

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**JUNE 2017**

**BUSINESS STUDIES**

**MARKS: 300**

**TIME: 3 hours**

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This question paper consists of 16 pages.

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## INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

- 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.
- Read the instructions for each question carefully and take particular note of what is required.
- 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.
- Except where other instructions are given, answers must be written in full sentences.
- Use the mark allocation and nature of each question to determine the length and depth of an answer.
- Use the table below as 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>

- Begin the answer to EACH question on a NEW page, for example QUESTION 1 – new page, QUESTION 2 – new page, et cetera.
- You may use a non-programmable calculator.
- Write neatly and legibly.

**SECTION A (COMPULSORY)****QUESTION 1**

- 1.1 Various options are provided as possible answers to the following questions. Write down the question number (1.1.1–1.1.10), choose the answer and make a cross (X) over the letter (A–D) of your choice in the ANSWER BOOK.

1.1.1 This legislation ensures that qualified people from designated groups have equal opportunities in the workplace:

- A Affirmative action
- B Unemployment Insurance Act
- C Skills Development Act
- D Black Empowerment Act

1.1.2 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

1.1.3 The monitoring of best business practice includes economic, environmental and social issues. This is largely due to ...

- A SWOT analysis.
- B King's Code.
- C general management.
- D problem-solving techniques.

1.1.4 This step matches the right person to the job description:

- A Recruitment
- B Interview
- C Selection
- D Psychometric test

1.1.5 The ability to influence others based on personal charm and inspiration is known as the ... leadership style.

- A free-reign
- B autocratic
- C charismatic
- D super

- 1.1.6 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.
- 1.1.7 According to Michael Porter's model, which ONE of the following forces is responsible for competition in a particular industry?
- A Environmental instability and change
  - B The influence of macro-environmental variables
  - C Complexity and an unpredictable environment
  - D The bargaining power of suppliers and consumers
- 1.1.8 A small group of voluntary workers who meet regularly to discuss quality-related matters at the workplace:
- A Total quality management
  - B Quality circle
  - C Shop stewards
  - D Quality control group
- 1.1.9 A business which employs more than 50 workers and has a turnover of R10 million, must submit this document to the Department of Labour once every two years:
- A Equity plan
  - B Marketing strategy
  - C Business plan
  - D Code of conduct
- 1.1.10 Business ventures are required by law to charge customers for plastic packaging. This is one of the ways in which the business addresses ... issues.
- A human rights
  - B gender equity
  - C disability
  - D environmental
- (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.

Staff development; Conciliation; Empty Chair; Skill Development; Arbitration;  
Management; Growth; Leadership; Brainstorming; Induction

- 1.2.1 ... is a creative problem-solving technique in which several people think about a single problem and suggest ideas that could lead to a solution.
- 1.2.2 The Department of Labour introduced the National ... strategy to improve the quality of education and training.
- 1.2.3 The last step in conflict resolution after mediation has deadlocked is referred to as ...
- 1.2.4 ... programmes aim to provide existing employees with basic knowledge and skills.
- 1.2.5 ... refers to a process of influencing employees to become achievers in the performance of their duties. (5 x 2) (10)

- 1.3 Choose a description from COLUMN B that matches the 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	Quality control	A	aims at minimising defects
1.3.2	Retrenchment	B	type of decisions made by middle management
1.3.3	Conflict	C	measures to identify, eliminate and prevent deviations from set standards with regard to the production of a product or service
1.3.4	Tactical decision	D	a defensive strategy that is used when a business is facing bankruptcy
1.3.5	Total quality management	E	differences in opinions, values and attitudes
		F	helps to identify the best leader
		G	the voluntary termination of the employment contract by the employee
		H	ability of a business to continue operating even in times of economic hardship
		I	reporting on the positive and negative impact of a company
		J	describes the actual job requirements

(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 ENVIRONMENTS

- 2.1 Classify each scenario according to the relevant forces of Michael Porter's model.
- 2.1.1 A business has a unique product/service, which will cause the business to have greater power.
- 2.1.2 Different products/services that are at least partly satisfy the same needs of consumers and can be used to replace one another.
- 2.1.3 Sipho is the final user of the product/service.
- 2.1.4 The power will depend on how easy it is for a new business to enter the market.
- 2.1.5 These are factories of goods/services that businesses would buy from in order to operate their business. (5 x 2) (10)
- 2.2 Discuss the *strategic management process*. (5 x 2) (10)
- 2.3 Read the scenario below and answer the questions that follow:

**'Reckless lender', *Easy Bank*, faces fine**

The NCR asks the National Credit Tribunal to fine *Easy Bank* for reckless lending. *Easy Bank* granted too much credit to miners and disclosed incorrect interest rate on credit agreements.

