



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

**BUSINESS STUDIES
FEBRUARY/MARCH 2016**

MARKS: 300

TIME: 3 hours

This question paper consists of 16 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
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 B.
- 1.1.1 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 learnerships
 - D Encourages employers to use the workplace as a learning environment
- 1.1.2 ... oversees compliance with the National Credit Act, 2005 (Act 34 of 2005).
- A A debt counsellor
 - B The National Credit Regulator
 - C A credit enforcement agency
 - D A credit counsellor
- 1.1.3 A pregnant employee qualifies for a maximum of ... paid maternity leave.
- A two months'
 - B one month's
 - C four months'
 - D three months'
- 1.1.4 The filling of vacancies in a business with existing employees is known as ...
- A advertising.
 - B internal recruitment.
 - C external recruitment.
 - D job specification.

- 1.1.5 Felten invested R40 000 in a savings account at BOB Bank at 8% simple interest per year for two years. Felten will earn ... interest after two years.
- A R6 400
 - B R46 656
 - C R46 400
 - D R6 600
- 1.1.6 Denel SOC Ltd manufactures defence equipment and has only one shareholder, the South African government. Denel is therefore a ... company.
- A non-profit
 - B personal liability
 - C private
 - D state-owned
- 1.1.7 Which ONE of the following actions aims at promoting human health?
- A Irregular testing of drinking water
 - B Avoiding issues related to hygiene
 - C Disposing of medical waste close to residential areas
 - D Complying with environmental legislation
- 1.1.8 ONE of the significant advantages of teamwork is that it ...
- A achieves greater output through synergy.
 - B is time-consuming and costly.
 - C requires technology for success.
 - D encourages individualism.
- 1.1.9 Comparing the actual performance of a financial manager to his/her expected performance in order to increase his/her salary:
- A Recruitment
 - B Performance appraisal
 - C Counselling
 - D Staff development
- 1.1.10 This Act encourages skills training for certain designated groups of people:
- A Occupational Health and Safety Act, 1993 (Act 85 of 1993)
 - B Unemployment Insurance Act, 2001 (Act 63 of 2001)
 - C Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003)
 - D Consumer Protection Act, 2008 (Act 68 of 2008) (10 x 2) (20)

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

ten; backward; video conferencing; consensus; forward; laissez-faire; dynamics; charismatic; PowerPoint; fourteen
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- 1.2.1 Workers may be allowed to work a maximum of ... hours overtime per week.
- 1.2.2 Workers with low morale can be inspired by the insight and personality of ... leaders.
- 1.2.3 Best Clothing Manufacturers have applied the ... vertical integration strategy by taking over Cool Clothing Retailers.
- 1.2.4 Group ... is the method used by teams to come to an agreement.
- 1.2.5 ... is the ideal presentation method for groups in different countries that need face-to-face contact. (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 Cooperatives	A projects initiated to benefit the community
1.3.2 Quality control	B directing people and resources according to preset policies
1.3.3 CSI	C gaining greater control over members
1.3.4 Horizontal diversification	D a system that does not include every department and employee
1.3.5 Management	E formed by members sharing resources, infrastructure and costs to the benefit of all
	F corporate responsibility for economic development
	G a system that reduces deviations from predetermined standards of a manufactured product
	H adding new unrelated products to the existing product lines that may appeal to existing customers
	I use charm to inspire people
	J formed by promoters to provide products and services at a profit

(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 element of Porter's Five Forces model that applies to each of the following statements:
- 2.1.1 Customers prefer fashionable sneakers to more expensive, formal shoes.
 - 2.1.2 Mpho's Stores has a few regular customers who always place large orders.
 - 2.1.3 Ayishaa Ltd wants to start an exclusive fashion boutique that requires huge capital investment to cover high establishment costs and expensive stock.
 - 2.1.4 Sam's Millers is the only place where bakeries can buy flour.
 - 2.1.5 Jack Hardware attracts more customers than Tim Hardware. (5 x 2) (10)

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

CREDIT AMNESTY: MILLIONS OF CONSUMERS SCORE

About 3,18 million consumers in South Africa benefited from regulations allowing for the removal of negative consumer credit information. Adverse information has been removed from consumer credit records.

