



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

SEPTEMBER 2015

BUSINESS STUDIES

MARKS: 300

TIME: 3 hours



This question paper consists of 12 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 questions of the five questions in this section.

SECTION C: Consists of FOUR questions.

Answer any TWO of the four questions from this section.

2. Read the instructions for each question carefully and take particular note of what is required.
3. Number the answers carefully according to the numbering system used in this question paper.
4. Except where other instructions are given, answers must be written 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 guide when answering each question.

SECTION		QUESTION	MARKS	TIME
A	Multiple-choice questions. Matching items. Choose the correct word. COMPULSORY	1	40	30 minutes
B	Answer any THREE of the FIVE questions.	2	60	30 minutes
		3	60	30 minutes
		4	60	30 minutes
		5	60	30 minutes
		6	60	30 minutes
C	FOUR essay questions. Answer any TWO of the four questions in this section.	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.
8. You may use a non-programmable calculator.
9. Write neatly and legibly.

SECTION A (COMPULSORY)**QUESTION 1**

1.1 FOUR possible options are provide as answers to the following questions. Choose the correct answer and write only the letter (A–D) next to the question number (1.1.1–1.1.10) in the ANSWERBOOK, for example 1.1.11 A.

- 1.1.1 Which ONE of the following is an advantage of corporate social responsibility?
- A Reduces the BBBEE ratings
 - B Makes reporting in financial statements more difficult
 - C Is not the main activity of the business
 - D Attract investors
- 1.1.2 Identify the Act that is violated if an employee fails to take the necessary precautions to ensure that the workplace is a safe and healthy environment.
- A Basic Conditions of Employment Act
 - B Employment Equity Act
 - C Compensation for Occupational Injuries and Diseases Act
 - D Skills Development Act
- 1.1.3 Which ONE of the following can be used to create an environment that promotes creative thinking?
- A Experts give anonymous suggestions
 - B Empty chair techniques
 - C Encourage a spirit of play and experimentation
 - D Discouraging employees from participating in group problem solving sessions
- 1.1.4 Which of the following funds provides employees with tax benefits?
- A Unemployment Insurance Fund
 - B Retirement annuity
 - C National Lottery
 - D Road Accident Fund
- 1.1.5 This form of ownership can trade its shares on the Johannesburg Securities Exchange.
- A Partnership
 - B Private company
 - C Close corporation
 - D Public company

1.1.6 ... deal(s) with the evaluation of employees in the workplace with a view to an increase in their wages and salaries.

- A Staff development programmes
- B Team-building exercises
- C Performance appraisal
- D Counselling

1.1.7 Mathomo Clothing Factory, which has a market value of R500 000, was recently damaged by fire. The cost of repairs for damages to the building amounted to R100 000. Mathomo Clothing factory was insured for R300 000.

The amount for repairs that will be paid out by the insurer will be ...

- A R300 000.
- B R60 000.
- C R100 000.
- D R500 000.

1.1.8 Disputes between an employer and an employee are resolved by making suggestions towards a possible solution for both parties:

- A Mediation
- B Arbitration
- C Workplace forum
- D Common law action

1.1.9 The ability to influence others based on personal charm and inspiration is known as ... leadership.

- A autocratic
- B transformational
- C charismatic
- D democratic

1.1.10 Edward de Bono identified yellow as ... style of thinking.

- A a creative
- B a detached
- C an optimistic
- D an objective

(10 x 2) (20)

- 1.2 Choose a term from COLUMN B that matches a description in COLUMN A. Write only the letter (A – G) next to the question number (1.2.1–1.2.5) in the ANSWER BOOK, for example 1.2.6 H.

COLUMN A		COLUMN B	
1.2.1	set of rules that is seen as fair behaviour	A	Outsourcing
1.2.2	compels employers to provide employees with opportunities to acquire new skills	B	Strike
1.2.3	obtain specialists from outside the business enterprise to perform a particular task	C	Code of ethics
1.2.4	organised stay-away from work by workers whereby they are prepared to forfeit their income	D	Delphi technique
1.2.5	a technique used to obtain ideas without bringing people together	E	Picketing
		F	Professionalism
		G	Skills Development Act

(5 x 2) (10)

- 1.3 Choose the correct word(s) from those in brackets. Write only the word(s) next to the question number (1.3.1–1.3.5) in the ANSWER BOOK.

- 1.3.1 (Leadership/Management) refers to a process of influencing employees to become achievers in the performance of their duties.
- 1.3.2 An increase in the price of fuel is an example of a (market/macro) environmental challenge for the business.
- 1.3.3 A (Balanced Scorecard/SWOT analysis) is an instrument used to assess companies' compliance with BBBEE.
- 1.3.4 (Staff development/Induction) programmes aim to provide existing employees with basic knowledge and skills.
- 1.3.5 (Michael Porters' Five Forces/The King Code) was introduced to promote good corporate governance because of the prevalence of corruption and unethical business practices.

(5 x 2) (10)

TOTAL SECTION A: 40

SECTION B

Answer any THREE questions from this section.