- 2.3.1 Identify the Act that is contravened by *Easy Bank* in the granting of credit. (1)
- 2.3.2 Quote TWO reasons from the scenario why *Easy Bank* was fined for recklessly granting of credit. (2)
- 2.3.3 Discuss THREE disadvantages of the Act identified in QUESTION 2.3.1, for *Easy Bank* as a credit provider. (3 x 2) (6)
- 2.4 Suggest practical ways/procedures that businesses should implement to comply with Consumer Protection Act, 2008 (Act 68 of 2008). (5 x 2) (10)

2.5 Read the extract below and answer the questions that follow:

**Commission controls BEE fronting**

Companies and employers could face criminal prosecution for fronting as black economic empowerment entities. The penalty for fronting is a fine, up to ten years imprisonment, or both. A person convicted of fronting will also be disqualified from contracting with any other public entity for a period of ten years.

(Adopted from *www.fin24.com*)

- 2.5.1 Identify the Act applicable to the above extract. (1)
- 2.5.2 Quote TWO consequences from the above extract, if found guilty of fronting. (2)
- 2.5.3 Explain what is meant by the term *fronting*. (2)
- 2.5.4 Evaluate the impact of BBBEE Act (53 of 2003) (amended in 2013) on business operations. (8)
- 2.6 Discuss the purpose of the Labour Relations Act, (No 66 of 1995). (8)
- [60]**



**QUESTION 3: BUSINESS VENTURES (MANAGEMENT AND LEADERSHIP)**

- 3.1 Identify the type of leadership style applied in each of the following statements.
- 3.1.1 The ability to influence others based on personal charm and inspiration.
- 3.1.2 The Chief Executive Officer (CEO) wants to consult with all stakeholders to achieve specific production targets.
- 3.1.3 A principal at a school who instructs educators without accepting inputs from them.
- 3.1.4 This type of leadership expects followers to follow and respect rules.
- 3.1.5 Employees work on their own, make their own decision and even set their own deadlines. (5 x 2) (10)
- 3.2 Differentiate between *leadership* and *management*. (6 x 2) (12)
- 3.3 Read the scenario below and answer the questions that follow.
- Sizwe Aluminium**

*Sizwe Aluminium* manufactures aluminium door and window frames and keeps close ties with customers. A customer urgently needs 1 000 door frames for a housing project. Sizwe, the owner, promises to pay employees overtime as well as incentive bonuses should the customer's order be completed on time.
- 3.3.1 Identify the leadership style used by Sizwe. (2)
- 3.3.2 Evaluate the impact of Sizwe's leadership style on his business as indicated in the scenario above. (6 x 2) (12)
- 3.3.3 Suggest TWO situations in which this leadership style can be applied. (2 x 2) (4)
- 3.4 Discuss the effect of personal attitude in successful leadership. (6 x 2) (12)
- 3.5 Evaluate the democratic leadership style. (4 x 2) (8)
- [60]**

**QUESTION 4: BUSINESS ROLES**

4.1 Indicate the problem-solving technique represented in EACH of the following statements:

4.1.1 Brendon gives his employees the opportunity to suggest ideas randomly, which are then written on a chalk board.

4.1.2 The management of *Fast Express LTD* has listed the advantages and disadvantages of changing their business structure.

4.1.3 The employees of *Shosholaza Construction* have been requested to generate quietly as many ideas as possible and then to share them with other employees.

4.1.4 *Coastal Brick & Tile* requested their employees to explore different ways to modify their products.

4.1.5 The director of *Moody Financial Services* pretends to be sitting with someone when he makes his own decisions. (5 x 2) (10)

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

Patrick works at *Sunrise Enterprise* as a team leader. Although the team works well together, they do experience huge problems. There are constant infighting and employees criticize each other's ideas from time to time. Sam, one of the employees, believes his way is the only way.

