BUSINESS ROLES**

4.1 Name FIVE human rights in the workplace. (5)

4.2 Identify the causes of conflict applicable to Siyaya Inc. in EACH statement below:

4.2.1 The Dream Team is not willing to work with the Khula Team who always receives awards.

4.2.2 Employees do not complete their tasks effectively as clear instructions are not always provided.

4.2.3 Employees always argue over the use of equipment to accomplish their tasks.

4.2.4 Some employees cannot cope with the large number of tasks given to them. (8)

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

**NIMROD ALUMINIUM (NA)**

Nimrod Aluminium has been experiencing a decline in sales and loss of profits. Management requested experts to suggest ways on how to solve their business problems. Employees are also encouraged to use creative thinking skills to generate new ideas on increasing sales.

4.3.1 Name the problem-solving technique used by Nimrod Aluminium. Motivate your answer by quoting from the scenario above. (3)

4.3.2 Discuss the advantages of the problem-solving technique identified in QUESTION 4.3.1. (8)

4.3.3 Advise the management of NA on ways in which they could create an environment that stimulates creative thinking in the workplace. (6)

4.4 Differentiate between *decision-making* and *problem-solving*. (4)

4.5 Explain how businesses could deal with the following diversity issues in the workplace:

4.5.1 Culture (4)

4.5.2 Age (4)

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

**ZUMBA ELECTRIC (ZE)**

Zumba Electric operates in an area affected by a high rate of unemployment and poverty. The management of ZE tried to address these challenges by investing in the community through corporate social investment (CSI) projects.

- 4.6.1 Name TWO socio-economic issues from the scenario above. (2)
- 4.6.2 Discuss the impact of corporate social investment (CSI) on ZE as a business. (8)
- 4.7 Suggest ways in which businesses could contribute to the well-being of their employees. (8)
- [60]**

**QUESTION 5: BUSINESS OPERATIONS**

- 5.1 Name TWO salary determination methods that employers may use to determine the wages of their employees. (2)
- 5.2 Outline THREE roles of the interviewer when preparing for an interview. (6)
- 5.3 Read the scenario below and answer the questions that follow.

**SHAKEEL CATTLE FARM (SCF)**

Shakeel Cattle Farm advertised a vacancy in a newspaper. Many applicants submitted their application forms. SCF conducted preliminary interviews to select suitable candidates and compiled a shortlist of five candidates. A written offer was made to the best candidate.

- 5.3.1 Identify the type of recruitment used by SCF. Motivate your answer by quoting from the scenario above. (3)
- 5.3.2 Quote the selection procedure/steps that SCF applied in the scenario above. (3)
- 5.3.3 Advise the management of SCF on any other selection procedure/steps that they may consider. (8)
- 5.4 Discuss the benefits of induction for businesses. (8)

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

**EXCLUSIVE CLOTHING ENTERPRISE (ECE)**

Zinhle is the owner of Exclusive Clothing Enterprise. She was requested to share ideas on how she maintains the high quality standard of her products. She indicated that her employees are trained on a regular basis. Time and resources are also used efficiently.

- 5.5.1 Quote TWO benefits of a good quality management system from the scenario above. (2)
- 5.5.2 Explain to Zinhle other benefits of a good quality management system. (8)
- 5.6 Describe how quality of performance in the following business functions can contribute to the success of a business:
- 5.6.1 Administration (6)
- 5.6.2 Marketing (6)
- 5.7 Suggest ways in which total quality management (TQM) can reduce the cost of quality. (8)
- [60]**

**QUESTION 6: MISCELLANEOUS TOPICS**

**BUSINESS ENVIRONMENTS**

- 6.1 Identify the provisions of the Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997) that Kajav Supermarket complied with in EACH statement below:
- 6.1.1 Employees are required to give due notice before they can end their employment contracts.
- 6.1.2 Kajav Supermarket does not force its employees to work more than three hours extra per day.
- 6.1.3 Employees are advised to produce a medical certificate if they are absent from work for more than two consecutive days.
- 6.1.4 Kajav Supermarket does not allow employees who are younger than 18 to perform dangerous duties. (8)
- 6.2 Explain the steps that businesses should follow when evaluating a strategy. (6)

**BUSINESS VENTURES**

6.3 Name THREE types of leadership theories. (3)

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

**JONES BEVERAGES (Pty) Ltd**

Jones Beverages (Pty) Ltd want to convert their current company status to Jones Beverages Ltd so that they can invite the public to buy shares in the business.

