



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

SEPTEMBER 2010

BUSINESS STUDIES

MARKS: 300

TIME: 3 hours



This question paper consists of 10 pages and an answer sheet.

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, et cetera.
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. COMPULSORY	1	40	30 minutes
B: THREE questions 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
	TOTAL	300	180 minutes

SECTION A (COMPULSORY)**QUESTION 1**

1.1 Four possible options are provided as answers to the following questions. Choose the answer and mark with a cross(X) only the letter (A – D) next to the question number (1.1.1 – 1.1.10) on the ANSWER SHEET.

1.1.1 Poor performance in a firm, with regards to the Human Resource Function, is a result of ...

- A late ordering of stock.
- B incorrect placement of workers.
- C poor quality of materials used in the factory.
- D poor planning by the board of directors.

1.1.2 Corporate social investment refers to a situation where businesses ...

- A invest money in corporate shares.
- B support the needs of the community.
- C give study leave to their employees.
- D promote their products within the community in which they operate.

1.1.3 Discrimination on the basis of race, gender and disability in the workplace is prohibited by the implementation of the:

- A Employment Equity Act.
- B Basic Conditions of Employment Act.
- C Affirmative Action Act.
- D Labour Relations Act.

1.1.4 The portion of an insurance claim that must be paid by the insured.

- A Premium
- B Indemnity
- C Excess
- D Good faith

1.1.5 One of the core values in a code of conduct is/are:

- A Social issues
- B Personal status
- C Business practice
- D Honesty

- 1.1.6 A profession is regarded as a type of job that requires the following:
- A Big capital outlay on machinery.
 - B Knowledge of business terminology.
 - C Good interpretation of business plans.
 - D Advanced education or training.
- 1.1.7 Lindokuhle works for a maximum of 45 hours (9 hours/day x 5 days) per week at a rate of R5 per hour. For the week ending 18 June 2010, he had worked 6 hours overtime. His gross earnings was therefore ...
- A R225
 - B R270
 - C R337,50
 - D R255
- 1.1.8 Lindokuhle (as in QUESTION 1.1.7 above) worked normal time on a public holiday –16 June 2010. His gross earning for that day was ...
- A R45
 - B R67,50
 - C R90
 - D R120
- 1.1.9 When employees stand outside the workplace and block all business activities, this is referred to as
- A negotiation.
 - B go slow.
 - C grievance.
 - D picketing.
- 1.1.10 A creative thinking technique to collect and group different ideas from a number of people.
- A Brainstorming
 - B Innovation
 - C Decision-making
 - D Force-field analysis
- (10 x 2) (20)

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

COLUMN A		COLUMN B
1.2.1	Producers deliberately charge a low price in order to introduce their product and gain entry to the market.	A Delphi technique B Average clause
1.2.2	When management realises that closure of the business is inevitable, all the assets of the business are sold.	C SARS D Liquidation
1.2.3	This is a way to obtain the opinion of experts without necessarily bringing them together face-to-face.	E Premium F Market penetration
1.2.4	Learnerships provide the opportunity to obtain structured, formal learning and to get work experience at the same time.	G Innovation H SETA
1.2.5	The full value of the claim will not be paid out if the goods are under-insured.	

(5 x 2) (10)

- 1.3 Give one word/term/name for the descriptions below. Write only the correct word(s) on the ANSWER SHEET. Do NOT rewrite the statements.

- 1.3.1 One of the most important activities of the human resources department is finding and appointing new employees to fill vacant posts.
- 1.3.2 Settlement of a dispute by a third party who will make the decision on how to solve the problem.
- 1.3.3 Deliberate adjustment of financial records in order to pay less tax.
- 1.3.4 The transfer of rights in a policy to another person.
- 1.3.5 This type of leader dominates the team, makes decisions on his own, and is task orientated.

