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NATIONAL SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES

NOVEMBER 2015

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

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 B.

- 1.1.1 A function of a SETA is to ...
- A register procurement contracts.
 - B promote employees to senior positions.
 - C develop a management plan.
 - D register learnership agreements.
- 1.1.2 Businesses need to ensure that borrowers/clients will be able to repay their loans within the period stipulated before granting a loan. This is one of the main aims of the ...
- A Consumer Protection Act, 2008 (Act 68 of 2008).
 - B National Credit Act, 2005 (Act 34 of 2005).
 - C Labour Relations Act, 1995 (Act 66 of 1995).
 - D Employment Equity Act, 1998 (Act 55 of 1998).
- 1.1.3 ... communicate largely by means of interaction, behaviour or charisma.
- A Leaders
 - B Followers
 - C Employees
 - D Subordinates
- 1.1.4 An over-insured warehouse implies that it is insured for ...
- A less than its replacement value.
 - B less than its actual value.
 - C more than its market value.
 - D equal to its book value.
- 1.1.5 This problem-solving technique allows a manager to find solutions on his/her own:
- A Brainstorming
 - B Delphi
 - C Empty chair
 - D Forced combination

1.1.6 SASOL Ltd is not only concerned about their financial position, but also about their social and environmental successes. They therefore report on their ... performance.

- A profitability
- B social
- C Porter's Five Forces
- D triple bottom line

1.1.7 Joseph has just been appointed as the maintenance supervisor at Blue Beach Hotel. He will receive the policies and procedures manual of the hotel during the ... programme.

- A placement
- B induction
- C recruitment
- D screening

1.1.8 Browns Architects Inc. is an example of a ...

- A partnership.
- B close corporation.
- C personal-liability company.
- D private company.

1.1.9 Senzo invested R8 000 at Burger Bank at 10% simple interest for three years. Burger Bank will pay out ... after three years when the investment matures.

- A R10 400
- B R8 800
- C R10 648
- D R2 400

1.1.10 DJ Vynil plays music at events on a part-time basis. The demand for his services has increased and he is considering making it his full-time business. A weakness revealed by his SWOT analysis could be ...

- A municipal by-laws that limit noise levels in certain areas.
- B expensive sound systems.
- C more invitations to high-profile events.
- D experience as a DJ.

(10 x 2) (20)

- 1.2 Complete the following statements by using the word(s)/abbreviation in the list below. Write only the word(s)/abbreviation next to the question number (1.2.1–1.2.5) in the ANSWER BOOK.

primary; human resources; quality control; grievance;
quality assurance; UIF; tertiary; RAF; conflict; National Skills

- 1.2.1 The ... compensates someone injured in a motor vehicle accident whether or not he/she was part of the cause of the accident.
- 1.2.2 The ... sector includes all industries that offer services to other businesses and consumers.
- 1.2.3 ... is the system which ensures that the final product meets the required standards.
- 1.2.4 The ... procedure may be used to resolve the case of verbal abuse of the secretary by her manager.
- 1.2.5 The ... Development Strategy includes action plans to ensure that the level of post-school education and training improves. (5 x 2) (10)

- 1.3 Choose a description from COLUMN B that matches a term/Act 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 Screening | A reporting is concealing information that may be harmful to a company's image |
| 1.3.2 Retrenchment | B implements affirmative action to prevent unfair discrimination at all levels |
| 1.3.3 Retirement annuities | C selects the most suitable candidate for the job |
| 1.3.4 Employment Equity Act, 1998 (Act 55 of 1998) | D the voluntary termination of the employment contract by the employee |
| 1.3.5 Disclosure | E no withdrawals can be made from the fund before the age of 55 |
| | F eliminates unsuitable candidates for the position |
| | G a lump sum pay-out will only be made after the death of the insured |
| | H a defensive strategy that is used when a business is facing bankruptcy |
| | I increases access to finance for black entrepreneurs |
| | J reporting on the positive and negative impact of a company |

(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 ENVIRONMENT

- 2.1 Classify each scenario according to the relevant pillar as outlined in the Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003):
- 2.1.1 Promoting three black women as heads of various departments
 - 2.1.2 Using Nkosi Transport's services to distribute products
 - 2.1.3 A recent donation of R30 000 to the building of a community conference centre
 - 2.1.4 Sending employees for training sessions to upgrade their skills twice a year
 - 2.1.5 An invitation to employees to buy shares in the company (5 x 2) (10)
- 2.2 Describe the *strategic management process*. (8)
- 2.3 Explain the impact of the Labour Relations Act (LRA), 1995 (Act 66 of 1995) on businesses. (8)
- 2.4 Distinguish between *product development* and *market development*. (4)

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

FRUITCO LTD (FC)

Mr Tom is a machine operator employed by Fruitco Ltd, a fruit-packing factory that exports fruit to America. He was seriously injured while performing his duties and was rushed to hospital without reporting the accident.

