



Province of the  
**EASTERN CAPE**  
EDUCATION

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 11**

**NOVEMBER 2012**

**BUSINESS STUDIES**

**MARKS: 300**

**TIME: 3 hours**

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This question paper consists of 10 pages.

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## INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of three sections and covers all learning outcomes (LO1 to LO4).

SECTION A: COMPULSORY

SECTION B: Consists of THREE COMPULSORY questions.

SECTION C: Consists of FOUR questions. Answer any TWO of the four questions in this section.

2. Consider the time allocation for each question when answering the questions.
3. Read the instructions for each question carefully and answer only what is required.
4. Number the answers correctly according to the numbering system used in this question paper.
5. Except where other instructions are given, answers must be written in full sentences.
6. Use the mark allocation and the nature of each question to determine the length of an answer.
7. Start the answer to EACH question on a NEW PAGE, for example: QUESTION 2 – New page, QUESTION 3 – New page, etc.
8. Complete QUESTION 1 on the ANSWER SHEET provided. The answer sheet is the last page on this question paper. Place the completed answer sheet in the front of your answer book.
9. Use the table below as a guide for marks and time allocation when answering each question.

| SECTION  | QUESTION     | MARKS      | TIME       |
|--|--------------|------------|------------|
| A. Multiple-choice questions, Matching items. Give one word for.<br>COMPULSORY | 1            | 40         | 30 minutes |
| B. THREE questions<br>COMPULSORY   | 2            | 60         | 30 minutes |
|  | 3            | 60         | 30 minutes |
|  | 4            | 60         | 30 minutes |
| C. Essay questions. Answer any TWO of the four questions.                      | 5            | 40         | 30 minutes |
|  | 6            | 40         | 30 minutes |
|  | 7            | 40         | 30 minutes |
|  | 8            | 40         | 30 minutes |
|  | <b>TOTAL</b> | <b>300</b> | <b>180</b> |

**SECTION A (COMPULSORY)****QUESTION 1**

- 1.1 Four possible options are provided as answers to the following questions. Choose the answer and write only the letter (A – D) of the correct answer next to the question number. e.g. 1.1.11 B.
- 1.1.1 ... refers to the carrying out of unlawful activities.
- A Crime
  - B Unemployment
  - C Poverty
  - D Investment
- 1.1.2 ... is a challenge of the macro environment.
- A De-motivated employees
  - B Recession
  - C Lack of vision and mission
  - D Competition
- 1.1.3 When handling questions and feedbacks on a business presentation ...
- A enquire about the persons' qualifications.
  - B only accept questions from people with a high position at work.
  - C admit it when you do not know the answer to a question.
  - D say anything so that you do not humiliate yourself.
- 1.1.4 ... is the unauthorised duplication of original music, film, book or software
- A Duplication
  - B Simulations
  - C Piracy
  - D Dumping
- 1.1.5 One of the significant advantages for a business enterprise of making use of team work is that ...
- A greater output through collaboration is attained.
  - B it is time consuming.
  - C technology is a requirement to succeed.
  - D encourages individualism.

- 1.1.6 This type of packaging is used for expensive products like diamond rings.
- A Kaleidoscopic
  - B Multiple
  - C Combination
  - D Speciality
- 1.1.7 Sales promotion takes place when ...
- A a business receives favourable publicity.
  - B the prices of goods are increased.
  - C products are produced in big volumes.
  - D free product samples are given to consumers.
- 1.1.8 A career change can be caused by ...
- A reinsurance.
  - B relocation.
  - C resources.
  - D reinstatement.
- 1.1.9 The invention of new synthetic materials such as plastic may pose a challenge to the ... environment.
- A micro
  - B market
  - C internal
  - D macro
- 1.1.10 ... is having access to skills, products and services without having to employ more labour, capital, land or entrepreneurship.
- A Franchising
  - B Outsourcing
  - C Leasing
  - D Inventing
- (10 x 2) (20)

- 1.2 Choose a term from COLUMN B that matches a description in COLUMN A. Write only the letter (A – F) next to the question number (1.2.1 – 1.2.5) on the answer sheet, e.g. 1.2.6 B.