4.2.1 Define the term '*conflict*'. (2)

4.2.2 Quote from the above scenario TWO causes of conflict. (2)

4.2.3 Discuss procedures that *Sunrise Enterprise* would apply to overcome conflict that teams usually experience. (4 x 2) (8)

4.3 Describe FOUR stages of team development. 4 + (4 x 2) (12)

4.4 Suggest ways in which businesses can deal with difficult people or different personalities. (5 x 2) (10)

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

"*Dura battery* last for life."  
The company was sued for this information.

4.5.1 Name the institution that regulates unfair advertisement. (2)

4.5.2 Give any THREE practical examples of unfair/deceptive advertisement. (3 x 2) (6)

4.6 Discuss the advantages of creative thinking in the workplace. (4 x 2) (8)

**[60]**

**QUESTION 5: BUSINESS OPERATIONS**

5.1 Identify the activities of the human resource function applicable to the scenarios below.

5.1.1 Sizwe should be familiarised with his new physical work environment/organisational culture/products and services.

5.1.2 This process matches information provided by the applicant to the job requirements.

5.1.3 Jon-Jon received his payment for the time, effort and skill that he contributes to JD (Pty) Ltd.

5.1.4 Mpumi ensures that the written description of the characteristics and qualifications that are required appear in the advertised vacancy.

5.1.5 Nkosi is paid 15% on the sales he has made. (5 x 2) (10)

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

A hotel in Port Elizabeth (PE) advertises the position of a chief financial clerk on a community radio station with a salary package of R6 000 a month, calculated at time-related wage of R5 per hour and 5% commission before deductions.

5.2.1 Identify the type of recruitment that the PE hotel applied in the scenario. Motivate your answer. 1 + (2 x 1) (3)

5.2.2 Explain what is meant by *time-related* wage. (2)

5.2.3 Evaluate the type of recruitment referred to in QUESTION 5.2.1 above. (4 x 2) (8)

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

Sue, who operates a carpet cleaning business, wants to employ two new workers. She is not sure how to draw up legal employment contracts for these workers.

5.3.1 Define the term *employment contract*. (3)

5.3.2 Outline FOUR aspects that should be included in an employment contract to Sue. (4 x 2) (8)

5.4 Evaluate the impact of Employment Equity Act 1998, (Act 55 of 1998) when making a new appointment. (6 x 2) (12)

5.5 Read the scenario below and answer the questions that follow:

*Kicker Sports Shoes* manufactures all kind of sport shoes and compete globally against the well-known brands. Over the past two years the sales of *Kicker Sports Shoes* has been booming. Management of the company built up quality checks to ensure 'zero defects' and established quality circles.

- 5.5.1 Quote from the scenario TWO issues that boosted *Kicker Sports Shoes*' sales booming. (2)
- 5.5.2 Discuss these issues mentioned in QUESTION 5.5.1. (2 x 2) (4)
- 5.5.3 Explain what is meant by 'zero defect' as referred to in the above scenario. (2)
- 5.5.4 Advise *Kicker Sports Shoes* on how to apply the PDCA model/cycle as part of continuous improvement of systems and processes to improve the quality of their products. (3 x 2) (6)
- [60]**

**QUESTION 6: MISCELLANEOUS TOPICS****BUSINESS ENVIRONMENT**

6.1 Read the extract below and answer the questions that follow:

Four workers at a chicken factory in Uitenhage were injured on duty and the employees were not given injury-on-duty forms to complete. Barnard, the employees' labour broker, told the employees not to think to make money out of their injuries. The Labour department had no record of the incident.

*The Herald, 28 July 2011*

6.1.1 Name the Act that makes provision for employees' disablement caused by occupational injuries or diseases sustained. (1)

6.1.2 Discuss FOUR actions that could be regarded as discriminatory with reference to the Act mentioned in QUESTION 6.1.1. (4 x 2) (8)

6.2 The Basic Conditions of Employment Act, 1997 (Act 75 of 1997) aims to improve the working conditions of workers in South Africa.

Discuss TWO disadvantages of the Basic Conditions of Employment Act, 1997 (Act 75 of 1997) for the business. (2 x 3) (6)

**BUSINESS VENTURES (MANAGEMENT AND LEADERSHIP)**

6.3 Read the following scenario and answer the questions that follow.

Senzo and Sindi are the co-managers of *Compu-tech*, a cellphone and computer repair company. Senzo is a perfectionist and enforces excessive and unnecessary rules on employees. Sindi prefers a transactional leadership style.

