



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

SEPTEMBER 2016

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 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 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 E.

1.1.1 The leadership style in which leaders tell the employees what to do and how they should carry out their tasks without asking them for input or ideas, is called ...

- A democratic.
- B autocratic.
- C bureaucratic.
- D laissez-faire.

1.1.2 The purpose of the ... Act is to prohibit the employment of children and forced labour.

- A Skills Development
- B Employment Equity
- C Basic Conditions of Employment
- D Labour Relations

1.1.3 Shares that are paid out according to a fixed rate and are paid out first before any other shares are paid out, are called ... shares.

- A preference
- B bonus
- C ordinary
- D extra-ordinary

1.1.4 ... involves finding the right employee for a specific job.

- A Selection
- B Induction
- C Placement
- D Recruitment

1.1.5 In this team dynamics theory the following three categories gets used; cerebral, action and people.

- A Margerison-McCann profiles
- B Belbin role
- C Jungian
- D Group consensus

1.1.6 The ... is a legal document between the employer and the employee.

- A lease agreement
- B letter of appointment
- C letter of acceptance
- D employment contract

1.1.7 This function creates a favourable image of the business.

- A Human resources
- B Risk management
- C Public relations
- D General management

1.1.8 When investing R5 000, at 12% interest compounded annually, what would the investment be worth after three years?

- A R752,64
- B R7 024,64
- C R2 024,64
- D R6 800

1.1.9 This form of ownership has limited continuity.

- A Private company
- B Close corporation
- C Partnership
- D Public company

1.1.10 Which strategy does not form part of the defensive strategies?

- A Diversification
- B Retrenchment
- C Liquidation
- D Divestiture

(10 x 2) (20)

1.2 Choose the correct word/words from those given in brackets. Write only the word/words next to the question number (1.2.1–1.2.5) in the ANSWER BOOK.

- 1.2.1 (Conglomerate/Horizontal) diversification is a strategy where a business adds new products or services that are unrelated to existing products, but which may appeal to new groups of customers.
- 1.2.2 Corporate social (responsibility/investment) is the obligation or duty that a business has towards the society and the environment in which it operates.
- 1.2.3 Quality (assurance/control) measures to identify, eliminate and prevent deviations from set standards with regard to the production of a product or service.
- 1.2.4 (Staff development/Induction) programmes aim to provide existing employees with basic knowledge and skills.
- 1.2.5 A (personal liability company/public company) is not compelled by law to audit financial statements.

(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 J.

COLUMN A	COLUMN B
1.3.1 Dispute	A A complaint from an employee over something believed to be wrong or unfair in the workplace
1.3.2 Strategy	B A growth strategy where the business aims to introduce existing products or services to new markets
1.3.3 Arbitration	C Disagreement between the management and employees
1.3.4 Grievance	D A plan of action to achieve a goal
1.3.5 Product development	E An agreement between all the parties through a process of discussion and persuading each other
	F The exclusion of employees by their employer from their place of work until certain terms are agreed to
	G Is the process by which the parties to a dispute submit their differences to the judgment of an impartial person
	H Is a negotiation to resolve differences that is conducted by an impartial party
	I A growth strategy where the business aims to introduce new products or services to existing markets

(5 x 2) (10)

TOTAL SECTION A: 40

SECTION B

Answer any THREE questions from the five questions in SECTION B. Start EACH question on a NEW page.

QUESTION 2: BUSINESS ENVIRONMENT

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

TABLE TOP

The workers of Table Top, a furniture manufacturing company in the Eastern Cape, are complaining to their trade union that they are working long hours without rest periods. They are also forced to work overtime with no extra pay and all their applications for leave this year have been denied. They are very upset and want to strike.

- 2.1.1 Identify the Act that Table Top is not complying with. (2)
- 2.1.2 Identify THREE ways in which Table Top is not complying with the Act identified in QUESTION 2.1.1. (3)
- 2.1.3 Explain in detail, the conditions of employment, based on the Act identified in QUESTION 2.1.1 relating to:
- (a) Working time (4)
 - (b) Leave conditions (4)
 - (c) Overtime (4)

2.2 Read the following statement and answer the questions that follow.

The Consumer Protection Act, 2008 (Act 68 of 2008) (CPA) has come to the rescue of consumers who are unfortunate enough to be on the receiving end of an overbooking in respect to the supply of goods or services.

- 2.2.1 Outline FOUR consumer rights stipulated in the Consumer Protection Act. (8)
- 2.2.2 Evaluate the impact of the Consumer Protection Act on consumers. (8)

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

FASHION FACTORY

Luko Kupa is the general manager of Fashion Factory that manufactures African dresses. Their dresses are successfully marketed locally, but strong competition abroad is making it difficult to break into the international market.

Frank as the human resources manager is a very experienced manager, but he does not have much knowledge of the new labour legislation.

