



Province of the
EASTERN CAPE
EDUCATION

BUSINESS STUDIES

COMMON TEST

JUNE 2014

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

MARKS: 300

TIME: 3 hours

N.B. This question paper consists of 12 pages including this page.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of THREE sections and covers all broad topics.

SECTION A: COMPULSORY

SECTION B: Consists of FOUR questions.

Answer any THREE of the FOUR 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.
4. Except where other instructions are given, answers must be written in full sentences.
5. Use the mark allocation and the nature of each question to determine the length of an answer.
6. Use the table below as a guide for marks and time allocation when answering each question.

SECTION	QUESTION	MARKS	TIME
A: Objective type questions COMPULSORY	1	40	30 minutes
B: FOUR direct/indirect type questions (CHOICE: Answer any THREE)	2	60	30 minutes
	3	60	30 minutes
	4	60	30 minutes
	5	60	30 minutes
C: FOUR essay type questions (CHOICE: Answer any TWO)	6	40	30 minutes
	7	40	30 minutes
	8	40	30 minutes
	9	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. A non-programmable calculator may be used.
9. Write neatly and legibly.

SECTION A: (COMPULSORY)**QUESTION 1: MULTIPLE-CHOICE QUESTIONS**

- 1.1 Each of the following statements/questions is followed by four options, only ONE of which is correct. Choose the correct option and indicate this by placing the letter of the alphabet that corresponds to it next to the number, for example 1.11 E.

1.1.1 “We strive to provide high-quality meals at affordable prices to customers.”
This is an example of Nalini’s Touch of Class Restaurant’s ...

- A mission.
- B productivity standards.
- C performance standards.
- D quality control system.

1.1.2 The growth of water usage is outpacing the supply thereof.
This forms part of the ... environment.

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

1.1.3 Legit provides fashionable clothing to fashion-conscious women between the ages of 16 and 24 years, who live on a shoestring budget. These young, fashionable women belong to Legit’s ... environment.

- A micro
- B market
- C mega
- D macro

1.1.4 SIMOENE is a shift supervisor at Groothelud Coal Mine. As such she is responsible for the day-to-day activities of and short-term planning for her section.

As a shift supervisor within the business, SIMONE operates at the ... level of management.

- A top
- B middle
- C lower
- D tactical

- 1.1.5 At SAB, Competition Act compliance training is provided as a part of the induction of new employees. Annual training is compulsory for all senior executives and their colleagues in marketing, sales and distribution. In this case SAB is driven by ... drivers.
- A ethical
 - B employee
 - C corporate
 - D engagement
- 1.1.6 Edcon applies corporate governance in order to ensure sustainability of the organisation and its business. These principles and practices are applied in line with the ...
- A Kyoto Protocol.
 - B King 3 report.
 - C Global Reporting Initiative (GRI).
 - D JSE SRI Index.
- 1.1.7 Small groups of employees who voluntarily meet on a regular basis to discuss problems relating to an improvement in production is known as ...
- A quality circles.
 - B MBO strategies
 - C entrepreneurship.
 - D empowerment.
- 1.1.8 Kyle is a human resource manager at Marketing Exclusive, a small marketing and advertising consulting firm. He has to determine which qualifications a person should have to perform the required job. This is known as ...
- A job analysis.
 - B job description.
 - C job specification.
 - D induction.

1.1.9 Bill Gates created a progressive company such as Microsoft, functioning in a dynamic environment. Bill Gates displays the characteristics of a ... leader, who is distinguished by the ability to bring about innovation and change.

- A charismatic
- B transformation
- C transactional
- D interactive

1.1.10 Kimbelin is the owner of a small bookshop. Her assistant has recently resigned and she needs to appoint another assistant. What are the advantages for Kimbelin appointing someone internally?

- 1 Current employees are familiar with the business
- 2 Current employees' careers are advanced
- 3 Current employees are not suitably qualified
- 4 Current employees do not bring new ideas to the business

- A 1, 2
- B 1, 2, 3
- C 2, 3, 4
- D 1, 2, 3, 4

(10 x 2) (20)

1.2 Choose a term from COLUMN B that matches a description in COLUMN A. Write only the letter (A–E) next to the question for example 1.2.6 F.

