

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

SEPTEMBER 2019

BUSINESS STUDIES

MARKS: 300

TIME: 3 hours



This question paper consists of 15 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of THREE sections and covers all FOUR 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 carefully 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 written 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 guide a for mark and time allocation when answering each question.

SECTION	QUESTION	MARKS	TIME (minutes)
A: Objective-type questions COMPULSORY	1	40	30
B: FIVE direct/indirect type questions CHOICE: Answer any THREE.	2	60	30
	3	60	30
	4	60	30
	5	60	30
	6	60	30
C: FOUR essay-type questions CHOICE: Answer any TWO.	7	40	30
	8	40	30
	9	40	30
	10	40	30
TOTAL		300	180

7. Begin the answer to EACH question on a NEW page, e.g. QUESTION 1 – new page, QUESTION 2 – new page, etc.
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, e.g. 1.1.11 D.

1.1.1 This Act was introduced to promote simple procedures for the resolution of labour disputes in the workplace:

- A Consumer Protection Act, 2008 (Act 68 of 2008)
- B Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003)
- C National Credit Act, 2005 (Act 34 of 2005)
- D Labour Relations Act, 1995 (Act 66 of 1995)

1.1.2 The role of SETAs is to ...

- A appoint accredited service providers.
- B eliminate discrimination in the workplace.
- C compensate workers for work-related injuries.
- D train employees.

1.1.3 PB Banking specialises in offering financial services to individuals and businesses. It operates in the ... sector.

- A primary
- B secondary
- C tertiary
- D public

1.1.4 Michelle invested R30 000 in a fixed deposit at a financial institution at 12% compounded interest per year for two years. Michelle will earn ... interest after two years.

- A R7 632
- B R7 200
- C R3 600
- D R37 632

1.1.5 A(n) ... leader motivates workers by trusting them to do things themselves/on their own.

- A bureaucratic
- B democratic
- C autocratic
- D laissez-faire/free-reign

- 1.1.6 An example of a non-insurable risk:
- A Fidelity insurance
 - B Natural disaster
 - C Injuries on premises
 - D Shoplifting
- 1.1.7 During this stage of team development the differences among members are appreciated and the team is achieving their goals:
- A Forming
 - B Performing
 - C Norming
 - D Storming
- 1.1.8 The process a manager uses to choose the best solution, is known as ...
- A problem-solving.
 - B routine thinking.
 - C decision-making.
 - D brainstorming.
- 1.1.9 A thorough understanding of the supply chain management is a way to improve the quality performance within the ... function.
- A purchasing
 - B general management
 - C public relations
 - D production
- 1.1.10 Mr Smith took business products without permission therefore the reason for the termination of his employment contract was a ...
- A retirement.
 - B dismissal.
 - C resignation.
 - D retrenchment.
- (10 x 2) (20)

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

video conferencing; CSR; association; internal; Consumer Protection;
external; CSI; expression; National Credit; written report

- 1.2.1 The ... Act makes provision for consumers to access debt counselling.
- 1.2.2 Information in the form of a ... is an example of a non-verbal presentation.
- 1.2.3 The ... focus is on improving the image as well as increasing the profits of a business.
- 1.2.4 The right of employees to join trade unions is known as freedom of ...
- 1.2.5 Networking is an example of ... recruitment.

(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, e.g. 1.3.6 K.

COLUMN A	COLUMN B
1.3.1 Divestiture	A an inspection carried out during and after the production process
1.3.2 Limited liability	B conducting interviews with applicants
1.3.3 Conflict	C complaint of an employee relating to poor working conditions
1.3.4 Screening	D an inspection of the final product to ensure that it meets the required standards
1.3.5 Quality assurance	E owner's personal assets are protected against the debts of the business
	F when businesses sell all their assets to pay their creditors
	G performing background checks of applicants
	H disagreement between two or more parties in the workplace
	I owner's personal assets may be seized to pay for the debts of the business
	J when businesses sell some assets that are no longer profitable

(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, e.g. QUESTION 2 on a new page, QUESTION 3 on a NEW page, etc.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 List the THREE types of defensive strategies. (3)

2.2 Outline any FOUR steps in evaluating a strategy. (8)

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

PERFECT FRAME MANUFACTURERS (PFM)

Perfect Frame Manufacturers employs ten workers to manufacture door frames. PFM requires their female employees to report to work immediately after giving birth. Workers are also not allowed to take time off to attend the funeral of a relative.

