



# basic education

Department:  
Basic Education  
**REPUBLIC OF SOUTH AFRICA**

## **NATIONAL SENIOR CERTIFICATE**

**GRADE 12**

**BUSINESS STUDIES**

**FEBRUARY/MARCH 2015**

**MARKS: 300**

**TIME: 3 hours**

**This question paper consists of 13 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 particular note of what is required.
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
<b>A: Objective type questions COMPULSORY</b>	<b>1</b>	<b>40</b>	<b>30 minutes</b>
<b>B: FIVE direct/indirect type questions CHOICE (Answer any THREE.)</b>	<b>2</b>	<b>60</b>	<b>30 minutes</b>
	<b>3</b>	<b>60</b>	<b>30 minutes</b>
	<b>4</b>	<b>60</b>	<b>30 minutes</b>
	<b>5</b>	<b>60</b>	<b>30 minutes</b>
	<b>6</b>	<b>60</b>	<b>30 minutes</b>
<b>C: FOUR essay-type questions CHOICE (Answer any TWO.)</b>	<b>7</b>	<b>40</b>	<b>30 minutes</b>
	<b>8</b>	<b>40</b>	<b>30 minutes</b>
	<b>9</b>	<b>40</b>	<b>30 minutes</b>
	<b>10</b>	<b>40</b>	<b>30 minutes</b>
<b>TOTAL</b>		<b>300</b>	<b>180 minutes</b>

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 B.

1.1.1 According to this theory of leadership employees are encouraged to work hard because they will receive rewards:

- A Situational
- B Charismatic
- C Transactional
- D Democratic

1.1.2 The success of a business is mainly informed by ...

- A profitability.
- B social projects.
- C BBBEE scores.
- D insolvency.

1.1.3 This Act makes provision for the functioning of the Commission for Conciliation, Mediation and Arbitration (CCMA):

- A Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003)
- B Employment Equity Act, 1998 (Act 55 of 1998)
- C Labour Relations Act, 1995 (Act 66 of 1995)
- D National Credit Act, 2005 (Act 34 of 2005)

1.1.4 A government agency that develops quality standards for products manufactured in South Africa:

- A SABC
- B SABS
- C SARB
- D SAQA

1.1.5 Employers are legible to pay a skills levy if their total annual salary expenses exceed ...

- A R1 million.
- B R5 million.
- C R250 000.
- D R500 000.

- 1.1.6 Customers complete questionnaires after tasting the new fruit juice of IBI Beverage. This is known as ... feedback.
- A implicit
  - B written
  - C oral
  - D verbal
- 1.1.7 Which statement is TRUE with regard to creativity?
- A Only intelligent people are creative.
  - B Knowledge does not support creativity.
  - C Creativity is an inborn talent that can also be acquired through learning.
  - D Only artistic people are creative.
- 1.1.8 A problem-solving technique where a team of experts are given questionnaires to obtain their opinions without bringing them together:
- A Force-field
  - B Brainstorming
  - C Empty chair
  - D Delphi
- 1.1.9 Which ONE of the following is an advantage of corporate social responsibility for a business?
- A Increases financial risks
  - B Good publicity to improve reputation
  - C Detailed reports must be drawn up
  - D Projects must be constantly monitored
- 1.1.10 Employees have the right to belong to a trade union. This is known as an employee's right to ...
- A freedom of association.
  - B be treated fairly.
  - C equal payment.
  - D dignified treatment.
- (10 x 2) (20)

- 1.2 Choose the correct word(s) from those given in brackets. Write only the word(s) next to the question number (1.2.1–1.2.5) in the ANSWER BOOK.
- 1.2.1 A maximum of (ten/fifty) members can form a close corporation.
- 1.2.2 (Gross/Net) pay is an amount received by an employee after deductions.
- 1.2.3 The Department of Labour introduced the National (Skills Development Strategy/Growth Strategy) to improve the quality of education and training.
- 1.2.4 (Share-/Debenture) holders are creditors of a company.
- 1.2.5 The (Belbin/Jungian) theory is based on the idea that people are born with preferences for certain attitudes and functions. (5 x 2) (10)
- 1.3 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–H) next to the question number (1.3.1–1.3.5) in the ANSWER BOOK, for example 1.3.6 J.

