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EDUCATION
REPUBLIC OF SOUTH AFRICA

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

**BUSINESS STUDIES
COMMON TEST
JUNE 2021**

MARKS: 100

TIME: 1½ hours

This question paper consists of 8 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of **THREE** sections.

SECTION A: COMPULSORY

SECTION B: Consists of **THREE** questions

Answer any **TWO** of the three questions in this section.

SECTION C: Consists of **TWO** questions

Answer any **ONE** of the two 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 **TWO** questions answered in **SECTION B** and the first question answered 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)
A: Objective-type questions COMPULSORY	1	20	20
B: THREE direct/indirect-type questions CHOICE: Answer ANY TWO	2	20	20
	3	20	20
	4	20	20
C: TWO essay-type questions CHOICE: Answer ANY ONE	5	40	30
	6	40	30
TOTAL		100	90

7. Begin the answer to **EACH** question on a **NEW** page, e.g. **QUESTION1** –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 1.1.5) in the ANSWER BOOK, e.g. 1.1.6 D

1.1.1 The process whereby a business stops operating and sells all assets to pay off debts:

- A. Retrenchment
- B. Liquidation
- C. Divestiture
- D. Market development

1.1.2 Quality ... relates to the inspection of the final product to ensure that it meets the required standards.

- A. assurance
- B. management
- C. performance
- D. control

1.1.3 This is a principle of insurance.

- A. Non-insurable interest
- B. Non-disclosure of all information
- C. Uncertainty
- D. Indemnification

1.1.4 Rajesh Kumar 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

1.1.5 Phil 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

(5X2) (10)

- 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.

average clause; SWOT; debenture holders; market contraction; PDCA; shareholders; market penetration; backward; reinstatement; forward

- 1.2.1 An example of an intensive strategy.
- 1.2.2 Investors who lend money to a company are called ...
- 1.2.3 Businesses apply the ... cycle to continuously improve on their processes and systems.
- 1.2.4 Applicable to goods that are underinsured.
- 1.2.5 Mojo Cheese Ltd chose the ... vertical integration when they took over Charles Dairy farm.

(5X2) (10)
TOTAL SECTION A: 20

SECTION B

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

QUESTION 2: BUSINESS ENVIRONMENTS

- 2.1 List any TWO elements of PESTLE (2)
- 2.2 Explain the steps when evaluating a strategy. (6)
- 2.3 Read the scenario below and answer the questions that follow.

PAM UNIQUE CAKES (PUC)

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

Identify TWO forces of Porter's Five Forces model that are applicable to Pam Unique Cakes. Motivate your answer by quoting from the scenario above. Use the table below as a GUIDE to answer QUESTION 2.3.

PORTER'S FIVE FORCES	MOTIVATION
1.	
2.	

(6)

- 2.4 Advise businesses on any TWO types of diversification strategies. (6)
[20]

QUESTION 3: BUSINESS VENTURES

- 3.1 List any TWO theories of management and leadership. (2)
- 3.2 Read the scenario below and answer the questions that follow.

JASMINE DESIGNS (JD)

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

- 3.2.1 Identify Jasmine leadership style. (2)

- 3.2.2 Evaluate the impact of the leadership style identified in QUESTION 3.2.1 on businesses. (6)

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

TRAVIS MOTOR INSURANCE (TMI)

Travis Motor Insurance (TMI) has property that has been insured for R500 000 but the market value for the property is R300 000.

- 3.3.1 Identify the insurance concept that is applicable in the above (2)
- 3.3.2 Elaborate on the meaning of concept mentioned in QUESTION 3.3.1. (4)
- 3.4 Advise on the advantages or importance of insurance for businesses (4)
- [20]**

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

- 4.1 Name any ONE business sector. (1)
- 4.2 Read the scenario below and answer the questions that follow.

BELVEDERE DISTRIBUTORS (BD)

Belvedere Distributors (BD) were unable to repay their loan during the Covid-19 pandemic. Green Medical Products (GMP), a local supplier was unable to deliver protective clothing on time.

All employees were requested to work from home and adhere to social distancing.

Use the table below as a guide to answer QUESTIONS 4.2.1 to 4.2.3

CHALLENGES (4.2.1)	BUSINESS ENVIRONMENTS (4.2.2)	EXTENT OF CONTROL (4.2.3)

- 4.2.1 Quote THREE challenges for BD from the scenario above. (3)
- 4.2.2 Classify BD's challenges according to the THREE business environments. (3)
- 4.2.3 State the extent of control that BD has over EACH business environment mentioned QUESTION 4.2.2 (3)

BUSINESS OPERATIONS

- 4.3 Discuss the benefits of good management system (6)
- 4.4 Recommend to the management the quality indicators of the production function. (4)

TOTAL SECTION B: [20]
40

SECTION C

Answer ANY **ONE** question from this section.

NOTE: Clearly indicate the QUESTION NUMBER of the chosen question and start your answer on a new page.

QUESTION 5 BUSINESS VENTURES: (INVESTMENT SECURITIES)

The Covid-19 pandemic has impacted on the lives and livelihood of many South Africans. This meant that current and potential shareholders had to review their forms of investment. Various factors need to be considered when making an investment decision.

Write an essay on Investment securities in which you include the following aspects.

- Outline the rights of ordinary and preference shareholders
- Elaborate on return on investment and liquidity as factors to be considered when making an investment decision.
- Evaluate the following forms of investments
 - Government / RSA retail savings bonds
 - Fixed deposit
- Advise potential shareholders on the benefits of unit trusts as a good investment

[40]

QUESTION 6: BUSINESS OPERATIONS: (QUALITY OF PERFORMANCE)

Businesses can ensure sustainability and profitability if they produce high quality products. This will result in total client/ customer satisfaction which can be achieved through adequate financing and capacity and the formation of quality circles in the workplace. Profitability would improve by reducing the cost of quality.

Write an essay on Quality of performance in which you include the following aspects.

- Outline the differences between *quality control* and *quality assurance*.
- Elaborate on the roles of quality circles in the workplace
- Evaluate the impact of the following Total Quality Management (TQM) elements on large businesses.
 - Total client / customer satisfaction
 - Adequate financing and capacity
- Recommend ways in which TQM can reduce the cost of quality

[40]

TOTAL SECTION C: 40
GRAND TOTAL: 100