



Province of the
EASTERN CAPE
EDUCATION

NATIONAL SENIOR CERTIFICATE

GRADE 12

SEPTEMBER 2011

BUSINESS STUDIES

MARKS: 300

TIME: 3 hours



This question paper consists of 9 pages.

INSTRUCTIONS AND INFORMATION

1. Read the following instructions carefully before answering the questions.
2. This question paper consists of three sections and covers all learning outcomes:

SECTION A **COMPULSORY**

SECTION B Consists of THREE COMPULSORY questions.

SECTION C Consists of FOUR questions. Answer any TWO of the four questions.
3. Read the instructions for each question carefully and take particular note of what is required.
4. Number the answers carefully 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. Use the table below as a guide for marks and time allocation when answering each question:

QUESTION	SECTION	MARKS	TIME
1	SECTION A: Multiple choice questions, True or False, Matching Items. (Compulsory)	40	30 minutes
2	SECTION B: Three questions (Compulsory)	60	30 minutes
3		60	30 minutes
4		60	30 minutes
5	SECTION C: Essay questions: Answer any TWO of the four questions.	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 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 D.

- 1.1.1 Which ONE of the following is a benefit of corporate social investment for communities?
- A CSR programme helps to build customer loyalty
 - B CSR costs money which a business could have invested for more profitably
 - C CSR programme generate employment on CSR initiatives
 - D Community may become dependent on CSR initiatives (2)
- 1.1.2 One of the significant advantages for a business enterprise of making use of work teams (team work) is that ...
- A greater output through collaboration is attained.
 - B it is time-consuming.
 - C technology is a requirement to succeed.
 - D it encourages individualism. (2)
- 1.1.3 Insurance against ... indemnifies the insured against losses due to forced entry into the business premises.
- A excess
 - B theft
 - C burglary
 - D asset policy (2)
- 1.1.4 The business enterprise has a complete control over ... environment.
- A the market
 - B the macro
 - C the micro
 - D both the market and macro (2)
- 1.1.5 Popular Foods Ltd decides to add family store-fry to their existing product range. The best way to develop the new product will be through ...
- A the employment of more sales personnel.
 - B the sales of the competitor's products.
 - C increasing the product market.
 - D an analysis of the stages of the product development. (2)

- 1.1.6 This is a series of activities beginning with raw materials and ending with the sale of a product or service:
- A Monopoly
 - B Value Chain
 - C Product
 - D Market Penetration
- (2)
- 1.1.7 A creative technique to collect and group different ideas from a number of people:
- A Individualisation
 - B Assessment
 - C Brainstorm
 - D Management
- (2)
- 1.1.8 The process of finding the right people for the job available in the business:
- A Selection
 - B Recruitment
 - C Interview
 - D Psychometric testing
- (2)
- 1.1.9 Which one of the following could be regarded as unprofessional and unethical behaviour?
- A Increasing prices in line with competitors
 - B Selling second hand goods as new goods
 - C Finding a substitute for the competitor's products
 - D Employing unskilled workers
- (2)
- 1.1.10 This monitors an enterprise progress to meet its overall goals:
- A Porters five forces
 - B Balanced score cards
 - C Kings code model
 - D Pestle analysis
- (2)

- 1.2 Choose a term from COLUMN B that matches a description in COLUMN A. Write only the letter (A – I) next to the question number (1.2.1 – 1.2.5) in the answer book, for example 1.2.6 H

	COLUMN A		COLUMN B
1.2.1	Inclusivity	A	CCMA
1.2.2	It protects the assets of families and individuals	B	Life insurance
1.2.3	Resolving disputes	C	Unit trust
1.2.4	Resistance to or defiance of authority	D	No discrimination
1.2.5	Compels employers to provide employees with opportunities to acquire new skills	E	Quality control
		F	Excess
		G	Insubordination
		H	Personal property policy
		I	Skills Development Act

(5x2) (10)

- 1.3 Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only “True” or “False” next to the question number (1.3.1 – 1.3.5) in the answer book.

- 1.3.1 Training refers to the acquisition of knowledge and skills. (2)
- 1.3.2 Delphi technique can be used by managers of businesses to solve problems. (2)
- 1.3.3 Divestiture refers to the process of converting the assets of a business into cash to pay creditors. (2)
- 1.3.4 Productive teams enjoy open communication. (2)
- 1.3.5 Increasing production within a business organisation is an advantage to competitors. (2)

[40]

TOTAL SECTION A: 40

SECTION B: COMPULSORY**QUESTION 2**

2.1 Read the case study below and answer the questions that follow:

NEW TOWNSHIP SALON

Thembeke Salome opened the New Age Salon in Port Alfred in 2008. On the 1st of July 2010 Thembeke bought new hairdressing equipment and a computer to use as a database for clients. This was financed through a loan of R50 000 from First National Bank at 15% p.a. interest rate of the South African Reserve Bank (SARB).

This salon experienced difficulties relating to staff issues and crime. Shirley, an employee for three years, applied for maternity leave and needed her unemployment insurance card. On the 1st of October 2010, the governor of SARB announced an increase of 1% in the prime interest rate.

