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# basic education

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

**NSC 2019  
MEO 2019  
SC CANDIDATES**

**GRADE 12**

**BUSINESS STUDIES**

**NOVEMBER 2020**

**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.

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 requires businesses to check customers' financial backgrounds before granting loans to them:

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

1.1.2 Businesses may lose many clients when their prices are increased because of an increase in the interest rate. This is an example of the ... factor as a PESTLE element.

- A technological
- B economic
- C physical
- D environmental

1.1.3 Golden Supermarket operates in the ... sector as they sell groceries to consumers.

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

1.1.4 Zaza Hospice is an example of a ... company as it receives donations that enables it to take care of terminally ill people.

- A non-profit
- B public
- C private
- D state-owned

1.1.5 Gugu Enterprises invested R5 000 for three years at 12% simple interest per year. They will receive an amount of ... as interest at the end of the investment period.

- A R6 800
- B R2 024
- C R1 800
- D R1 200

- 1.1.6 Suresh applied the ... leadership theory when he inspired and motivated his team to change their perceptions of their work.
- A leaders and followers
  - B transactional
  - C situational
  - D transformational
- 1.1.7 A business requests a panel of experts to complete a set of questionnaires to solve a complex problem. This refers to ...
- A a brainstorming session.
  - B the Delphi technique.
  - C the empty-chair technique.
  - D forced combinations.
- 1.1.8 Paul's right to ... was violated when the manager disclosed his personal problems to other staff members without his permission.
- A safety
  - B information
  - C privacy
  - D dignity
- 1.1.9 The ... outlines the minimum requirements that a human resources manager must consider when a salary package is offered to a new employee.
- A Skills Development Act
  - B Labour Relations Act
  - C Employment Equity Act
  - D Basic Conditions of Employment Act
- 1.1.10 The ... function uses an aggressive advertising campaign to increase sales.
- A marketing
  - B public relations
  - C administration
  - D financial
- (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.

video; problem-solving; aggressive; selection; PESTLE; telephonic; recruitment; SWOT; PDCA; quiet
--

- 1.2.1 Real African Traders compiled a ... analysis to identify challenges in their internal environment.
- 1.2.2 Sizani Lawyers use webcams on their laptops and tablets to conduct meetings. This is known as ... conferencing.
- 1.2.3 John's manager encourages him to give his inputs as a strategy to deal with his ... personality.
- 1.2.4 Businesses apply the ... cycle to continuously improve on their processes and systems.
- 1.2.5 One of the activities of the ... procedure is to place advertisements on appropriate media platforms. (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	Backward integration	A	reporting on profit, processes and people
1.3.2	Reinstatement	B	can be obtained if all departments work together towards the same quality standards
1.3.3	Brainstorming	C	applicable when goods are underinsured
1.3.4	Triple bottom line	D	when a business takes over its competitor
1.3.5	Quality management	E	allowing individuals to silently generate ideas
		F	applicable when goods are overinsured
		G	when a business takes over its supplier
		H	can be used for accountability within each of the business functions
		I	reporting on profit, planet and people
		J	allowing a large group of people to generate ideas aloud

(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 Identify the type of defensive strategy that Mega Constructions applied in EACH statement below:

2.1.1 Mega Constructions sold all their assets in order to pay their creditors.

2.1.2 They terminated the employment contracts of many employees to reduce costs.

2.1.3 Management decided to close their unproductive information technology department.

(6)

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

Use the table below as a GUIDE to answer QUESTION 2.2.

BUSINESS ENVIRONMENTS	EXTENT OF CONTROL
1.	
2.	
3.	

(6)

2.3 Outline the purpose of the Labour Relations Act (LRA), 1995 (Act 66 of 1995).

(8)

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

**PUMZA UNIQUE CAKES (PUC)**

Pumza Unique Cakes specialises in designing birthday cakes. Pumza scanned the environment as part of the strategic management process. She only needed a small amount of capital to start her business. Sam Wholesalers is the only provider in the area from whom she buys her baking ingredients.

2.4.1 Identify TWO forces of Porter's Five Forces model that are applicable to PUC. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 2.4.1.

PORTER'S FIVE FORCES	MOTIVATION
1.	
2.	

(6)

2.4.2 Explain to Pumza how she can apply the strategic management process. Do NOT refer to environmental scanning.

(6)

2.5 Discuss any TWO types of diversification strategies. (6)

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

<p style="text-align: center;"><b>COMPUTER TECH (CT)</b></p> <p>The management of Computer Tech complies with the Consumer Protection Act (CPA), 2008 (Act 68 of 2008). They allow customers to shop around for the best prices. Customers are also given a written warranty with their purchases.</p>
--

2.6.1 Identify TWO consumer rights, according to the Consumer Protection Act (CPA), applied by CT. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 2.6.1.

CONSUMER RIGHTS	MOTIVATION
1.	
2.	