2.3.1 Identify TWO provisions for leave as stipulated in the Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997) that PFM is not complying with. Motivate your answer by quoting from the scenario above. (6)

Use the table below as a guide to answer QUESTION 2.3.1.

PROVISION FOR LEAVE	MOTIVATION
1.	
2.	

2.3.2 Evaluate the impact of the Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997) on PFM. (8)

2.4 Describe the purpose of the Employment Equity Act, 1998 (Act 55 of 1998). (6)

2.5 Explain the *Human Resources Development Strategy*. (6)

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

CHICK CHICKEN FARM (CCF)

Chick Chicken Farm specialises in the production of poultry. Kevin, the farmer does not have any knowledge of poultry farming. CCF lost more than half of their chicks due to a heavy rain storm. The suppliers of chicken feed have increased their prices by 30%.

Use the table below as a guide to answer the questions that follow.

CHALLENGES (2.6.1)	BUSINESS ENVIRONMENTS (2.6.2)	EXTENT OF CONTROL (2.6.3)
1.		
2.		
3.		

2.6.1 Quote THREE challenges from the scenario above that CCF have to deal with. (3)

2.6.2 Classify EACH challenge quoted in QUESTION 2.6.1 according to the business environment. (3)

2.6.3 State the extent of control that CCF has over EACH business environment. (3)

2.7 Discuss the advantages of intensive strategies for businesses. (6)

2.8 Advise businesses how they could apply the following forces from the Porter's Five Forces model:

2.8.1 Bargaining power of buyers/Buyer power (4)

2.8.2 Competitive rivalry (4)

[60]

QUESTION 3: BUSINESS VENTURES

- 3.1 State any THREE types of preference shares. (3)
- 3.2 Outline the functions of the Johannesburg Securities Exchange Ltd (JSE). (8)
- 3.3 Identify the types of investments opportunity that is available for Fred in EACH statement below:
- 3.3.1 Fred will receive a vote and the right to a dividend.
- 3.3.2 Fred buys a piece of land and earns rental from Eco Farms.
- 3.3.3 Fred's investment is pooled together with a number of investors and is managed by a fund manager.
- 3.3.4 Fred is invited to invest R500 in Masikhule Saving Scheme. (4 x 2) (8)
- 3.4 Explain the importance/advantages of insurance for businesses. (6)
- 3.5 Read the scenario below and answer the questions that follow.

LUKE LEATHER POUCHES (LLP)

Luke Leather Pouches specialises in manufacturing leather cellphone pouches. Luke is the only owner of the business and is also liable for all the business debts.

- 3.5.1 Name the form of ownership of LLP. Motivate your answer by quoting from the scenario above. (3)
- 3.5.2 Describe the success factors of the form of ownership identified in QUESTION 3.5.1 and those of a private company.

Use the table and criteria below as a guide to answer QUESTION 3.5.2.

CRITERIA	FORM OF OWNERSHIP IDENTIFIED (3.5.1)	PRIVATE COMPANY
(a) Management		
(b) Legislation		
(c) Division of profits		

(12)

- 3.6 Explain factors that must be considered when preparing for a presentation. (8)
- 3.7 Recommend TWO situations in which a democratic leadership style could be applied in the workplace. (4)
- 3.8 Analyse the impact of an autocratic leadership style on a business. (8)

[60]

QUESTION 4: BUSINESS ROLES

- 4.1 Give FOUR examples of unfair advertising. (4)
- 4.2 Outline the causes of conflict in the workplace. (8)
- 4.3 Read the scenario below and answer the questions that follow.