COLUMN A	COLUMN B
1.2.1 A farmer buys the green grocer that normally supplies in order to gain greater control over the distribution of his products	A Strategy
1.2.2 The purpose of this Act is to ensure that employees work in a safe environment	B Conflict
1.2.3 A green grocer buys the farm of his supplier in order to gain greater control over the supply of fresh produce to his shop	C Forward vertical integration
1.2.4 A plan of action to achieve business objectives	D Backward vertical integration
1.2.5 Differences in opinions, values, beliefs and attitude	E Compensation for Occupational Injuries Act, 1993 (Act 130 of 1993)

(5 x 2) (10)

- 1.3 Choose the correct word(s) from those given 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 A SWOT analysis / job analysis) is a tool for assessing a business and its environment.
- 1.3.2 (Brainstorming / Empty Chair) is a creative problem-solving technique in which several people think about a single problem and suggest ideas that could lead a solution.
- 1.3.3 (Redundancy / Retirement) is when there is no longer work for some employees because the business is being restructured.
- 1.3.4 When a business enterprise support (the triple bottom line / human right) they will consider the social, environmental and economic impact in its region.
- 1.3.5 A person who occasionally works on a Sunday should be paid (double the normal wage / one and a half times the normal wage). (5 x 2) (10)

TOTAL SECTION A: 40

SECTION B: (COMPULSORY)

Answer ANY THREE questions from this section.

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

2.1 Read the following extract and answer the questions that follow.

OLD MUTUAL SOUTH AFRICA (OMSA)

OMSA is committed to growing and investing in socially responsible activities, employment equity and diversity, skills development and affirmative procurement, as well as sustainable social investment projects and the active involvement of employees in social and community affairs. Its corporate citizenship programme recognises the value of non-financial performance and social accountability.

Old Mutual supports preferential procurement as a lever for economic transformation and Broad-Based Black Economic Empowerment (BBBEE). Old Mutual transferred 13,5 % of its ownership in the hands of black South African.

2.1.1 Distinguish between corporate social investments and corporate social responsibility. (4)

2.1.2 Old Mutual is one of the businesses that support the community. Describe FOUR problems or challenges Old Mutual may face when trying to implement a CSI program. (8)

2.2 One of the objectives of Old Mutual is to promote procurement. Preferential procurement is one the pillars of BBBEE.

2.2.1 Name any other FOUR pillars. (4)

2.2.2 Old Mutual transferred 13,5 % of its ownership into the hand of the black South Africans. State FOUR benefits of BBBEE. (8)

2.2.3 Justify the introduction of broad-based black economic empowerment (BBBEE). (4)

2.2.4 Businesses operate in diverse communities and they have a diverse workforce. Discuss the obligations of businesses in terms of their broad-based approach with specific reference to inclusivity. (6)

2.3 Discuss how Old Mutual businesses should address environmental issues to maintain sustainability and also explain the benefits of addressing these issues. (12)

- 2.4 OLD MUTUAL play a crucial role in ensuring that learners and apprentices are able to receive training through the implementation of the Skills Development Act, 1988 (Act 97 of 1988).
- 2.4.1 Explain the purpose of the Skills Development Act. (10)
- 2.4.2 Comment on the progress of this Act in industry. (4)
- [60]**

QUESTION 3

- 3.1 List the consequences of conflict in the workplace. (10)
- 3.2 State FIVE steps that the management should follow when resolving conflict in a workplace. (10)
- 3.3 Name TWO conflict management skills to resolve differences in business situation. (4)
- 3.4 Explain family responsibility leave according to the Basic Conditions of Employment Act, 1997 (Act 75 of 1997) (6)
- 3.5 Business usually only resort to defensive strategies when they are under severe pressure and have few options. Evaluate TWO defensive strategies that can be used. (8)
- 3.6 Describe THREE steps a business will follow when evaluating strategies. (6)
- 3.7 Discuss ways in which professional, responsible, ethical and effective business practice should be conducted. (16)
- [60]**

QUESTION 4

- 4.1 Distinguish between a dispute and a grievance. (4)
- 4.2 When people work together they can learn from one another and achieve more than they can as individuals. Discuss FOUR criteria that individuals can use to assess themselves with regard to team performance. (12)
- 4.3 Suggest FIVE ways that businesses can use to deal with difficult employees. (10)
- 4.4 Explain the steps to be followed when dealing with a grievance procedure. (12)