Fruitco's management investigated the nature of the accident and found that Mr Tom had not been wearing his protective clothing despite having been advised to do so regularly.

The doctor's report indicated that Mr Tom would be unfit to work for three months.

- 2.5.1 Name the Act that is applicable to Mr Tom's accident at work. (2)
- 2.5.2 Discuss the impact of the Act referred to in QUESTION 2.5.1 on businesses (employers and employees). (6)
- 2.5.3 Is Mr Tom's claim for injuries justifiable? Quote TWO reasons from the scenario to motivate your answer. (2)
- 2.6 Suggest ways in which a business can comply with the requirements of the Skills Development Act (SDA), 1998 (Act 97 of 1998). (8)
- 2.7 Read the scenario below and answer the question that follows.

KAREN'S EVENTS (KE)

Karen's Events specialises in catering for weddings. Despite Karen's high prices, she has many customers due to excellent service and stylish decor. It was easy to start her business, as she only needed a trading licence and a small amount of capital. Karen's Events buys all her products from Thuli Ltd, who is the only provider of wedding decorations and materials in this industry. Sammy's Party Planners, who operates in the same area, offers similar services at affordable prices.

Analyse the market environment of Karen's Events using the Porter's Five Forces model.

(12)
[60]

QUESTION 3: BUSINESS VENTURES

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

BONGANI GENERAL DEALER (BGD)

Bongani General Dealer's stock is not insured. As an insurance broker, BGD requested your advice on insurance. You completed a quotation on the cost of insurance for BGD's stock. The monthly premium is quoted at R2 800 on a total value of goods amounting to R2 800 000.

3.1.1 Identify the type of insurance that BGD needs and give ONE reason why it is beneficial to the business. (4)

3.1.2 Name and explain the type of insurance that Bongani should consider to protect his dependants when he dies. (5)

3.1.3 Define the following insurance concepts:

(a) Average clause (2)

(b) Reinstatement (2)

3.2 Give TWO reasons for the formation of a state-owned company (SOC). (4)

3.3 Discuss the advantages of unit trusts as a medium to long-term investment. (8)

3.4 Distinguish between *ordinary shares* and *preference shares*. Give ONE example of each. (10)

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

JONNY'S GLASS (PTY) LTD (JG)

Jonny's Glass (Pty) Ltd specialises in the manufacturing of glass. The company has limited capital, which prevents growth. Jonny wants to convert his company to one that will enable him to invite the public to buy shares.

3.5.1 Identify the form of ownership represented by Jonny's Glass (Pty) Ltd. (1)

3.5.2 Describe how the following factors may influence the success or failure of the form of ownership referred to in QUESTION 3.5.1:

(a) Division of profits (4)

(b) Legislation (4)

3.5.3 Recommend a suitable form of ownership that will allow Jonny to sell shares to the public. (1)

3.5.4 Name the document that Jonny's Glass will publish to invite the public to buy shares. (1)

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

LEADERSHIP

Shawn is a purchasing manager and Tracy is his assistant manager. Shawn always ensures that employees adhere strictly to rules and regulations, while Tracy prefers the laissez-faire or free-reign leadership style.

- 3.6.1 Identify the leadership style used by Shawn in the scenario above. (2)
- 3.6.2 Evaluate the effectiveness of the leadership style referred to in QUESTION 3.6.1. (6)
- 3.6.3 Suggest THREE reasons why the employees may prefer the laissez-faire or free-reign leadership style. (6)

[60]

QUESTION 4: BUSINESS ROLES

- 4.1 List any THREE economic rights of employees in the workplace. (3)
- 4.2 Outline THREE practical ways in which a business's corporate social investment (CSI) projects can contribute to the community. (6)
- 4.3 Discuss the FOUR stages of team development. (12)
- 4.4 Suggest ways in which businesses may promote social rights in the workplace. (6)
- 4.5 Explain the relationship between *ethical* and *professional* behaviour in the workplace. (4)
- 4.6 Read the scenario below and answer the questions that follow.