(5 x 2) (10)

TOTAL SECTION A: 40

SECTION B (COMPULSORY)**QUESTION 2**

2.1 Read the following case study and answer the questions that follow.

FIFTY-FIFTY STORES

EDCON has launched a progressive BBBEE project to benefit employees and their communities. It's called *Fifty-fifty* stores. In September 2006, EDCON initiated the *Fifty-fifty* project which forms part of the Enterprise Development pillar of BBBEE.

Selected store managers who were historically disadvantaged but displayed strong retail skills were given the opportunity to own 50% of the stores which they currently managed. In this partnership, EDCON and the entrepreneur share responsibilities, accountability, risks and rewards.

EDCON plan to open a total of 25 *Fifty-fifty* stores by the year 2014. This is a step towards achievement, progress and partnership with EDCON, in which JET plans to develop entrepreneurs who will in turn benefit their communities.

[*Jet Club*, February/March 2009 p12 – 13]

- 2.1.1 State any FIVE pillars of BBBEE and explain their purpose. (20)
- 2.1.2 Select any THREE pillars named in QUESTION 2.1.1 above and indicate how EDCON is addressing them by quoting directly from the case study. (9)
- 2.1.3 Explain any FIVE long term advantages of BBBEE. (10)
- 2.1.4 Explain FIVE aims of the Skills Development Act. (10)
- 2.1.5 It is expected of the *Fifty-fifty* store managers to act professional at all times. Briefly explain how they can achieve this. (8)
- 2.1.6 What is EDCON's vision for the next five years and what will be the benefits if the vision is achieved? (3)
- [60]**

QUESTION 3

- 3.1 Read the following case study and answer the questions that follow.

LIQUID GOLD

Sidwell believes it is important for people wanting to start bee farming to first research the topic. "Find out everything about bees and then go for training. Knowledge is power."

Another important aspect is to start small. "Think big, but start small. Four or five hives should be enough to earn a small income and also to teach you the ropes without leaving you with major losses."

"Plan all the time and make sure you know where you are heading." "Also, have time-lines to ensure that you meet your goals."

Sidwell says bee farming is an obvious choice for rural entrepreneurs. "There is no real expense; only hives. You don't need large pieces of land and only limited human input is needed. Once you have a hive up and running, you need to visit it, once every three weeks."

Honey is liquid gold. There is definitely a profit to be made!

[It's My Business/Sunday Times, January 17, 2010]

- 3.1.1 Identify any SIX entrepreneurial qualities and assess the business opportunity in this case study against these. (24)
- 3.1.2 Name any FOUR success factors in Sidwell's bee farming business. (8)

- 3.2 Study the data below and answer the questions that follow.

Sidwell's bee farming business has recorded the following sales of honey from 1 October to 31 December 2009.

October 500 bottles

November 1000 bottles

December 800 bottles

- 3.21 Draw a bar graph to present the sales for each month. The size of the graph must not exceed half ($\frac{1}{2}$) a page. (10)

- 3.2.2 Read the following information carefully and answer the question that follows.

Jan bought 1 000 shares at R3,50 each. A year later, he receives a dividend of 7 cents per share.

Calculate the return on his investment. (8)

- 3.3 Name FIVE insurable risks that are classified as non-compulsory insurance. (10)
[60]

QUESTION 4

- 4.1 4.1.1 Define sexual harassment in the workplace. (6)
- 4.1.2 How should business management handle complaints of sexual harassment? Briefly explain. (10)
- 4.1.3 Briefly discuss FIVE other challenges to ethical and professional behaviour in the business environment and suggest solutions to each of them. (25)

4.2

Delays on rail lines as workers strike

United Transport and Trade Union (UTATU) secretary-general, Chris de Vos said the strike would run for 24 hours. He said the action was in response to a break-down of working relations between Metrorail management and the Union.