6.3.1 Identify the type of leadership style applied by Senzo. (1)

6.3.2 Evaluate the effectiveness of the leadership style referred to in QUESTION 6.3.1. (4 x 2) (8)

6.3.3 Suggest THREE situations in which autocratic leadership can be applied. (3 x 2) (6)

**BUSINESS ROLES**

6.4 Read the following extract and answer the questions that follow:

***Shale-gas probe***

The National Development Plan envisage an environmentally sustainable, climate-change, low carbon shale gas exploration in the Karoo. Environmentalist organisations are concerned about environmental impact on the ecosystem, water, air quality, effects on social fabrics and visual repercussions.

*The Herald, 21 May 2017*

- 6.4.1 Identify THREE risks from the extract posed by businesses as a result of the shale gas exploration. (3)
- 6.4.2 Recommend ways on how businesses can protect the environment and promote human health. (4 x 2) (8)
- 6.4.3 Elaborate on the meaning of decision-making. (2 x 2) (4)

**BUSINESS OPERATIONS**

6.5 Read the statement below and answer the questions that follow:

“Soon it might be possible to quit your job and claim money from UIF.”

*City Press, 15 January 2017*

- 6.5.1 Write in full the abbreviation UIF. (2)
- 6.5.2 Write down the UIF contribution for both employers and employees. (2)
- 6.5.3 List THREE examples of fringe benefits. (3 x 1) (3)
- 6.5.4 Evaluate the impact of fringe benefits on businesses. (4 x 2) (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 (STRATEGIES)**

Lungi owns *Perfect Clean Manufacturing*, a newly established business that specialises in cleaning chemicals for household and industrial use. The business is not aware of the challenges of the macro environment it faces.

As a business consultant, you are required to advise *Perfect Clean Manufacturing* on the challenges mentioned in the scenario. You are required to include the following:

- Explain the extent of control *Perfect Clean Manufacturing* will have over the macro environment.
- Apply the PESTLE model by identifying and discussing possible macro-environmental challenges that *Perfect Clean Manufacturing* may encounter.
- Recommend strategies that *Perfect Clean Manufacturing* can implement to respond to the challenges identified.
- Advise her on the steps that she should consider when evaluating strategies.

**[40]****QUESTION 8: BUSINESS VENTURES (MANAGEMENT AND LEADERSHIP)**

An effective leader focuses on himself/herself, on others and on the wider world in guiding departments and individuals where they must direct attention.

- Elaborate on the meaning of *leadership*.
- Evaluate the autocratic, charismatic and *laissez-faire* leadership styles.
- Explain the situational and transformational management and leadership theories.
- Describe TWO situations in which these two theories may be applied in the workplace.

**[40]**

**QUESTION 9: BUSINESS ROLES (CSR)****“Dairy reaches out to community”**

With the aim of giving back to the community in which it operates *Woodlands Dairy* annually supports various non-profit organisations in the Kouga region. This year 17 projects are being supported financially.

*The Herald*, 30 October 2015

Advise *Woodlands Dairy* on how it can fulfil his corporate social responsibility (CSR) dreams by addressing the following:

- Suggest CSR programmes that a business may focus on.
- Outline the benefits of CSR for businesses.
- Describe possible challenges of CSR for the community.
- Recommend ways in which *Woodlands Dairy* can contribute time and effort to advance the well-being of the community from a business point of view.

**[40]**

**QUESTION 10: BUSINESS OPERATION**

*La Roche* is an exclusive restaurant serving both Italian and French food. *La Roche* has four highly trained chefs. Recently, the restaurant was criticised for poor quality of food. In response *La Roche* introduced a new quality management system.

As a business adviser, write a detailed report on the following aspects of Total Quality Management (TQM):

- Distinguish between quality performance and quality management.
- Discuss any FOUR elements of TQM.
- Evaluate the impact if TQM is not properly implemented by businesses.
- Recommend ways in which businesses can reduce the cost of quality through TQM.

**[40]**

**TOTAL SECTION C: 80**

**GRAND TOTAL: 300**