6.4.1 Identify TWO forms of ownership that are applicable to Jones Beverages. Motivate your answer by quoting from the scenario.

Use the table below as a GUIDE to answer QUESTION 6.4.1.

FORMS OF OWNERSHIP	MOTIVATION

6.4.2 Explain the advantages of the form of ownership represented by Jones Beverages Ltd identified in QUESTION 6.4.1. (6)

**BUSINESS ROLES**

6.5 Outline TWO responsibilities of employees in protecting the workplace environment. (4)

6.6 Identify the stages of team development applicable to Shiburi Construction team in EACH statement below:

6.6.1 Team members confront each other's ideas and fight for a leadership position.

6.6.2 The team is aware of its aims and makes decisions without supervision.

6.6.3 Team members gather information about the task that must be performed. (6)

6.7 Advise businesses on the correct procedure to deal with grievances in the workplace. (6)

**BUSINESS OPERATIONS**

6.8 Give FIVE reasons for the termination of an employment contract. (5)

6.9 Explain the difference between *quality control* and *quality assurance*. (4)

6.10 Advise the human resources manager on the implications of the Skills Development Act (SDA), 1998 (Act 97 of 1998) on his/her department. (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.

**QUESTION 7: BUSINESS ENVIRONMENTS (LEGISLATION)**

The Employment Equity Act (EEA), 1998 (Act 55 of 1998) was introduced to promote equity in the workplace. Businesses are obliged to comply with the requirements of the Act or face penalties for non-compliance.

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

- Outline the purpose of the Employment Equity Act.
- Discuss the impact of this Act on businesses.
- Advise businesses on the consequences/penalties they may face for not complying with the EEA.
- Suggest practical ways in which businesses can comply with this Act.

**[40]****QUESTION 8: BUSINESS VENTURES (INVESTMENT AND PRESENTATION)**

Mario, a financial consultant, made a presentation on ordinary and preference shares. The presentation also addressed factors that need to be considered when making investment decisions. Mario received negative feedback from the audience on his presentation.

Write an essay on investments and presentations in which you include the following aspects:

- Differentiate between *ordinary* and *preference shares*.
- Discuss the following factors that must be considered when making an investment decision:
  - Risk
  - Taxation
  - Investment period
- Explain to Mario the factors that he should consider during a presentation.
- Recommend ways in which Mario can improve on his next presentation.

**[40]**

**QUESTION 9: BUSINESS ROLES (PROFESSIONALISM AND ETHICS)**

According to the King Code principles, businesses are expected to conduct their operations in a professional and ethical manner. Many businesses develop strategies to address unethical business practices to remain competitive and sustainable.

Write an essay on professionalism and ethics in which you address the following aspects:

- Elaborate on the meaning of *ethics* in the workplace.
- Explain how the following unethical/unprofessional business practices can pose a challenge to businesses:
  - Sexual harassment
  - Abuse of work time
  - Tax evasion/Taxation
- Recommend ways in which businesses can deal with EACH unethical/unprofessional business practice mentioned above.
- Advise businesses on how they can apply *accountability* and *transparency* as King Code principles for good corporate governance.

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

Nizam Tiling is known for its quality products and services. They always ensure that their recruitment procedure is well structured. They offer attractive fringe benefits to their employees and continuously improve on their systems and processes. The production manager encourages employees to produce high quality products to keep customers satisfied.

Keeping the above scenario in mind, write an essay on human resources and quality of performance on the following aspects:

- Outline the recruitment procedure.
- Explain the impact of fringe benefits on businesses.
- Discuss the positive impact of continuous improvement to processes and systems on large businesses.
- Advise the production manager on the quality indicators of the production function.

**[40]**

<b>TOTAL SECTION C:</b>	<b>80</b>
<b>GRAND TOTAL:</b>	<b>300</b>