- 2.1.1 Explain the term: *prime interest rate*. (2)
- 2.1.2 Calculate the interest that will have accrued on the loan on 31 December 2010. (6)
- 2.1.3 The prime interest rate has increased by 1% to 16%.
What strategic options does Thembeke have with regard to this increase in the interest rate? Explain. (2x2) (4)
- 2.1.4 Describe the impact of crime on businesses and mention measures that can help to reduce crime. (2x2) (4)
- 2.1.5 State the provision regarding maternity leave in the Unemployment Insurance Fund. (2)
- 2.1.6 Explain any TWO types of benefits provided by the unemployment insurance fund (UIF), except the maternity benefit. (2x3) (6)
- 2.2 List any THREE stages involved in developing strategy. (3x2) (6)
- 2.3 Describe any SIX functions of trade unions. (6x2) (12)
- 2.4 Identify strategies to turn your work into a career. (3x2) (6)
- 2.5 Explain the purpose of Skills Development Act, 1998 (Act 97 of 1998). (6x2) (12)
- [60]**

QUESTION 3

- 3.1 "I inherited this business from my father and I am keeping the legacy of my family. Only family members and their relatives can be employed in this business", said Henry White to his cousin.

- 3.1.1 (a) Do you agree with Henry's statement? (2)
- (b) Motivate your answer in QUESTION 3.1.1(a). (1x2) (2)
- 3.1.2 Explain how affirmative action promotes inclusivity in the work place. (3x2) (6)

- 3.2 Describe FIVE key success factors of a business. (5x2) (10)

- 3.3 ABC Ltd is producing tiles of good quality. Their 2010 Annual Financial Statements showed the highest profit through their quality performance of task.

Identify FIVE other benefits of quality performance of tasks except profit maximisation. (5x2) (10)

- 3.4 Read the following case study and answer the questions that follow:

"TELKOM BATTERED AND CONFUSED"

Last week, Neotel the second land line telephone network operator declared war on Telkom. Neotel launched its long awaited telephone service with a device called reconnect lite, and call costs significantly cheaper than Telkom's. It's time for Telkom to be worried.

Source: Adapted from the Times, 27 October 2008

- 3.4.1 Discuss how Telkom can respond to the challenges imposed by the new competitor, by referring to the variables indicated below:
- (a) Mission (1x2) (2)
- (b) Call Tariffs (1x2) (2)
- (c) Top Management (1x2) (2)
- (d) Consumers (2x2) (4)
- (e) Competitors (1x2) (2)
- (f) Technology (2x2) (4)
- 3.4.2 Explain any THREE consequences for Telkom if Neotel becomes so successful that it controls the landline telephone market. (3x2) (6)
- 3.4.3 Differentiate between:
- (a) Insurance (2x2) (4)
- (b) Assurance (2x2) (4)

[60]

QUESTION 4

- 4.1 Businesses and individuals need to invest. Their investment can be either short term or long-term.
- 4.1.1 Explain why:
- (a) Businesses must invest. (3x2) (6)
- (b) Individuals must invest. (3x2) (6)
- 4.1.2 Discuss THREE types of preference shares. (3x3) (9)
- 4.2 Suggest the main purpose of the following acts:
- 4.2.1 The Labour Relations Act (Act 66 of 1995) (4x2) (8)
- 4.2.2 The National Credit Act (4x2) (8)
- 4.3 As the financial manager of QT platinum company, you are requested by the executive director to do presentation to shareholders at the annual general meeting on the financial performance of the company.
- 4.3.1 Explain SIX requirements that you will consider so that the presentation is good, clear and accurate. (12)
- 4.3.2 Evaluate any FIVE entrepreneurial qualities that QT platinum company can use to assess the success of the business venture. (10)
- 4.4 Outline a phrase for this statement “evaluating the employee’s strengths and weaknesses”. (1)
- [60]**

TOTAL SECTION B: 180

SECTION C:

Answer any TWO questions.

NOTE: Indicate the **QUESTION NUMBER**. The answer to **EACH QUESTION** must begin on a **NEW PAGE**, for example, **QUESTION 5** on a new page, **QUESTION 6** on a new page, etc.

QUESTION 5

Analyse the nature and process of Corporate Social Investment (CSI). Illustrate how it works and discuss the benefits and problems of CSI for both business and communities. Use current examples to illustrate your answer.

[40]**QUESTION 6**

Conflict management is the ability to manage relationships at all levels of management. One of the methods that can be applied to deal with conflict is to call the two parties, identify the true source of conflict, and resolve it systematically.

Apply your knowledge to explain some situations that can create conflict in the workplace. Identify the conflict resolution technique described above and discuss its steps.

[40]**QUESTION 7**

Legislations control the way businesses operate in South Africa. Most of these were developed to heal the divisions of the past and to transform society and are guided by policies, such as human rights, inclusivity and environment issues.

Briefly explain the concepts human rights, inclusivity and environmental issues in the workplace and elaborate on initiatives that businesses can implement with regard to these matters. Analyse and evaluate the extent to which they have been successful.

[40]**QUESTION 8**

Boxer Supermarket has certain business and management functions which are performed by the managers of the various departments within the organisation. At the annual general meeting, Mr. B. Maumo as a general manager reported that the quality of performance within these business functions can contribute significantly to the success of the business.

Identify and discuss any FIVE business functions. Analyse how the quality of performance of these functions can contribute towards making the business more profitable. State whether you agree with Mr. B. Maumo's statement or not.

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