(6)

2.6.2 Explain the disadvantages of the Consumer Protection Act for CT as a business. (4)

2.7 Discuss any TWO provisions of leave as stipulated in the Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997). (6)

2.8 Suggest ways in which businesses can comply with the Employment Equity Act (EEA), 1998 (Act 55 of 1998). (6)  
**[60]**



**QUESTION 3: BUSINESS VENTURES**

- 3.1 State FOUR types of shares. (4)
- 3.2 Outline the aspects to be considered when designing a multimedia presentation. (6)
- 3.3 Read the scenario below and answer the questions that follow.

**PHIWE'S PRESENTATION**

Phiwe, a marketing manager, is planning to present his business sales figures to various stakeholders. He intends to distribute hand-outs at the beginning of his presentation. Phiwe also wants to use graphs and tables to display the projected sales of his department.

- 3.3.1 Give THREE examples of visual aids in the scenario above. (3)
- 3.3.2 Explain to Phiwe the factors he should consider when preparing a presentation. Do NOT refer to the use of visual aids. (6)
- 3.4 Elaborate on the meaning of *average clause*. (6)
- 3.5 Distinguish between *leadership* and *management*. (4)
- 3.6 Read the scenario below and answer the questions that follow.

**JANNIE'S DESIGNS (JD)**

Jannie's Designs are well-known for their fashionable ladies designs. Jannie allows his team to work independently as long as they comply with his business policy.

- 3.6.1 Identify Jannie's leadership style. Motivate your answer by quoting from the scenario above. (3)
- 3.6.2 Evaluate the impact of the leadership style identified in QUESTION 3.6.1, on businesses. (6)
- 3.7 Explain the functions of the Johannesburg Securities Exchange (JSE). (8)
- 3.8 Discuss the advantages of a state-owned company. (6)
- 3.9 Advise businesses on how the following factors could contribute to the success and/or failure of a partnership:
- 3.9.1 Management (4)
- 3.9.2 Legislation (4)

**[60]**

**QUESTION 4: BUSINESS ROLES**

- 4.1 Mention FOUR causes of conflict in the workplace. (4)
- 4.2 Outline the correct procedure to deal with grievances in the workplace. (8)
- 4.3 Read the scenario below and answer the questions that follow.

**PHAPHAMA ROAD REPAIRS (PRR)**

Reshma, Kevin and Mandla are working together as a team on the Phaphama Road Repairs project. They appreciate the knowledge and skills of other team members. Reshma, a team leader, always provides quality feedback to improve the morale of the team.

- 4.3.1 Identify TWO criteria for successful teams applied by PRR. Motivate your answer by quoting from the scenario above.

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

CRITERIA	MOTIVATION
1.	
2.	

- (6)
- 4.3.2 Explain to Reshma's team any TWO stages of team development. (6)
- 4.4 Discuss the positive impact of corporate social investment (CSI) on businesses. (8)
- 4.5 Describe the responsibilities of employees in promoting human health and safety in the workplace. (6)
- 4.6 Read the scenario below and answer the questions that follow.

**VUKA WELLNESS SPA (VWS)**

The therapists of Vuka Wellness Spa occasionally spend time on personal issues during office hours. Anne, the financial manager, uses the petty cash of the business without permission to pay for her personal expenses.

- 4.6.1 Identify TWO types of unethical business practices displayed by VWS's employees. Motivate your answer by quoting from the scenario above.

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

TYPES OF UNETHICAL BUSINESS PRACTICES	MOTIVATION
1.	
2.	

- (6)
- 4.6.2 Suggest ways in which VWS could conduct their business practices in a professional, responsible, ethical and effective manner. (6)

- 4.7 Explain how businesses can apply *transparency* as a King Code principle for good corporate governance. (4)
- 4.8 Recommend ways in which businesses could promote social rights in the workplace. (6)

**[60]****QUESTION 5: BUSINESS OPERATIONS**

- 5.1 Name FIVE sources of internal recruitment. (5)
- 5.2 Elaborate on the meaning of *screening* as part of the selection procedure. (4)
- 5.3 Outline the placement procedure as an activity of the human resources function. (4)
- 5.4 Read the scenario below and answer the questions that follow.

**IMPALA CONSTRUCTION (IC)**

Impala Construction advertised a vacancy for a production manager. The successful applicant will receive a remuneration package which includes a medical aid, pension fund and a housing allowance. The management of IC invited shortlisted candidates to attend the interview.

- 5.4.1 Give THREE examples of fringe benefits offered by IC in the scenario above. (3)
- 5.4.2 Discuss the impact of fringe benefits on IC as a business. (8)
- 5.5 Explain TWO salary determination methods that businesses could apply to remunerate their employees. (6)
- 5.6 Identify the business function that is responsible for performing the activity described in EACH statement below:
- 5.6.1 The allocation of business resources to achieve long-term plans.
- 5.6.2 The implementation and maintenance of stock control systems to ensure the security of stock. (4)
- 5.7 Distinguish between *quality control* and *quality assurance*. (4)
- 5.8 Read the scenario below and answer the questions that follow.

**EXCLUSIVE RESTAURANT LIMITED (ERL)**

Exclusive Restaurant Limited ensures that all their activities are well scheduled to avoid the duplication of tasks. Their chefs are sent on advanced cooking courses regularly to learn more about healthy cooking methods.