[Cape Argus, April 24, 2009]

- 4.2.1 State SIX functions of trade unions. (12)
- 4.2.2 Are strikes a fair strategy for solving disputes? Motivate your answer. (3)
- 4.2.3 Mention any TWO external dispute resolving structures that Metrorail workers can use if the dispute cannot be resolved internally. (4)
[60]

TOTAL SECTION B: 180

SECTION C

Answer any TWO of the four questions in this section.

QUESTION 5**THE SHOE MAKER**

Mr Qoqodala inherited a shoe factory, but was not really interested in shoes. The factory was producing basic, comfortable shoes in black, beige and brown with a 2 cm heel using the same type of leather.

For many years, customers believed in these shoes, but then gradually sales decreased and loyal customers did not return, up to a point where profits were so low that workers had to be retrenched. Mr Qoqodala only kept the lady clerk and a few workers to produce limited stock. Mr Qoqodala's shoe factory was on the verge of going bankrupt. He was seriously considering a merger with ABC Shoe manufacturers.

During an overseas trip, he met a lady, Ms King, who introduced him to high stiletto lady's boots in bright colours. Ms King and Mr Qoqodala became friends and she convinced him to try and manufacture one fashionable pair of stiletto boots. The factory produced a bright green pair made from patent leather.

Thereafter they went to a fashion show in Milan, where all the big names in fashion shoes were present like Armani, Panache etc. Ms King then modelled the boots for Mr Qoqodala, at the fashion show and he was amazed at the reaction.

They got orders from all over the world. They started to design new lines and sold the boots at lower prices to attract customers. He could re-employ his old staff and train them in the production of the new line of boots. Mr Qoqodala's shoe factory was back in business and he now just loves shoes!

[Adapted from Focus Study Guide Grade12, Maskew Miller Longman, 2009, p119 –120]

Identify challenges for Mr Qoqodala and classify the challenges according to the THREE business environments. Arrange the challenges in the macro environment in line with the PESTLE analysis. Suggest practical solutions or strategies that this manufacturer can use to control or overcome these challenges. Identify FOUR strengths and opportunities in favour of Mr Qoqodala's business since he met Ms King.

[40]

QUESTION 6

Madoda has won R1 million in a lotto draw. He plans to start his own construction business and thereby creating employment opportunities for the youth of his community. Madoda would like to be involved with the daily decision making, his personal assets must be protected and the business must continue to exist, even if he is no longer involved with it.

Discuss the important issues to consider when choosing a form of ownership when starting a new business. Explain in your discussion how a particular form of ownership can impact on the success or failure of the planned business and also recommend the best choice for Madoda.

[40]**QUESTION 7**

Research has indicated that managers spend nearly half of their time solving office conflict. Managers must therefore know how to resolve conflict situations and apply specific skills in the conflict handling process.

Consider the above statement to elaborate on the importance of conflict resolution procedures and skills needed to handle conflict. Also reflect on the characteristics of an effective team.

[40]**QUESTION 8**

United Association of South Africa spokesperson, Andre Venter said, "A straight matric qualification provides school leavers with limited skills, if any. Matric is simply not enough." He said schooling left matrics mainly with a theoretical background which was not always useful for the skills needed in the job market. These youngsters should find out where skills shortages are and get involved in a SETA programme or training.

[Adapted from the Daily Dispatch, January 7, 2010]

Design a complete recruitment and selection plan, starting with the job description up to the orientation of the newly appointed employee in the working environment. Justify the existence of SETAs for the training of employees.

[40]**TOTAL SECTION C: 80****GRAND TOTAL: 300**

BUSINESS STUDIES: GRADE 12 – SEPTEMBER 2010

ANSWER SHEET

NAME and SURNAME: **CLASS:**

SECTION A

QUESTION 1.

1.1

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

1.2.1	
1.2.2	
1.2.3	
1.2.4	
1.2.5	

(5 x 2)

(10)

1.3

1.3.1

1.3.2

1.3.3

1.3.4

1.3.5

(5 x 2)

(10)

[40]