NOTE: Clearly indicate the QUESTION NUMBER of each chosen question. 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 Read the following extract and answer the questions that follow.

APHISIPH STORES

Minah is the owner of Aphisiph Stores, situated in East London. It is a sport store selling sport kit and equipment to various sporting clubs and schools. Minah has a degree in Business Management from UNIFORT. The demand for sport kit has increased to such an extent that she can't keep up with all the orders from KwaZulu-Natal. Minah decided to open up another branch in Durban.

Minah applies for a loan from ABSA Bank. If her loan application is turned down, it will be the decision of the credit provider and not the credit regulator. She also faces the possibility of future interest rate increases. Minah has employed Candy, a new cashier with no experience. Candy treats customers unprofessionally.

The Buffalo City Municipality has increased their rates, taxes and Bayethe Sports Pty (Ltd) clothing manufacturer (the supplier) demands higher prices because of higher electricity prices. This had a negative impact on the profit level of Aphisiph Stores.

- 2.1.1 Identify the business sector in which Bayethe Sports (Pty) Ltd Clothing Manufacturer operates. (2)
- 2.1.2 Differentiate between the *credit provider* and the *National Credit Regulator*. (4)
- 2.1.3 Identify THREE challenges faced by Aphisiph Stores, and state the business environment in which each challenge occur. (9)
- 2.1.4 The Skills Development Act, 1998 (Act 97 of 1998) makes provision for Candy's skills to be improved. Explain the challenges that Minah may experience when implementing this Act. (6)
- 2.1.5 Explain Minah's rights regarding a possible rejected credit application. (1)
- 2.1.6 The National Credit Act, 2005 (Act 34 of 2005) protects both the credit provider and the consumer. Do you agree? Motivate your answer. (8)

- 2.2 Identify the type of strategy in each of the following scenarios:
- 2.2.1 The marketing team of Aphisiph Stores is looking at the possibility of exporting some products to Mozambique.
 - 2.2.2 The business adds new products that are related to their existing products and which will appeal to new customers.
 - 2.2.3 Aphisiph Stores struggles to get fashionable swimming attire and decides to purchase Bayethe Sports (Pty) Ltd Clothing Manufacturer.
 - 2.2.4 Aphisiph Stores sales manager decides to sell out the muscle boosters department because of poor performance.
 - 2.2.5 Aphisiph Stores decreases the prices of soccer balls drastically to influence customers to buy larger quantities.
- (5 x 2) (10)
- 2.3 Evaluate the impact of the Consumer Protection Act, 2008 (Act 68 of 2008) on Aphisiph Stores. (12)
- 2.4 Discuss any FOUR advantages of the Employment Equity Act, 1998 (Act 55 of 1998) for Aphisiph Stores. (8)
- [60]**

QUESTION 3: BUSINESS VENTURES

- 3.1 On his birthday Nceba receives an amount of R5 000,00. He decided to invest this money for three years, at 10% interest per year, compounded annually, with NEDBANK.

- 3.1.1 Calculate the amount Nceba will receive after three years. (Show all your workings). (6)
- 3.1.2 Show the amount of interest that Nceba will earn. (4)
- 3.1.3 As a well experienced financial adviser, suggest TWO other types of investment that Nceba could have used. (4)

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

“Jooste van Oosthuizen is the manager at Border Rugby Union (Pty) Ltd. He does not consult his subordinates and employees, but expects them to carry out instructions correctly. He makes his own decisions, and he believes in the top down approach. The decisions he makes are influenced by the rules and regulations of the business.”

- 3.2.1 Identify the leadership style described above. (2)
- 3.2.2 Justify why leaders should use different leadership styles when addressing different challenges. (4)
- 3.2.3 Identify any THREE situations where the leadership style in QUESTION 3.2.2 can be applied. (6)
- 3.3 Name FIVE forces that Michael Porter used to analyse the market environment. (10)
- 3.4 Compare the success or failure of a personal-liability company and a partnership in terms of:
- 3.3.1 Capacity (4)
- 3.3.2 Legislation (4)
- 3.3.3 Management (4)
- 3.5 List FOUR types of non-verbal presentations that can be used by a sales manager to present a non-verbal presentation. (8)
- 3.6 Identify the business sectors below and provide reasons for your answer.
- 3.6.1 Smart Creations Clothing (SCC) Manufacturer (2)
- 3.6.2 ABSA Bank is offering funeral cover for its clients (2)

[60]

QUESTION 4: BUSINESS ROLES

4.1 Suggest FIVE ways that employers can use to deal with difficult employees. (10)

4.2 Corporate social investment contribution will be assessed in terms of the triple bottom line. Briefly explain the triple bottom line. (12)

4.3 Distinguish between *corporate social investments* and *corporate social responsibility*. (4)

4.4 "Forslund, 60, a hard-core socialist from Sweden, rejects the possibility that his advice may have prolonged the strike and put these jobs on the line."

4.4.1 Differentiate between the *workplace forum* and a *trade union*. (2)

4.4.2 List THREE functions of a workplace forum. (3 x 3) (9)

4.5 Read the following scenario and answer the questions that follow.

James' Cycles is a small business run by James, who employs his son, John, and his daughter, Suzanne. It started off as a bicycle repair shop run by James, but when John joined the business it started selling bicycles and cycling equipment as well. Suzanne joined because the retail side of the business was growing so quickly.