- 5.8.1 Quote TWO ways in which total quality management (TQM) reduces the cost of quality in the scenario above. (2)
- 5.8.2 Explain other ways in which TQM can reduce the cost of quality. (6)

- 5.9 Discuss the benefits of a good quality management system. (8)
- 5.10 Evaluate the impact of total client/customer satisfaction on large businesses. (6)
- [60]**

## QUESTION 6: MISCELLANEOUS TOPICS

### BUSINESS ENVIRONMENTS

- 6.1 List THREE pillars of the Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003). (3)
- 6.2 Read the scenario below and answer the questions that follow.

**CRYSTAL WATER (CW)**

Crystal Water sells bottled water in North West. The management of CW opened a branch in Mpumalanga due to the high demand for bottled water.

- 6.2.1 Identify the type of intensive strategy that CW applied. Motivate your answer by quoting from the scenario above. (3)
- 6.2.2 Outline TWO advantages of intensive strategies for CW as a business. (4)
- 6.3 Advise businesses on the steps they should consider when evaluating a strategy. (6)

### BUSINESS VENTURES

- 6.4 Outline TWO characteristics of a sole proprietor. (4)
- 6.5 Read the scenario below and answer the questions that follow.

Andile invested R1 000 in RSA Retail Savings bonds for 36 months based on his personal needs. He will receive interest twice a year. A financial expert advised him to also consider investing in unit trusts.

- 6.5.1 Identify TWO factors that Andile considered when he invested in RSA Retail Savings bonds. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 6.5.1.

FACTORS	MOTIVATION
1.	
2.	

- 6.5.2 Explain to Andile the advantages of investing in unit trusts. (4)

**BUSINESS ROLES**

- 6.6 State TWO economic rights of employees in the workplace. (2)
- 6.7 Identify the diversity issue that Mazala Butchery considered in EACH statement below:
- 6.7.1 The management of Mazala Butchery ensures that employees are not discriminated against based on the colour of their skin.
- 6.7.2 Special facilities are provided for employees who use wheelchairs.
- 6.7.3 Staff meetings are conducted only in English, as stipulated in their business policy. (6)
- 6.8 Discuss ways in which businesses could protect the environment and human health in the workplace. (6)

**BUSINESS OPERATIONS**

- 6.9 Outline TWO quality indicators of the production function. (4)
- 6.10 Explain the impact of TQM if it is poorly implemented by businesses. (4)
- 6.11 Distinguish between *job description* and *job specification*. (8)
- [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 e.g. QUESTION 7 on a NEW page, QUESTION 8 on a NEW page.

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

The government has established Sector Education and Training Authorities (SETAs) to ensure effective implementation of the Skills Development Act (SDA), 1998 (Act 97 of 1998). The National Skills Development Strategy (NSDS) is aimed at achieving the purpose of the SDA. Businesses are required to comply with this Act.

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

- Outline the role of SETAs in supporting the Skills Development Act.
- Explain the purpose of the National Skills Development Strategy.
- Evaluate the impact of the SDA on businesses.
- Suggest ways in which businesses can comply with the SDA.

**[40]****QUESTION 8: BUSINESS VENTURES (INSURANCE)**

Businesses take out insurance policies as they operate in high-risk environments. They also realise that some risks cannot be insured. Businesses must be well informed of the principles of insurance before signing an insurance contract. They benefit from compulsory insurance as they do not have to pay out certain claims.

Write an essay on insurance in which you include the following aspects:

- Outline the differences between *insurable* and *non-insurable* risks. Give TWO examples of each.
- Explain the following principles of insurance:
  - Indemnity/Indemnification
  - Security/Certainty
- Discuss THREE types of compulsory insurance.
- Advise businesses on the advantages of insurance for businesses.

**[40]**

**QUESTION 9: BUSINESS ROLES (PROBLEM-SOLVING AND CREATIVE THINKING)**

The business environment is dynamic and requires businesses to be innovative in their approaches. The force-field analysis and nominal group techniques can be applied during the problem-solving process. Many businesses strive to create an environment that promotes creative thinking in the workplace.

Write an essay on problem-solving and creative thinking in which you address the following aspects:

- Elaborate on the differences between *decision-making* and *problem-solving*.
- Discuss the impact of the following problem-solving techniques on businesses:
  - Force-field analysis
  - Nominal group technique
- Explain the advantages of creative thinking in the workplace.
- Suggest ways in which businesses can create an environment that promotes creative thinking in the workplace.

**[40]****QUESTION 10: BUSINESS OPERATIONS (HUMAN RESOURCES)**

An engineer at Hendricks Civil Engineers (HCE) recently terminated his employment contract. HCE is considering advertising this position externally. The human resources manager will prepare for the interview and also develop the induction programme.

Keeping the above scenario in mind, write an essay on human resources referring to the following aspects:

- Elaborate on the reasons for the termination of an employment contract.
- Explain the impact of external recruitment on HCE as a business.
- Discuss the role of the interviewer while preparing for an interview.
- Advise HCE on the benefits of induction.

**[40]**

**TOTAL SECTION C: 80**  
**GRAND TOTAL: 300**