GOOD LOOKING CARS (GLC)

Good Looking Cars want to change the design of some of their cars. Employees are requested to first generate ideas and then share the ideas with other group members. The management also contacted designer experts to complete a questionnaire on how to change the designs.

- 4.3.1 Identify TWO problem-solving techniques used by Good Looking Cars. Motivate your answer by quoting from the scenario above. (6)

Use the table below as a guide to answer QUESTION 4.3.1.

PROBLEM-SOLVING TECHNIQUE	MOTIVATION
1.	
2.	

- 4.3.2 Discuss the advantages of creative thinking in the workplace. (8)
- 4.4 Explain the positive impact of corporate social responsibility (CSR) on communities. (6)
- 4.5 Read the scenario below and answer the questions that follow.

GEMS MINES (GM)

Gems Mines specialises in the extraction of gems stones. The management is very proud of the way in which their workers are taking responsibility for their own safety. The workers also report unsafe and unhealthy conditions to the management.

- 4.5.1 Quote TWO responsibilities of workers in promoting human health and safety in the workplace from the scenario. (2)
- 4.5.2 Discuss other responsibilities of workers in promoting human health and safety in the workplace at Gems Mines. (6)
- 4.5.3 Suggest strategies which Gems Mines could use to protect the environment and human health in the workplace. (4)

- 4.6 Explain how businesses could deal with the following diversity issues in the workplace:
- 4.6.1 Language (4)
 - 4.6.2 Age (4)
- 4.7 Advise businesses on how they should handle conflict in the workplace. (8)
- [60]**

QUESTION 5: BUSINESS OPERATIONS

- 5.1 Name TWO methods of salary determination. (2)
- 5.2 Outline the placement procedure that businesses should follow to place a new employee. (6)
- 5.3 Read the scenario below and answer the questions that follow.

TIGER SLEEPWEAR (TS)

Maggie was invited for an interview at Tiger Sleepwear. During the interview Maggie carefully listened to the questions before responding to them. She made eye contact with the interviewer and asked clarity seeking questions.

- 5.3.1 Quote from the scenario above THREE of Maggie's roles during the interview. (3)
- 5.3.2 Explain the role of the interviewer during the interview. (8)
- 5.4 Distinguish between *job description* and *job specification*. (8)
- 5.5 Explain how quality indicators of the financial function can contribute to the success of a business. (6)

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

FAHIM FOOTWEAR (FF)

Fahim Footwear is a large business that specialises in the manufacturing of quality designer shoes. The management always ensures that customer complaints are handled within a short period of time. The employees regularly attend training courses. The management also allows staff to make inputs during designing sessions.

- 5.6.1 Identify THREE total quality management (TQM) elements applied by Fahim Footwear. Motivate your answer by quoting from the scenario above. (9)

Use the table below as a guide to answer QUESTION 5.6.1.

TQM ELEMENTS	MOTIVATION
1.	
2.	
3	

- 5.6.2 Advise Fahim Footwear on the benefits of a good quality management system. (6)
- 5.7 Discuss the negative impact on businesses if TQM is poorly implemented. (6)
- 5.8 Evaluate the impact of continuous improvement to processes and systems on large businesses. (6)
- [60]**

QUESTION 6: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

- 6.1 Identify the relevant pillar of Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003) that ABC Books Ltd complied with in EACH case below.
- 6.1.1 The purchasing manager uses Lucky Book Providers which is BBBEE complaint.
- 6.1.2 ABC Books Ltd donate books to a local rural school.
- 6.1.3 The management issues shares to all their long serving employees.
- 6.1.4 Litha, a storybook writer, is encouraged to attend a creative writing workshop. (4 x 2) (8)
- 6.2 Explain the differences between *market development* and *product development*. (8)

BUSINESS VENTURES

- 6.3 Identify the form of ownership represented by EACH of the following statements:
- 6.3.1 Khan Ltd may invite the public to buy shares.
- 6.3.2 The directors of Hello PLC are jointly and severally liable for the debts of the business.
- 6.3.3 Salty Spices is owned and managed by Sarah and Sive and they are personally liable for the debts of the business.
- (3 x 2) (6)
- 6.4 Describe the role of personal attitude in successful leadership. (8)

BUSINESS ROLES

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

CRYSTAL SHADES (CS)

Crystal Shades employs workers from different cultural backgrounds and race. The workers have good interpersonal relationships and show mutual respect towards each other despite their differences. The workers support and trust each other and have honest discussions that lead to effective solutions of problems.