James still does all the repairs on the bicycles that are brought in for fixing. He is an intelligent and quiet man who is good at analysing a bicycles' problem and finding the solution and has experience. John takes care of the retail side of the business. He is a good communicator and is always coming up with ideas of what the business should be doing next and encourages his father and sister to agree to his new ideas. Suzanne is reliable and is often the one who puts John's ideas into action.

Use Belbin's terms to describe what kind of role each person plays in the business and say whether it is an action-oriented role, a people-oriented role or a cerebral role. (12)

4.6 Name FOUR characteristics of a team that successfully achieves its goal. (8)

4.7 Distinguish between a *dispute* and a *grievance*. (4)

[60]

QUESTION 5: BUSINESS OPERATIONS

5.1 Study the job advertisement and answer the questions that follow.

The financial department of
JOY FURNITURES
has a vacancy for a

FINANCIAL MANAGER

Requirements:

- Be able to analyse financial results and report to management
- Be able to record financial transactions from source documents to financial statements
- Must be computer literate and be able to work with BAP – Business Accounting Program
- Be able to work under pressure

Only male applicants may apply
With a short CV to:
The Manager; Joy Furnitures; Zwelitsha.
or: Contact: Phila 0736785460
Only applicants on short list will be contacted for interviews.

- 5.1.1 Identify the type of recruitment that Joy Furnitures is using. (4)
- 5.1.2 State THREE advantages of this type of recruitment. (6)
- 5.1.3 Nelson has been invited for an interview. Suggest any THREE possible key attributes that Joy Furnitures must include in questions to test Nelson's skills and knowledge. (6)
- 5.1.4 Explain the main purpose of a job interview. (4)
- 5.1.5 Suggest any FOUR clauses that Joy Furnitures should be included in the employee contract. (8)
- 5.1.6 Give TWO examples of voluntary deductions that can occur in Nelson's contract. (4)
- 5.1.7 Some human resource managers claim the job interview is an unreliable assessment tool for selecting the best employee. Explain why this is the case. (4)
- 5.1.8 Define the concept *compulsory deduction* and give ONE example. (4)
- 5.1.9 Do you think Joy Furnitures has an obligation to offer fringe benefits to Nelson? Motivate your answer. (2)
- 5.2 Discuss the purpose of the Human Resources function and explain how the Human Resources function can influence the quality of performance of a business and staff. (10)
- 5.3 List any TWO acts relevant to the Human Resources function and explain why the two acts are relevant to the Human Resources function. (8)

[60]

QUESTION 6: MISCELLANEOUS TOPICS

- 6.1 Name any FIVE causes of conflict in a business undertaking. (10)
- 6.2 List any SIX conditions that will be stipulated in the employment contract. (12)
- 6.3 What are the responsibilities of business in terms of the Compensation for Occupational Injuries and Diseases Act (COIDA) No. 61 of 1997. (6)
- 6.4 State any FOUR principles identified in the King Code. (8)
- 6.5 Discuss the steps in the grievance procedure that a worker must follow to resolve a dispute. (12)
- 6.6 Differentiate between *management* and *leadership*. Explain whether a good manager is better than a good leader. (12)
- [60]**

TOTAL SECTION B: 180

SECTION C

Answer any TWO questions from this section.

QUESTION 7

One of the criticisms against the BEE concept was that it only enriched an elite group of black individuals. In response, government initiated the Broad-based Black Economic Empowerment Act No. 53 of 2003.

- Critically analyse the impact of any FIVE pillars of BBBEE on businesses.
 - Comment on the role of government in promoting this Act.
- [40]**

QUESTION 8

Turning a blind eye to unethical and unprofessional behaviour of co-workers makes your behaviour also unethical and unprofessional.

- Describe the concept of ethical and professional behaviour and use practical examples to explain the various issues relating to the above-mentioned.
 - Explain how sexual harassment, taxation and the pricing of goods in rural areas could challenge ethical and professional behaviour.
 - Also make recommendations by explaining ways in which these issues could be addressed.
- [40]**

QUESTION 9

Alfred and Apools run a successful partnership at Phillipstown known as AA Partners. They have won a lotto jackpot to an amount of R8 million. They want to increase their wealth and capital by investing it for a period of four years.

As a financial advisor:

- Evaluate the different factors that must be considered when making informed investment decisions.
 - Explain FIVE types of formal investment opportunities.
 - Elaborate on the risk factors for each type of investment.
- [40]**

QUESTION 10

You are the human resources manager of Kayo Shoe Manufacturer (Pty) Ltd, a footwear manufacturer in the Eastern Cape. Your Quality Controller had resigned recently.

- Discuss in detail your recruitment and selection for the new quality controller.
 - Discuss the legalities of the employment contract that both the employer and employee should sign.
 - Briefly outline the contents that should appear in the employment contract.
- [40]**

TOTAL SECTION C: 80
GRAND TOTAL: 300

