



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

JUNE 2018

BUSINESS STUDIES

MARKS: 300

TIME: 3 hours



This question paper consists of 15 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 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 note of what is required.
3. Number the answers carefully according to the numbering system used in this question paper. No marks will be awarded for answers that are numbered incorrectly.
4. Except where specific 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 a guide for mark and time allocation when answering each question.

SECTION	QUESTION	MARKS	TIME
A: Objective-type questions COMPULSORY	1	40	30 minutes
B: FIVE direct/indirect-type questions CHOICE (Answer any THREE.)	2	60	30 minutes
	3	60	30 minutes
	4	60	30 minutes
	5	60	30 minutes
	6	60	30 minutes
C: FOUR essay-type questions CHOICE (Answer any TWO.)	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, for example QUESTION 1 – new page, QUESTION 2 – new page, et cetera.
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 number (1.1.1–1.1.10) in the ANSWER BOOK, for example 1.1.11 E.

- 1.1.1 When a dairy farm takes over a cheese factory ... integration is applied.
- A horizontal
 - B forward vertical
 - C backward vertical
 - D conglomerate
- 1.1.2 The main purpose of the Skills Development Act, 1998 (Act 97 of 1998):
- A Ensures that businesses pay their skills development levy regularly.
 - B Allocates grants to employers and training providers.
 - C Provides for a system of credits that employees receive when they complete their learnership.
 - D Encourages employers to use the workplace as a learning environment.
- 1.1.3 Sizwe's Dairy produces fresh milk and operates in the ... sector.
- A secondary
 - B informal
 - C ordinary
 - D primary
- 1.1.4 This leadership style can be applied when workers have the necessary experience to execute their tasks.
- A Situational leadership
 - B Laissez-faire leadership
 - C Transformational leadership
 - D Transactional leadership
- 1.1.5 Businesses apply this management and leadership theory to change, develop and motivate employees over a short period of time:
- A Situational theory
 - B Trait theory
 - C Transformational theory
 - D Leaders and followers

- 1.1.6 According to this leadership style employees are encouraged to work hard because they will receive rewards:
- A Situational
 - B Charismatic
 - C Transactional
 - D Democratic
- 1.1.7 The ... team dynamic theory focuses on the roles that team members prefer to play in a team.
- A Magerison-McCann
 - B Belbin
 - C MTR-I approach
 - D Jungian
- 1.1.8 Conflict between an employer and an employee can be seen as a ...
- A problem.
 - B grievance.
 - C burden.
 - D difference.
- 1.1.9 This function creates a favourable image of the business.
- A Human Resources
 - B Risk management
 - C Public Relations
 - D General Management
- 1.1.10 A government agency that develops quality standards for products manufactured in South Africa:
- A SABC
 - B SAQA
 - C SARB
 - D SABS

(10 x 2) (20)

- 1.2 Complete the following statements by using the words provided in the list below. Write only the word(s) next to the question number (1.2.1–1.2.5) in the ANSWER BOOK.

human right; R250 000; Empty chair technique; environmental; quality control; Delphi technique; quality assurance; charismatic; R500 000; performance appraisal; super.

- 1.2.1 Employers are legible to pay a skills levy if their total annual salary expenses exceed ...
- 1.2.2 The ability to influence others based on personal charm and inspiration is known as the ... leadership style.
- 1.2.3 Businesses are required by law to charge customers for plastic packaging. This is one of the ways in which the business addresses ... issues.
- 1.2.4 A problem-solving technique where a team of experts is given questionnaires to obtain their opinions without bringing them together is known as the ...
- 1.2.5 Checking every step in the production process to prevent mistakes is referred to as ...

(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 number (1.3.1–1.3.5) in the ANSWER BOOK, for example 1.3.6 K.

COLUMN A		COLUMN B	
1.3.1	Conglomerate	A	requires creative thinking skills to generate and evaluate alternative solutions
1.3.2	Affirmative action	B	matches the position and the competencies of the employee
1.3.3	Problem-solving	C	business merges with, or takes over, another enterprise in a completely different industry
1.3.4	Placement	D	measures the quality of the final product
1.3.5	Total quality management	E	ensures that qualified people from designated groups have equal opportunities in the workplace
		F	transferring employees to other departments
		G	business increases sales by selling new similar products in the market
		H	ensures meaningful participation of black people in the economy
		I	aims at minimising defects
		J	forces businesses to disclose more information about their products and processes

(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 for example, QUESTION 2 on a NEW page, QUESTION 3 on a NEW page, et cetera.

QUESTION 2: BUSINESS ENVIRONMENT

- 2.1 Name any FOUR aspects of the PESTLE analysis model. (4)
- 2.2 Describe the steps followed in evaluating a strategy. (10)
- 2.3 Explain THREE types of intensive strategies. (9)
- 2.4 Classify each scenario according to the relevant pillar as outlined in the Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003) (amended 2013):
- 2.4.1 BMK (Pty) Ltd sends employees for training sessions to upgrade their skills. (2)
- 2.4.2 An invitation to employees to buy shares in the company. (2)
- 2.4.3 Mr Manzi's donation of R100 000 towards the building of a community enrichment centre. (2)
- 2.4.4 JJ Enterprise promoting three black women as heads of various departments. (2)
- 2.5 Discuss THREE consumer rights as identified in the Consumer Protection Act, 2008 (Act 68 of 2008). (9)

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

ALLOY WHEELS (PTY) LTD (AW)

Marvella is a machine operator employed by Alloy Wheel (Pty) Ltd, a company that manufactures alloy wheels in Durban. He was seriously injured while performing his duties and was rushed to hospital without reporting the accident.