Affordability assessment regulations have been prepared to tighten credit assessment by credit providers to prevent reckless lending and borrowing. These regulations require the verification of income disclosed by consumers, obtaining credit reports and approving credit timeously.

According to the credit ombudsman, Manie van Schalkwyk, not all negative information is removed from consumer profiles, but only two categories of information, namely adverse listing and paid-up judgements.

Adverse listing includes delinquent, default, slow-paying, absconding and non-contactable consumers. Even if the default information is removed from consumers' credit profiles, they are still legally obliged to pay the debt. If this is not done, they open themselves up for legal action by the credit provider or for being handed over to debt collectors.

[Adapted from *Fin24*, 3 November 2014]

- 2.2.1 Identify the Act that is applicable to the case study above. (2)
- 2.2.2 Quote TWO categories of information from the case study where consumers benefited from changes to the Act. (2)
- 2.2.3 Give FOUR examples of adverse listing in the case study. (4)
- 2.2.4 Identify the rights of the credit providers in the case study if consumers fail to pay their debts. (2)
- 2.2.5 Quote from the case study how credit providers should conduct credit assessments. (3)

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

JIMMY'S ENTERPRISE (JE)

Elma and Vusi are employees in the same department at Jimmy's Enterprise. They do the same work, but Vusi earns more than Elma. She is unhappy and demands to earn the same salary as Vusi. She feels that Jimmy's Enterprise is not complying with the Employment Equity Act (EEA), 1998 (Act 55 of 1998).

- 2.3.1 Explain the main purpose of the Employment Equity Act (EEA), 1998 (Act 55 of 1998) with specific reference to Elma's claim of JE's non-compliance with this Act. (8)
- 2.3.2 List any THREE business actions that can be regarded as discriminatory by the EEA. (6)
- 2.3.3 Analyse the impact of the EEA on businesses in general. (10)

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

PIET CAR DEALERS (PCD)

Piet Car Dealers are selling new and second-hand motor cars. The dealership has lost its target market due to competitors dropping their car prices. Piet wants to apply divestiture as a business strategy to overcome this challenge of losing customers.

- 2.4.1 Explain the meaning of *divestiture* as a business strategy. (4)
- 2.4.2 Discuss the THREE intensive business strategies that PCD may use to win back and/or retain their customers. (9)

[60]

QUESTION 3: BUSINESS VENTURES

3.1 As the financial manager of Yummy Ice Cream Ltd you were invited to give a verbal presentation to the shareholders of the company.

3.1.1 Describe the factors you would consider when preparing for a presentation. (8)

3.1.2 Outline FOUR aspects to keep in mind when responding to questions in a non-aggressive and professional manner after the presentation. (8)

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

AZ SKINCARE & BEAUTY (AZ)

Anet and Zen are partners in AZ Skincare & Beauty. Their products are very popular and they want to expand. They are considering converting their partnership into a company that will allow them to sell shares on the Johannesburg Securities Exchange (JSE).

3.2.1 Explain ONE disadvantage of a partnership. (3)

3.2.2 Suggest the type of company that will allow AZ Skincare & Beauty to sell shares on the JSE. (1)

3.2.3 Describe how the following factors can contribute to the success of the business named in QUESTION 3.2.2:

(a) Capital (2)

(b) Division of profits (2)

3.2.4 Discuss the functions of the JSE. (8)

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

Mahlori owns a thatched house valued at R1 000 000. He insured his house with Pro-Cover Insurers for R800 000. A fire in the kitchen caused damages of R30 000.

3.3.1 Calculate the amount that Pro-Cover Insurers will pay to Mahlori to cover damages. Show ALL calculations. (4)

3.3.2 Briefly explain why Mahlori did not qualify for the full amount of damages sustained. (4)

3.4 Tabulate TWO differences between *dividends* and *interest*. (4)

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

FOAMBRIGHT (PTY) LTD (FB)

Jozi and Jane are managers in a large laundry business, FoamBright (Pty) Ltd, in Kimberley.

Jozi manages the laundry and dry-cleaning and usually changes her leadership style to fit the task on hand.