COLUMN A	COLUMN B
1.3.1 Retirement annuity	A decisions usually made by top-level managers
1.3.2 Excess	B usually followed by choice
1.3.3 Managers	C amount of money paid by the insured when the claim is lodged
1.3.4 Strategic decisions	D provides financial security for the investor upon reaching pensionable age
1.3.5 Human resource department	E responsible for marketing business products/services
	F decisions usually made by middle-level managers
	G responsible for recruitment of staff
	H exercises authority to get things done in a business due to their position

(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 Identify the PESTLE elements illustrated in each scenario below:

2.1.1 The South African Reserve Bank decided to keep the repo rate unchanged

2.1.2 The government introduced the affirmative action policy to address past imbalances

2.1.3 Governmental incentives given to companies that sponsor nature conservation programmes

2.1.4 Businesses are promoting online trading to reduce paperwork

2.1.5 The introduction of the Consumer Protection Act, 2008 (Act 68 of 2008) eliminates consumer exploitation by businesses (10)

2.2 Complete the table on economic sectors below. Write only the correct word(s) next to the question number (2.2.1–2.2.6) in the ANSWER BOOK.

SECTOR	DESCRIPTION	INDUSTRY	EXAMPLE OF A BUSINESS
2.2.1 (1)	Extract raw materials from nature	Forestry	2.2.2 (2)
Secondary	2.2.3 (2)	2.2.4 (1)	ABC Furniture Manufacturers
2.2.5 (1)	Rendering a service	Hospitality	2.2.6 (2)

(9)

- 2.3 BB Potato Farm supplies potatoes to local vegetable shops as well as Zimba Ltd who manufactures and supplies crispy chips nationwide.
- 2.3.1 Explain how BB Potato Farm can apply vertical integration. Using the scenario above, which type of vertical integration could they have applied? (4)
- 2.3.2 Describe how Zimba Ltd can apply vertical integration. Using the scenario above, which type of vertical integration could they have applied? (4)
- 2.3.3 Distinguish between *horizontal integration* and *horizontal diversification*. Give a practical example of each using the scenario above. (6)
- 2.4 The Basic Conditions of Employment Act, 1997 (Act 75 of 1997) aims to improve the working conditions of workers in South Africa. Discuss the following regarding this Act:
- 2.4.1 THREE types of leave (9)
- 2.4.2 TWO disadvantages of this Act for businesses (6)
- 2.5 Analyse the impact of the Compensation for Occupational Injuries and Diseases Act (COIDA), 1997 (Act 61 of 1997), as amended, on both employers and employees. (12)
- [60]**

**QUESTION 3: BUSINESS VENTURES**

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

**HOW MTETO NYATI'S LEADERSHIP TURNED  
MICROSOFT SA INTO A 'BEST EMPLOYER'**

Mteto Nyati is not only leading Microsoft SA to grow its market share in Africa, he is also winning business awards.

Nyati believes that the only way to achieve high levels of excellence is by having high standards of leadership. He also believes that leaders should have clear directions and not be afraid of criticism. Leaders must be upfront and precise about what they want to achieve.

Every month Nyati meets with his team with the aim of getting feedback and inputs on how the company should be directed. 'I ask two things of everyone: what should we continue doing and what should we change to improve. Everyone must contribute ideas.' Viable ideas are then implemented.