- 4.5 One of your employees, who is well qualified and experienced, has an alcohol problem. Describe measures that you, as manager, will take to ensure the wellbeing of the employee. (12)
- 4.6 Briefly state the benefits of implementing a good quality control system in a business. (10)

[60]**QUESTION 5**

- 5.1 Sizwe is the manager of Best Clothing. He explains work procedures, rewards employees for excellence and punishes them if targets are not met.
- 5.1.1 Identify the leadership theory described above. (2)
- 5.1.2 Evaluate the impact of this leadership theory on business operations. (4)
- 5.2 Explain the term '*head hunting*' as one of the recruitment method. (4)
- 5.3 Once the applicant has been chosen and has accepted the position offered, he/she has to sign an employment contract.
- List any SIX conditions that will be stipulated in the employment contract. (12)
- 5.4 The statement below refer to specific business operations. They describe a business sector. Identify the business sector and give reasons for your answer.
- 5.4.1 Old Mutual Group Scheme offering investment opportunities for 2014. (6)
- 5.4.2 Sappi Forestry planting trees. (6)

- 5.5 Study the extract below taken from the payslip of A. ANTON an employee of GLEN Stores and answer the questions that follow.

Gross income	R14 500	Income Tax	R3 625
Housing allowance	R600	UIF	R1 450
Overtime allowance	R1 950	Virgin medical aid	R994
		Sanlim retirement annuity	R750
		Legal Wise	R45
		Net salary	?

- 5.5.1 Calculate the NET SALARY of A. ANTON (2)
- 5.5.2 Name TWO deductions on the above payslip which are NOT compulsory, according to the Basic Conditions of Employment Act. (4)
- 5.5.3 Name TWO deductions on the above payslip which are compulsory, according to the Basic Conditions of Employment Act. (4)
- 5.5.4 Read the following scenario and answer the questions that follow.

Tina has been appointed as a saleslady at EAST COAST CAR DEALERSHIP.

Her employment contract stipulates, amongst others, the following:

- 10 working days annual leave
- Resignation when Tina falls pregnant
- 8 hours of work per day

Tina has approached you as a labour consultant to advise her on her basic rights in terms of the employment contract.

Write a critical evaluation of the above stipulations with regard to their compliance with the requirements of the Basic Conditions of Employment Act, 1997 (Act 75 of 1997).

(10)

- 5.6 Evaluate the impact of the Consumer Protection Act, 2008 (Act 68 of 2008) on businesses.

(6)
[60]

TOTAL SECTION B: 180

SECTION C

Answer ANY TWO questions.

NOTE: Clearly indicate the QUESTION NUMBER of the chosen question.
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 6

Kia Stores have been experiencing a decline in sales due to a loss of customers to competitors. The management of Kia Stores decides to conduct a planning session to come up with strategies to increase sales and to attract customers.

Formulate TWO possible strategies that Kia Stores can include in their strategic planning to address the challenges in the scenario. Discuss how Kia Stores can apply the Porter's Five Forces model to analyse their market environment.

[40]

QUESTION 7

The King Code provides a framework to corporate governance for best business practices. Business ethics and professional conduct is the foundation of, and reason for, corporate governance.

Distinguish, with examples, between professional behaviour and unprofessional behaviour. Evaluate taxation, the unauthorised use of funds and the abuse of work time as issues that challenge the ethical behaviour of businesses and suggest strategies that could be used to address these issues.

[40]

QUESTION 8

Taking a team from ordinary to extraordinary means understanding and embracing the difference between management and leadership. This can be attributed to the different leadership styles adapted by them in their particular business organisation.

Distinguish between leadership and management. Evaluate the consensus, autocratic and laissez-faire leadership styles. Also explain when each style can be applied by management.

[40]

QUESTION 9

Quality is people and their attitude toward their work at all levels in the organisation. As with quality, it is evident that total quality management forms an integral part of the operations function.

Explain the term '*TQM: total quality management*'. Analyse the impact of quality on different business structures (big and small) taking into account the elements of total quality management (TQM); continuous skills development; total client satisfaction and continuous improvement to processes and systems

[40]

TOTAL SECTION C: 80
GRAND TOTAL: 300