Jane is the marketing, administration and delivery manager and believes that time is money. She introduced a laundry 'fetch-and-drop' service which will ensure an increase in income. She offers incentives to motivate employees to meet weekly targets and deadlines. If deadlines are not met, employees may not receive all their incentives.

- 3.5.1 Jozi is a typical example of a situational leader. Quote from the scenario above to support this statement. (1)
- 3.5.2 Identify the type of leadership that Jane mostly applies as a manager in her department. Motivate your answer using information from the scenario above. (3)
- 3.5.3 Evaluate the impact of Jane's type of leadership, referred to in QUESTION 3.5.2, on business operations. (6)
- 3.6 Analyse the application of the bureaucratic leadership style in the workplace. (6)
- [60]**

QUESTION 4: BUSINESS ROLES

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

MOYENI SUPERMARKET (MS)

Tsakani regularly buys groceries from Moyeni Supermarket, the only grocery store in her village. After Tsakani returned from visiting her friend in the city, she complained to Mr Moyeni about the high prices of his products.

Mr Moyeni thinks that his goods are cheap because customers do not have to travel to the city for groceries, but he promises to investigate his supermarket's price levels.

- 4.1.1 Identify the unethical business practice in the scenario above. (1)
- 4.1.2 Recommend ways in which Moyeni Supermarket can address the unethical business practice identified in QUESTION 4.1.1. (6)
- 4.1.3 Suggest other ways (NOT in the scenario) in which Moyeni Supermarket can conduct business professionally, responsibly and ethically. (8)

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

JJ Training & Development (JJ) spend about R1 million (R1 000 000) on corporate social investment (CSI) projects which impact negatively on their cash flow. Jack, the owner, feels that it is not his business's responsibility to finance CSI projects.

Justify Jack's opinion with specific reference to the impact of CSI on businesses. (10)

4.3 Describe the correct procedure to deal with grievances in the workplace. (8)

4.4 Suggest ways in which businesses can address the following diversity issues in the workplace:

4.4.1 Language (2)

4.4.2 Age (2)

4.4.3 Disability (2)

4.5 Explain how businesses should apply the principles of accountability and transparency to promote ethical business conduct. (8)

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

TONIE'S FACTORIES LTD (TFL)

Tonie's Factories Ltd manufacture and sell building material. The demand for building materials is increasing and TFL want to establish another factory in Thula Town. It will create employment opportunities for the community and bursaries for tertiary education will be offered to learners in local schools.

Some Thula Town residents are concerned that Tonie's factory may increase noise levels, air pollution and crime in the community, while others are arguing that they no longer have to travel so far to buy building materials. Tonie's Factories also intend to provide entrepreneurial programmes for young, upcoming entrepreneurs.

4.6.1 Apply the force-field analysis tool to assess the feasibility of TFL's new factory in Thula Town. (7)

4.6.2 Referring to your findings in QUESTION 4.6.1, justify the establishment of TFL's new factory in Thula Town. (2)

4.7 Evaluate the effectiveness of the Delphi technique in solving business problems. (4)

[60]

QUESTION 5: BUSINESS OPERATIONS

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

RAINMAKER MINE (PTY) LTD (RMM)

Rainmaker Mine (Pty) Ltd employs 120 mine workers. Jacob, the human resources manager, often makes important decisions without consulting the workers.

The workers have decided to form a trade union so that they can be represented in the decision-making process. Jacob argues that it is the company's right to make unilateral decisions. He has threatened to dismiss the workers if they form a trade union.

- 5.1.1 Name the Act that Jacob is violating. (2)
- 5.1.2 Outline the implications of the Act referred to in QUESTION 5.1.1 on the human resources function of RMM. (10)

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

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

MEMPS FACTORY LTD (MF)

Thabo works at MEMPS Factory Ltd five days a week. Apart from his basic weekly wage, he also receives a cellphone and housing allowance.