[Adapted from *Succeed Magazine*, February 2013]

- 3.1.1 Identify THREE qualities of a successful leader from the above case study. (3)
- 3.1.2 Mteto Nyati is a democratic leader. Support this statement by quoting THREE characteristics from the case study. (3)
- 3.1.3 Evaluate the democratic leadership style. (8)
- 3.2 Co-operatives are formed by a group of interested parties to meet their economic and social needs through a jointly owned business.
- 3.2.1 Name FOUR types of co-operatives. (4)
- 3.2.2 Explain any THREE advantages of this form of ownership. (9)
- 3.3 Distinguish between *simple* and *compound* interest. (4)
- 3.4 Annette invested R10 000 three years ago on a fixed deposit and received R11 800 at maturity. She is also running a small tuck shop at a local school in which she initially invested R10 000 as start-up capital. The tuck shop has generated a profit of R3 600 in total over the past three years.
- 3.4.1 Calculate the rate of return (%) Annette received on the fixed deposit per year. (5)
- 3.4.2 Calculate the rate of return (%) on Annette's investment in her business per year. (5)
- 3.4.3 The fixed deposit has matured now and she has the option of re-investing it in the bank or using it in her business for expansion. Recommend and motivate the best investment option to Annette. (5)



- 3.5 Analyse the following forms of investment available on the Johannesburg Securities Exchange Ltd (JSE):
- 3.5.1 Preference shares (8)
- 3.5.2 RSA Retail Savings Bond (6)
- [60]**

#### QUESTION 4: BUSINESS ROLES

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

CC Creative Design is a successful graphic design business that specialises in designing creative social media-marketing and advertising campaigns. Sam Mamabulo, the owner, believes that an ever-changing work environment encourages creative thinking. He recently replaced all the floor tiles in their offices in Cape Town with artificial grass. All employees have to walk barefoot while working. Office hours are flexible so staff may choose their own working hours, as long as they meet their deadlines. Sam said: 'Creative thinking explores ideas and ideas are possibilities.'

- 4.1.1 Quote a strategy from the scenario above that shows how Sam encourages creative thinking. (1)
- 4.1.2 State any FOUR barriers which may prevent Sam Mamabulo from engaging in creative thinking. (8)
- 4.2 Each scenario below illustrates unprofessional business practices. Suggest ONE method how the business could address each scenario:
- 4.2.1 Middle-level managers are discussing work-related issues on social media. (2)
- 4.2.2 The secretary of the CEO in a large company is rude when answering the phone. (2)
- 4.2.3 The CEO has a habit of arriving late for board meetings and everyone must wait before they can discuss urgent matters. (2)
- 4.3 Describe what is meant by *ethical behaviour*. (4)
- 4.4 Identify FOUR workplace diversity issues unique to South African businesses. Suggest ONE strategy to address each issue. (12)
- 4.5 Recommend any FOUR steps that employers and employees should follow when handling grievances in the workplace. (8)
- 4.6 Discuss THREE principles of professionalism. (9)
- 4.7 Analyse FOUR benefits that communities may enjoy through corporate social investment (CSI) projects. (12)
- [60]**

**QUESTION 5: BUSINESS OPERATIONS**

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

Jeff Tyres (Pty) Ltd advertised a workshop manager's position in a national newspaper. The advertisement specified the job requirements and specifications and also stated that all shortlisted candidates will be subjected to screening tests. Successful candidates will be expected to sign an employment contract.

- 5.1.1 List THREE items that should be included in a job specification for a workshop manager's position. (3)
- 5.1.2 State THREE details included as contents in the employment contract. (3)
- 5.1.3 Describe the procedure which Jeff Tyres (Pty) Ltd should follow when selecting candidates. (6)
- 5.2 Distinguish between *piecemeal* and *time-related remuneration*. (4)
- 5.3 Discuss TWO reasons why an employee's contract may be terminated. (6)
- 5.4 Explain the following elements of total quality management (TQM):
- 5.4.1 Continuous skills development/Education and training (6)
- 5.4.2 Total clients/customer satisfaction (6)
- 5.4.3 Continuous improvements to systems and processes (6)
- 5.5 Describe how the quality of performance within the following business functions is the key to a successful business:
- 5.5.1 Marketing (6)
- 5.5.2 Purchasing (6)
- 5.6 Analyse the impact of total quality management (TQM) on large businesses. (8)
- [60]**

**QUESTION 6: MISCELLANEOUS TOPICS**

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

The e-toll system has recently been introduced on Gauteng roads. The South African National Roads Agency SOC Ltd (SANRAL) experiences huge problems in collecting outstanding e-toll fees. Motorists refusing to pay and fake vehicle registration plates are some of the challenges they are faced with. SANRAL must decide how they are going to solve these problems and indicate measures that they should implement to prevent it.