- 6.5.1 Quote FOUR characteristics of a successful team that the workers of Crystal Shades demonstrate. (4)
- 6.5.2 Discuss the benefits of Crystal Shades having a diverse workforce. (6)
- 6.6 Suggest ways in which businesses could promote cultural rights in the workplace. (6)

BUSINESS OPERATIONS

- 6.7 Outline the importance of quality circles. (4)
- 6.8 Differentiate between *quality performance* and *quality management*. (4)
- 6.9 Advise businesses on how TQM could impact on the reduction of the cost of quality. (6)

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

SECTION C

Answer ANY TWO questions in this section.

NOTE: Clearly indicate the QUESTION NUMBER of each question chosen. The answer to EACH question must start on a NEW page, e.g. QUESTION 7 on a NEW page, QUESTION 8 on a NEW page, etc.

QUESTION 7: BUSINESS ENVIRONMENTS (LEGISLATION)

The Compensation for Occupational Injuries and Diseases Act (COIDA), 1997 (Act 61 of 1997) recognises that workers are exposed to health risks in the workplace and that workplace-related accidents can occur. Businesses who do not comply with this Act will be penalised.

As an expert on recent legislation, write an essay on the following aspects:

- Explain the purpose of COIDA.
- Discuss the penalties/consequences that may be imposed for non-compliance with COIDA.
- Analyse the impact of COIDA on businesses.
- Recommend ways in which businesses can comply with COIDA.

[40]

QUESTION 8: BUSINESS VENTURES (INSURANCE AND PRESENTATION)

Ms Witbooi is the managing director at Insure Success Ltd. She has to do a presentation on different types of insurance at a meeting of business owners. She wants to use a PowerPoint presentation and hand-outs to enhance the quality of her presentation. She is knowledgeable about insurance aspects, but she lacks confidence in answering questions posed by the audience.

Write an essay in which you address the following aspects:

- Differentiate between *compulsory* and *non-compulsory insurance*.
- Explain TWO types of compulsory insurance except COIDA.
- Evaluate a PowerPoint presentation and hand-outs as visual aids that would enhance her presentation.
- Suggest ways in which Ms Witbooi may respond to feedback in a professional manner.

[40]

QUESTION 9: BUSINESS ROLES

The challenges that exist within the business environment often test the ethical values and principles of organisations and business people. The manner in which businesses conduct business should be professional, responsible and ethical. Businesses must apply the King Code principles for good corporate governance.

With reference to the statement above:

- Differentiate between *professional behaviour* and *ethical behaviour*.
- Explain how businesses should apply the King Code principles of transparency and accountability to improve their corporate governance.
- Suggest ways in which professional, responsible, ethical and effective business practices should be conducted.
- Recommend ways in which businesses may address abuse of work time and pricing of goods in rural areas as unethical business practices.

[40]**QUESTION 10: BUSINESS OPERATIONS****BLUE BAY FISHERIES (BBF)**

Blue Bay Fisheries recently appointed Samar as their production manager. Samar was given an employment contract which included fringe benefits. The management also prepared an induction programme for Samar.

Keeping the scenario above in mind, write an essay on the following aspects:

- Outline the legal requirements of an employment contract.
- Discuss the impact of fringe benefits on Blue Bay Fisheries.
- Explain the purpose of induction as a human resources activity.
- Advise businesses on the benefits of induction.

[40]

TOTAL SECTION C: 80
GRAND TOTAL: 300