SEABREEZ FISH-AND-CHIPS (SFC)

Portia has started Seabreez Fish-and-Chips at her home. She buys fresh fish from local fishermen and cleans it in her backyard. Her neighbours complain about the bad smell coming from her yard as she does not use the correct method to dispose of her shop's waste. She also re-uses old cooking oil to prepare the fish and chips, which results in poor quality meals.

She employs three workers who work double shifts over weekends, without extra remuneration.

- 4.6.1 Identify THREE unethical and irresponsible business practices in the scenario above. (3)
- 4.6.2 Recommend ways in which Portia can address each of the THREE unethical business practices identified in QUESTION 4.6.1. (6)

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

ANGEL CLOTHING (AC)

Angel Clothing specialises in selling women's sportswear. The business's sales are declining and they are losing customers to businesses that sell similar products. Angel Clothing's management wants to design a creative marketing campaign that will increase the sales and attract new customers.

- 4.7.1 Apply the problem-solving steps to address Angel Clothing's challenges. (12)
- 4.7.2 Describe the advantages of creative thinking in solving Angel Clothing's problems. (4)
- 4.7.3 Advise Angel Clothing on how they can contribute time and effort to advance the wellbeing of their employees. (4)
- [60]**

QUESTION 5: BUSINESS OPERATIONS

- 5.1 Name TWO remuneration methods that employers may use to determine the wages of their employees. (2)
- 5.2 Explain the link between salary determination and the Basic Conditions of Employment Act, 1997 (Act 75 of 1997). (4)
- 5.3 Read the scenario below and answer the questions that follow.

TRUST FURNITURE (TF)

Trust Furniture has vacancies for a sales manager and a warehouse manager. The business has advertised these vacancies in regional newspapers and online on social media.

- 5.3.1 Identify the type of recruitment used by Trust Furniture in the scenario above. Motivate your answer. (3)
- 5.3.2 Discuss the advantages of the type of recruitment referred to in QUESTION 5.3.1. (8)
- 5.4 Interviewing is one of the steps used to select new employees.
- 5.4.1 Outline the purpose of an interview. (4)
- 5.4.2 Describe the role of the interviewee during an interview. (6)
- 5.5 Suggest quality indicators for the purchasing function. (8)

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

PETUNIA NURSERIES LTD (PN)

Petunia Nurseries Ltd is a large business that not only specialises in selling indigenous plants, but also renders gardening services. The management and staff are all actively involved in ensuring that the best quality plants are sold and excellent gardening services are rendered.

Petunia Nurseries has enough capital to buy the latest gardening equipment and conduct regular market research. They also have tight quality control measures in place, such as regular testing for plant diseases.

- 5.6.1 Quote THREE statements from the scenario above and link each one to a specific element of Total Quality Management (TQM). (9)

- 5.6.2 Elaborate on the advantages of each of the TQM elements referred to in QUESTION 5.6.1 for Petunia Nurseries Ltd as a large business. (6)

- 5.7 Analyse the negative impact on businesses if TQM is poorly implemented. (10)
[60]

QUESTION 6: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

- 6.1 Read the scenario and answer the questions that follow:

JOSH SIGHT & SOUND (JSS)

Josh Sight & Sound sells television sets and radios. The business advertised a television set at a special price of R4 000. When Themba wanted to buy the product, the salesperson told him that the TV was actually marked at R4 500.

Themba insisted that he would pay only R4 000 as advertised, arguing that he was protected by law. Themba threatened to sue Josh Sight & Sound if his demand was not met.

- 6.1.1 Name the Act that protects Themba against deceptive advertising. (2)

- 6.1.2 Identify ONE consumer right that has been violated in Themba's case. (2)

- 6.1.3 Analyse the impact of the Act referred to in QUESTION 6.1.1 on JSS. (10)

BUSINESS VENTURES

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

INVESTMENTS

Claire wants to invest R2 000 in a savings plan for five years. She was advised to register and apply online or go directly to the National Treasury.