| COLUMN A |  | COLUMN B |                       |
|----------|--|----------|-----------------------|
| 1.2.1    | The illustration used in an action plan  | A        | Economic forces       |
| 1.2.2    | Some people see it as frustration and irritation. Others see it as tension or pressure | B        | Tertiary sector       |
| 1.2.3    | It includes interest's rates, inflation rate, taxation and the exchange rates          | C        | Social responsibility |
| 1.2.4    | Deals with the selling of goods and rendering of services                              | D        | Outstanding           |
| 1.2.5    | Vodacom sponsors a rugby tournament in Kokstad   | E        | Gantt chart           |
|          |  | F        | Stress                |

(5 x 2) (10)

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

1.3.1 A person with a creative business idea and who is willing to take the risk to implement the idea is an (intrapreneur/entrepreneur).

1.3.2 Production of identical products in large quantities is (jobbing/mass) production.

1.3.3 (Franchising/Moonlighting) is the type of business where one pays for using a business idea that is already well established.

1.3.4 Membership in a close corporation is (ten/twenty).

1.3.5 (Leasing/Outsourcing) is a contract in which goods are leased to another party for a certain length of time, and for instalments without acquiring the ownership of the goods.

(5 x 2) (10)

**TOTAL SECTION A: 40**

**SECTION B****QUESTION 2*****PREVENT JOB LOSSES'***

Khanya Ltd is planning to cut costs by retrenching workers. The largest trade union federation added its voice to the situation by condemning the job cuts. The federation said the unemployment crisis should be addressed and change must be properly managed.

- |       |  |              |
|-------|--|--------------|
| 2.1.1 | Define the concept <i>crisis</i> .                                       | (2)          |
| 2.1.2 | Mention any SIX techniques that can be used by leaders to manage change. | (6 x 2) (12) |
| 2.1.3 | Outline any FIVE characteristics of Khanya Ltd.                          | (5 x 2) (10) |
| 2.1.4 | Briefly explain FOUR consequences of unemployment.                       | (4 x 2) (8)  |
| 2.2   | Suggest FIVE strategies that can be used to manage stress.               | (5 x 2) (10) |
| 2.3   | Explain FOUR forces that can influence team dynamics.                    | (4 x 2) (8)  |
| 2.4   | List any FIVE advantages of brands.                                      | (5 x 2) (10) |
|       |  | <b>[60]</b>  |

**QUESTION 3**

3.1

**Gaining a competitive advantage**

In competitive markets, business managers try to obtain advantages over other business enterprises in order to get more profits.

3.1.1 Define the concept *competitive advantage*. (2)

3.1.2 List any FIVE results of a business with a competitive advantage. (10)

3.2 Study the information given below from Nxotshana Project Ltd which produces bicycles and answer the questions that follow. (10)

|   |               |         |
|---|---------------|---------|
| Raw materials                                 | (1 Jan 2011)  | R25 000 |
| Purchases                                     |               | R20 000 |
| Raw Materials                                 | (31 Dec 2011) | R15 000 |
| Labour costs of employees assembling bicycles |               | R30 000 |
| Casual labour                                 |               | R10 000 |
| Depreciation on factory machinery             |               | R2 000  |
| Insurance                                     |               | R3 000  |
| Rent on factory                               |               | R2 000  |
| Electricity used in the factory               |               | R1 000  |

At the end of the year 400 bicycles were produced.

Use the above information to calculate the following costs and show all calculations.

3.2.1 Direct materials cost (6)

3.2.2 Primary costs (3)

3.2.3 (a) Fixed overhead costs (4)

(b) Variable overhead costs (3)

3.2.4 Total production costs (3)

3.2.5 Unit cost (cost of producing one bicycle) (5)

3.3 Advise Nxotshana Project Ltd on THREE types of pricing techniques and briefly explain how these techniques are applied. (9)

3.4 List any THREE benefits of electronic networking. (6)

3.5 Consumer goods are classified into three types. Briefly explain these types of consumer goods. (9)

**[60]**

**QUESTION 4**

4.1 Use a pie chart to illustrate the following sales figures of Thutsing Spaza shop.

Cold drinks 30%

Sugar 40%

Cigarettes 10%

Airtime 5%

Panado 15%

(10)

4.2 The process of product design is usually a long and expensive one that requires research, development of prototypes, testing and then the final production.