- 5.3.1 Quote TWO types of fringe benefits that are paid to Thabo. (2)
- 5.3.2 Explain different methods that MEMPS Factory could use to determine Thabo's wages. (4)
- 5.3.3 Evaluate the impact of fringe benefits on MEMPS Factory Ltd. (8)
- 5.4 Discuss the positive impact of the Skills Development Act (SDA), 1998 (Act 97 of 1998) on the human resources function. (8)
- 5.5 Describe the benefits that a business may enjoy when implementing a good quality management system. (10)
- 5.6 Advise businesses on how continuous improvement of processes and systems cycle could improve the quality of products and services. (8)

[60]

QUESTION 6: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS**

- 6.1 Identify the Act which is applicable to each scenario below.
- 6.1.1 Choco Sweets do not warn customers about the possible side effects when eating their sweets and chocolates.
- 6.1.2 Andries Consulting Agency do not allow their shop stewards to make time to attend to union matters.
- 6.1.3 Smith Wholesalers Ltd offer entrepreneurial programmes to small businesses in order to qualify for government tenders.
- 6.1.4 Zafe Security did not provide their workers with copies of their employment contracts after these were agreed upon and signed. (4 x 2) (8)
- 6.2 Evaluate the impact of the Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003) (amended in 2013) on businesses. (6)

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- 6.3 Explain the advantages of using visual aids in any presentation. (8)
- 6.4 Tabulate the differences between *indemnification* and *security* as principles of a legal insurance contract. (8)

BUSINESS ROLES

- 6.5 State FOUR barriers to creative thinking in the workplace. (8)
- 6.6 Discuss the implications of equality, respect and dignity in the workplace. (6)

BUSINESS OPERATIONS

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

ZIG-N-ZAG FACTORY (ZZF)

Frenchy recently joined Zig-n-Zag Factory. On his first working day, he was taken to his workstation and instructed to perform his duties without guidance or supervision. He then requested to be properly inducted.

- 6.7.1 Describe what is meant by *properly inducted* in the scenario above. (2)
- 6.7.2 State the benefits of an effective induction programme for Zig-n-Zag Factory. (8)
- 6.8 Discuss how the quality of performance within the general management function will ensure success in the business. (6)

[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 (LEGISLATION)

The Compensation for Occupational Injuries and Diseases Amendment Act (COIDA), 1997 (Act 61 of 1997) recognises that some occupations are dangerous and expose workers to health risks. Therefore, there are cost implications to both employers and employees when workplace-related accidents or diseases occur.

With reference to the statement above:

- Discuss the nature of COIDA.
- Explain the rights of employees as outlined in the Act.
- Outline THREE actions that could be regarded as discriminatory.
- Analyse the impact of this Act on businesses.
- Recommend ways in which businesses can comply with COIDA.

[40]**QUESTION 8: BUSINESS VENTURES (INVESTMENTS)**

Businesses operate in dynamic and risky environments. Insurance will always play a vital role in ensuring that they are sustainable.

Gant Ltd believe that insurance is a sound investment and want to make informed decisions about their insurance and investments.

Gant Ltd contacted you as an independent financial investment advisor. Your advice must include the following:

- Explain the importance of insurance to businesses.
- Differentiate between *compulsory* insurance and *non-compulsory* insurance and give TWO examples of each.
- Advise the company by providing a description of any FOUR suitable forms of investments. Elaborate on the risk factor of EACH.

[40]

QUESTION 9: BUSINESS ROLES (CONFLICT)

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:

- Discuss the possible causes of conflict.
- Identify and explain the team development stage in which conflict is most likely to take place.
- Suggest ways in which businesses can deal with difficult people.
- Analyse the benefits of a diverse work force to businesses.

[40]**QUESTION 10: BUSINESS OPERATIONS (HUMAN RESOURCES)**

A production manager at Lonin Mine (Pty) Ltd recently resigned from his position to join another company. Mr Amla, the human resources manager at Lonin Mine, has been tasked with appointing a new production manager.

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

- Explain the selection procedure that Mr Amla should follow to identify the most suitable candidate.
- Discuss the legal requirements of the employment contract that both Lonin Mine (Pty) Ltd and the new employee should agree on.
- Advise Mr Amla on reasons for terminating the employment contracts of employees.

[40]

TOTAL SECTION C: 80
GRAND TOTAL: 300