- 6.1.1 Refer to the scenario above and identify any TWO challenges faced by the South African National Roads Agency. (2)
- 6.1.2 State the steps that SANRAL should follow to solve the identified problems. (10)
- 6.2 Implemented strategies must be evaluated continuously. List the steps used in this evaluation process. (8)
- 6.3 Outline the benefits of implementing a good quality control system in a business. (10)
- 6.4 Describe the concept *protected strike* as outlined in the Labour Relations Act, 1995 (Act 66 of 1995). (6)
- 6.5 Explain the functions of the Johannesburg Securities Exchange Ltd (JSE). (8)
- 6.6 Recommend FOUR ways in which a business can promote the well-being of its employees. (8)
- 6.7 Evaluate PowerPoint as a presentation method. (8)

**[60]****TOTAL SECTION B: 180**

**SECTION C**

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, for example QUESTION 7 on a NEW page, QUESTION 8 on a NEW page, et cetera.

**QUESTION 7: BUSINESS ENVIRONMENTS**

Susan is selling sandwiches from a small shop in a busy office block. Her sandwiches are very popular as she uses only fresh quality ingredients that are delivered daily. She wants to expand to other office blocks in the area, which are further away from her suppliers and closer to other fast food restaurants.

Analyse Susan's idea of expanding her business using the Porter's Five Forces model. Explain how Susan can apply the THREE intensive strategies to address challenges she may experience when expanding to other areas.

**[40]****QUESTION 8: BUSINESS VENTURES**

Accidents and disasters are part of life and if businesses are not insured, it could lead to financial losses.

As an insurance broker, you have been invited by a group of business owners to advise them on insurance. You must include the following aspects in your presentation:

- The importance of insurance to a business
- Differentiation between *insurance* and *assurance*
- Description of any TWO principles of insurance
- Explanation on the difference between *insurable* and *non-insurable risks*. Provide TWO practical examples of each.
- Analysis of the benefits of the Unemployment Insurance Fund (UIF) and the Road Accident Fund (RAF) for businesses

**[40]**

**QUESTION 9: BUSINESS ROLES**

Chicky Fried Chicken sells takeaway chicken meals. Their largest supplier of fresh chicken closed down and they must urgently find a new supplier.

Zama, the owner, decided to ask the financial manager, the marketing manager and the purchasing manager to form a team to solve the problem of finding the most suitable supplier. This should be done effectively without any conflict.

Write a detailed report to the managers of Chicky Fried Chicken in which you include the following aspects:

- An explanation of the stages of team development
- A discussion on possible causes of conflict within the team
- A suggestion regarding the procedure that would be applied to overcome conflict that teams usually experience
- Recommendations on the criteria that team members may apply to assess their team's success

**[40]****QUESTION 10: BUSINESS OPERATIONS**

Ben is the human resources manager of Mangaliso Ltd. He is responsible for recruiting and interviewing prospective candidates for the post of a bookkeeper. Mangaliso Ltd has to make appointments within the confines of the Employment Equity Act (EEA), 1998 (Act 55 of 1998).

Assist Ben with the recruitment procedure as referred to in the scenario above.

You must include the following aspects in your answer:

- Critically evaluating the types of recruitment
- Explaining the purpose of interviewing and his role as an interviewer
- Discussing the impact of the EEA on Mangaliso Ltd when making new appointments

**[40]**

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