6.2.1 Name the type of investment that Claire was advised to choose. (2)

6.2.2 Explain the benefits of investing in the type of investment referred to in QUESTION 6.2.1. (8)

6.3 Justify the importance of the RAF as a type of compulsory insurance. (3)

BUSINESS ROLES

6.4 Suggest ways in which businesses can deal with difficult people or different personalities or both. (10)

6.5 You are part of the 'Dream Big' community project team. The success of this project depends on the effectiveness of the team. Discuss any THREE criteria for successful teams. (9)

BUSINESS OPERATIONS

6.6 Identify the business function that is responsible for improving the quality of performance in each of the scenarios below:

6.6.1 Directors use outdated information to make strategic decisions. (2)

6.6.2 Finished goods differ from product specifications. (2)

6.6.3 Income Statements and Balance Sheets are not prepared in time for the annual general meeting of shareholders. (2)

6.7 Describe the selection procedure that the Flying Colours Advertising Agency has to follow to select the best candidate for the vacant position of receptionist. (8)
[60]

TOTAL SECTION B: 180

SECTION C

Answer ANY TWO 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 7 on a NEW page, QUESTION 8 on a NEW page, et cetera.

**QUESTION 7: BUSINESS ENVIRONMENTS
(MACROENVIRONMENT: BUSINESS STRATEGIES)**

Subashnee has been a pharmacist for 15 years. She wants to establish her own pharmacy in Soweto. She is not familiar with the challenges of the macroenvironment for her new business.

Subashnee seeks your advice regarding the challenges mentioned in the scenario above. Include the following aspects in your response:

- Apply the PESTLE model by identifying and discussing possible macro-environmental challenges that Subashnee's new pharmacy may encounter.
- Recommend strategies that Subashnee can implement to respond to the challenges identified.
- Advise her on the steps that she should consider when evaluating strategies.

[40]**QUESTION 8: BUSINESS VENTURES (PRESENTATIONS)****INZINC LTD (IZ)**

Robyn is a jewellery designer and wants to sell her new range of costume jewellery to teenagers and students. InZinc Ltd targets the teenage clothing market.

Robyn has to make a sales presentation to the directors of IZ Ltd. They agreed to give her the opportunity to present her plan at their next board meeting. She decided that a verbal presentation supported by visual aids would be most suitable.

As an expert, assist Robyn to prepare a successful presentation so that she will get the contract to supply IZ Ltd. Your advice must include the following:

- Explain the factors that Robyn should consider when preparing for the presentation.
- Evaluate any FOUR suitable types of visual aids that may support her presentation.
- Propose ways in which Robyn may respond to feedback in a professional manner.
- Advise Robyn on how she can improve her next presentation.

[40]

QUESTION 9: BUSINESS ROLES (HUMAN RIGHTS, INCLUSIVITY AND ENVIRONMENTAL ISSUES)**CLEAN TEAM LTD (CTL)**

Clean Team Ltd is a newly established company rendering general cleaning services to large office blocks. CTL wants to develop business policies that address human rights, inclusivity and environmental issues in the workplace.

Write an essay on how CTL can address human rights, inclusivity and environmental issues. Your essay should include the following aspects:

- An explanation of how CTL policies can address any FIVE human rights issues in the workplace
- A discussion on the positive impact/benefits of a diverse workforce
- Advise on ways to address gender and poverty issues in the workplace
- Recommendations on how CTL can protect the environment and promote human health

[40]**QUESTION 10: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)****GRAND CELLULAR LTD (GC)**

Grand Cellular Ltd is a large company selling cellphones, iPhones, tablets and printers to the public and businesses.

The company believes that Total Quality Management (TQM) is important to get things right 'the first time, every time'.

Keep the scenario on Grand Cellular Ltd in mind and write an essay on TQM, covering the following aspects:

- Discuss the impact of the following elements of Total Quality Management (TQM) on Grand Cellular Ltd as a large business:
 - Total client/customer satisfaction
 - Continuous improvement of systems and processes
 - Continuous skills development/education and training
- Explain the benefits GC will gain by implementing a good quality management system.
- Suggest FIVE ways in which the quality of performance of the marketing function can contribute to the success of Grand Cellular Ltd.

[40]

TOTAL SECTION C: 80
GRAND TOTAL: 300