The management investigated the nature of the accident and found that Marvella had not been wearing his protective clothing despite having been advised to do so regularly.

2.6.1 Name the Act that is applicable to Marvella's accident at work. (2)

2.6.2 Quote TWO reasons from the scenario why Marvella's claim for injuries is not justifiable. (2)

2.6.3 Discuss the impact of the Act referred to in QUESTION 2.6.1 on businesses (employers and employees). (8)

2.7 Justify the effectiveness of the Employment Equity Act, 1998 (Act 55 of 1998) on businesses. (8)

[60]

QUESTION 3: BUSINESS VENTURES (LEADERSHIP AND MANAGEMENT)

3.1 Identify the leadership styles that are applicable to EACH of the following situations.

3.1.1 The employees of Sipho Enterprise choose to work on their own as long as they do not violate the company's policies. (2)

3.1.2 Rina uses her personality to inspire other employees to do more than expected. (2)

3.1.3 The chief executive officer (CEO) wants to consult with all stakeholders to achieve specific production targets. (2)

3.1.4 This type of leadership expects followers to follow and respect rules. (2)

3.1.5 The manager at Zebra Tours instructs his colleagues without accepting inputs from them. (2)

3.2 Differentiate between *leadership* and *management*. (12)

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

Themba is an operational manager and Nandi is his assistant manager. Themba always ensures that employees adhere strictly to rules and regulations, while Nandi prefers the laissez-faire or free-reign leadership style.

3.3.1 Identify the leadership style used by Themba in the scenario above. (2)

3.3.2 Evaluate the effectiveness of the leadership style referred to in QUESTION 3.3.1. (12)

3.3.3 Suggest FOUR reasons why the employees may prefer the laissez-faire or free-reign leadership style. (8)

3.4 Discuss the effect of personal attitude in successful leadership. (8)

3.5 Evaluate the impact of transactional leadership style on businesses. (8)

[60]

QUESTION 4: BUSINESS ROLES

4.1 Name any FIVE economic rights of employees in the workplace. (5)

4.2 Each scenario below illustrates unprofessional business practices. Suggest ONE method how the business could address each scenario.

4.2.1 EP Company is paid in cash for its services in order to avoid paying VAT on the transaction. This transaction is not recorded. (2)

4.2.2 Middle-level managers are discussing work-related issues on social media. (2)

4.2.3 The secretary of the CEO in a large company is rude when answering the phone. (2)

4.2.4 The CEO has a habit of arriving late for board meetings and everyone must wait before they can discuss urgent matters. (2)

4.3 Explain ways in which businesses can apply the following King Code principles to improve their corporate governance.

4.3.1 Transparency (4)

4.3.2 Accountability (4)

4.4 Describe TWO strategies that a business may use to manage EACH of the following socio-economic issues.

4.4.1 Unemployment (4)

4.4.2 HIV/Aids (4)

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

ELITHENI COMMUNITY CLINIC (ECC)

Elitheni Community Clinic is a non-governmental organisation. ECC has six employees of who all are African females. The infrastructure does not have the necessary facilities to cater for the elderly and people living with disabilities. IsiXhosa is the only language of communication despite the community comprising of different racial groups.

4.5.1 Identify TWO diversity issues referred to in the scenario above and motivate your answer. (6)

4.5.2 Recommend TWO ways in which ECC should deal with each of the diversity issues identified in QUESTION 4.5.1. (8)

4.6 Discuss the advantages of corporate social investment for businesses. (8)

4.7 Explain the link between triple bottom line and the social responsibility of a business. (9)

[60]

QUESTION 5: BUSINESS OPERATIONS

5.1 State FOUR aspects that should be included in the induction programme. (4)

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

PERFECT BRICKS (PTY) LTD (PB)

PB advertised a vacancy for a delivery vehicle driver in the local newspaper. Job requirements and specifications are clearly indicated in the job advertisement. Shortlisted candidates are subjected to screening tests and the successful candidate will be asked to sign their employment contract.

5.2.1 Identify the type of recruitment that Perfect Bricks (Pty) Ltd used to find suitable candidates for the vacant post. Motivate your answer. (3)

5.2.2 Mention any other FOUR methods/sources used in the recruitment type identified in QUESTION 5.2.1. (4)

5.2.3 List any FIVE details included in the employment contract. (5)

5.2.4 Describe the procedure which Perfect Bricks (Pty) Ltd should follow when selecting candidates. (8)

5.3 Distinguish between *job description* and *job specification*. (8)

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

BOW SAFARIS

BOW Safaris is a popular and attractive local and international tourist destination with its unique wildlife, vegetation, quality camping and different accommodation facilities. Recently BOW Safaris received complaints from customers about their poor service bookings.