Briefly explain the steps of the product design process.

(15)

4.3 Read the case study below and answer the questions that follow.

Siya and Naomi started their business, Dila Hoya Lodge at the beginning of 2011. They are both looking forward to opportunities that the 2011 Rugby World Cup will present to their business. The following is a summary of their activities for February 2011. They both bought furniture in the first and second week of February. From the second to the last week of the month Naomi bought cutlery. She also had to place an order for bedding and curtains in the third week. Siya purchased crockery in the second week and arranged security for the business in the last week of February. During the first two weeks Siya applied for a business license with the municipality.

4.3.1 Draft a Gantt chart that will illustrate the activities of Siya and Naomi as partners.

(24)

4.3.2 The owners of Dila Hoya Lodge decided to buy a Spur franchise to supply meals to their guests. Discuss FIVE advantages that a Spur franchise will present to them.

(10)

4.3.3 Give any other example of a franchise business except Spur.

(1)

**TOTAL SECTION B: 180**



**SECTION C****QUESTION 5**

Packaging is more than just putting a product in a box, bottle or container. Marketers design packaging to enhance the brand image and to promote the product.

As the managing director of a factory in East London, you are required to advise them about the purpose and requirements of a good packaging as well as different types/forms of packaging they can use when packing their products.

(40)

**QUESTION 6**

David is an experienced motor mechanic who owns a small vehicle repair workshop in Queenstown. He would like to expand his business but realises that he cannot raise sufficient capital on his own. He invites three of his friends to join the business.

He approaches you for advice in establishing the business named, "David and Friends Motors". They want a form of ownership that can be easily established without any legal formalities and it must not be a separate entity from the owners.

Advise David on the form of ownership best suited for the business. Prepare a detailed presentation that covers all aspects of this type of ownership.

(40)

**QUESTION 7**

Everyone experiences change either big or small in his or her daily life. Businesses also experience change daily.

Analyse the principles of change management and factors to be considered when making a change as well as types of change management.

(40)

**QUESTION 8**

Matatiele Furnishers sells wooden furniture which they buy from the manufacturer in Ugie. The manufacturer sources his raw materials from PG Bisson Ltd from the same village.

It is clear that economic sectors are interdependent and do not function in isolation. Discuss each of these sectors and analyse their relatedness with each other in detail. In your answer include backward and forward links.

(40)

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

**BUSINESS STUDIES: GRADE 11 – NOVEMBER 2012****SECTION A: ANSWER SHEET****NAME and SURNAME:** \_\_\_\_\_**1.1 MULTIPLE-CHOICE QUESTIONS**

|        |   |   |   |   |
|--------|---|---|---|---|
| 1.1.1  | A | B | C | D |
| 1.1.2  | A | B | C | D |
| 1.1.3  | A | B | C | D |
| 1.1.4  | A | B | C | D |
| 1.1.5  | A | B | C | D |
| 1.1.6  | A | B | C | D |
| 1.1.7  | A | B | C | D |
| 1.1.8  | A | B | C | D |
| 1.1.9  | A | B | C | D |
| 1.1.10 | A | B | C | D |

(10 x 2) (20)

**1.2 MATCHING ITEMS**

|       |  |
|-------|--|
| 1.2.1 |  |
| 1.2.2 |  |
| 1.2.3 |  |
| 1.2.4 |  |
| 1.2.5 |  |

(5 x 2) (10)

**1.3 SELECT THE CORRECT ANSWER.**

1.3.1 \_\_\_\_\_

1.3.2 \_\_\_\_\_

1.3.3 \_\_\_\_\_

1.3.4 \_\_\_\_\_

1.3.5 \_\_\_\_\_

(5 x 2) (10)