5.4.1 Advise BOW Safaris on how to improve the quality of their service by applying the PDCA model/cycle as part of the continuous improvement of systems and processes. (8)

5.4.2 Explain to BOW Safaris the advantages of implementing a good quality management system. (8)

5.5 Elaborate on the meaning of quality circles. (6)

5.6 Analyse the impact of continuous skills development as a TQM element on large businesses. (6)

[60]

QUESTION 6: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENT**

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

BUCKET WASTE AND RECYCLING (BWR)

Baloyi and Maseko started their business in 2014, employing 18 permanent employees. They have 650 vendors supplying their business with recyclable material. BWR often loses recyclable material due to break-ins.

BWR is a white-dominated business and needs to expand to Mpumalanga, Limpopo and the Eastern Cape.

6.1.1 Compile a SWOT analysis for BWR. (4)

6.1.2 Suggest ONE strategy to handle each weakness and threat identified in QUESTION 6.1.1. (4)

6.2 Discuss the purpose of the Labour Relations Act (LRA) (No. 66 of 1995). (6)

BUSINESS VENTURES (LEADERSHIP AND MANAGEMENT)

6.3 Discuss the transformational leadership theory. (8)

6.4 Evaluate the democratic leadership style. (8)

BUSINESS ROLES

6.5 State the problem-solving technique represented in EACH of the following statements:

6.5.1 The employees of Racy Fashions have been requested to quietly generate as many ideas as possible and then to share them with other employees. (2)

6.5.2 The director of Quick Cash Financial Services pretends to be sitting with someone when he makes his own decisions. (2)

6.5.3 The management of BBK Consulting have listed the advantages and disadvantages of changing their business structure. (2)

6.5.4 TT Ceramic Tile requested their employees to explore different ways to modify their products/of modifying their products. (2)

6.5.5 Mpho gives his employees the opportunity to suggest ideas randomly, these are then written on a flip chart. (2)

6.6 Identify the stage of team development applicable in EACH of the following statements:

6.6.1 Team members are comfortable and learn more about each other. (2)

6.6.2 Team members question each other's ideas and opinions. (2)

BUSINESS OPERATIONS

6.7 State the reasons why an employment contract may be terminated. (8)

6.8 Identify the business function that is responsible for improving the quality of performance in EACH statement below:

6.8.1 Income statements and balance sheets are not prepared in time for the annual general meeting of shareholders. (2)

6.8.2 Directors use outdated information to make strategic decisions. (2)

6.8.3 Kofi Enterprise is not able to attract and retain skilled labour. (2)

6.8.4 Mrs Khumalo returns faulty products to ZZ Manufacturers due to factory defects. (2)

[60]

TOTAL SECTION B: 180

SECTION C

Answer ANY TWO questions in this section.

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 7: BUSINESS ENVIRONMENT (LEGISLATION)

The Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997) was established to enforce the basic conditions of employment in the workplace. Businesses who do not comply with this Act will be penalised.

As a business consultant, provide a detailed report on the following aspects of the Basic Condition of Employment Act:

- Explain the purpose of the BCEA.
- Discuss FOUR provisions of this Act.
- Outline the penalties businesses may face for non-compliance to this Act.
- Evaluate the positive impact of the BCEA on businesses.

[40]

QUESTION 8: BUSINESS VENTURES (LEADERSHIP AND MANAGEMENT)

Successful businesses believe that leadership and management form an integral part of their success. Others argue that management plays a more important role than leadership in the success of businesses.

Support the above arguments by referring to the following aspects in your answer:

- Elaborate on the meaning of '*management*'.
- Evaluate the autocratic, charismatic and laissez-faire leadership styles.
- Explain the situational leadership theory.
- Suggest THREE situations in which a situational leadership style can be applied effectively in the workplace.

[40]

QUESTION 9: BUSINESS ROLES (CONFLICT MANAGEMENT)

Businesses employ workers from different cultural backgrounds and beliefs, which may lead to conflict in the workplace. Employees are also expected to work together in teams, which may intensify conflict.

Refer to the statement above and elaborate on the following issues in the workplace:

- Differentiate between conflict and grievance.
- Outline the causes of conflict in the workplace.
- Discuss the procedures to deal with grievance.
- Analyse the benefits of a diverse work force to businesses.

[40]**QUESTION 10: BUSINESS OPERATIONS (HUMAN RESOURCES AND QUALITY OF PERFORMANCE)**

Businesses recruit and appoint managers and employees to monitor and evaluate their quality processes.

Businesses believes that Total Quality Management (TQM) is important to get things right 'the first time, every time'.

Refer to the statement above and write an essay in which you include the following aspects:

- Explain the recruitment procedure that the business should follow when filling the vacancy.
- Discuss the impact of Employment Act (EEA) 1998 (Act 55 of 1998) when making new appointments.
- Elaborate on the advantages of monitoring and evaluating business's quality processes as a TQM element.
- Explain how total quality management (TQM) can reduce the cost of quality.

[40]

TOTAL SECTION C: 80
GRAND TOTAL: 300