The supplier of the material that Fashion Factory is using is not very reliable and is often out of stock. The increase in the fuel price is also worrying to Luko.

The *Dispatch* published an article on the socio-economic problems in the Eastern Cape and highlighted the high levels of HIV/Aids, unemployment, crime and poverty.

2.3.1 Name the business sector in which Fashion Factory operates and motivate your answer. (3)

2.3.2 Identify FOUR challenges in the scenario above. Name the environment that EACH challenge belongs to.

QUESTION 2.3.2 must be answered according to the headings given in the table below. Redraw the table in the ANSWER BOOK.

CHALLENGES		ENVIRONMENT
(a)	(1)	(2)
(b)	(1)	(2)
(c)	(1)	(2)
(d)	(1)	(2)

(12)

2.4 Outline TWO activities of strategy evaluation. (4)

2.5 Suggest ways in which a business can comply with the requirements of the Skills Development Act (SDA), 1998 (Act 97 of 1998). (8)

[60]

QUESTION 3: BUSINESS VENTURES

3.1 Read the scenario below and answer the questions that follows.

Ava won R20 000 in a debating competition. She cannot decide if she wants to invest her money in RSA Retail Savings Bonds or unit trusts.

- 3.1.1 Identify the types of investments mentioned in the scenario above. (2)
- 3.1.2 Explain the differences between the two types of investments mentioned in QUESTION 3.1.1. (8)
- 3.1.3 Mention TWO factors that should be considered when choosing a type of investment. (2)

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

Paul owns a factory outside Port Elizabeth. His factory was damaged by a fire. The damage to the factory was estimated at R300 000. His insurance company is not prepared to pay out the full amount of the claim because the factory was only insured for R780 000 and the current market value is R1,2 million.

- 3.2.1 Is fire insurance a compulsory or a non-compulsory type of insurance? Motivate your answer. (3)
 - 3.2.2 Paul underinsured his factory when he insured it for R780 000. Explain the term '*underinsurance*'. (2)
 - 3.2.3 Calculate the amount that Paul would have received from the insurance company. (5)
- 3.3 Discuss how the following factors may lead to the success and/or failure of a private company:
- 3.3.1 Capital (4)
 - 3.3.2 Management (4)
 - 3.3.3 Legislation (4)

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

Ruth Mboma the new chief executive officer (CEO) for Wooltech recently presented the annual financial results to the management board.

3.4.1 Describe the factors that Ruth would consider when preparing for the presentation. (10)

3.4.2 Outline FIVE aspects Ruth should bear in mind when handling feedback and responding to questions from them. (10)

3.5 Explain TWO disadvantages of a partnership. (6)
[60]

QUESTION 4: BUSINESS ROLES

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

EDGE LINE

Edge Line is a business in East London that manufactures and distributes decorative cutlery to the Border area. Recently, management has been concerned with issues of productivity and rising expenses. They decided to observe their staff for a period of time.

During their staff observation it became clear why there has been a substantial increase in those two expenses. The employees use a great deal of stationery working on their children's projects at work and are also taking stationery home. A great deal of time is also spent in the kitchen making coffee and tea and socialising.

4.1.1 Identify ONE issue that challenges ethical and professional behaviour in the case study. (1)

4.1.2 Suggest TWO ways that could be used by Edge Line to address the issue identified in QUESTION 4.1.1. (4)

4.1.3 Apply the problem solving steps to address Edge Line's challenges. (12)

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

TWIZZA HITS A SIX!
“TWIZZA SPONSORS 6-A-SIDE CRICKET TOURNAMENT”

Twizza was proud to sponsor a 6-a-side cricket tournament with cooldrink. “Your support will open many new opportunities for those young players as well as help develop their cricket skills. These events will increase their discipline and character, on and off the field, which is valuable to their future,” said Herman Venter Cricket Academy’s head coach.

[Written and issued by Twizza]

- 4.2.1 Quote from the article above THREE benefits of TWIZZA HITS A SIX for the community. (3) (3)
- 4.2.2 Discuss benefits for Twizza by investing in a Corporate Social Responsibility (CSR) programme. (6) (6)
- 4.2.3 Explain the challenges for Twizza by investing in a Corporate Social Responsibility (CSR) programme. (3 x 2) (6)
- 4.2.4 Outline THREE practical ways in which Twizza’s Corporate Social Investment (CSI) projects can contribute to the community, besides sponsoring cooldrinks at sports events. (6) (6)
- 4.3 List FIVE possible causes of conflict within a team. (10)
- 4.4 Explain the FOUR stages of team development. (12)
- [60]**

QUESTION 5: BUSINESS OPERATIONS

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

MBASHE ENTERPRISE

The human resource manager of Mbashe Enterprise identified that the company lack qualified employees with the necessary skills to perform their duties. She placed an advert in the local newspaper to find suitable candidates.

- 5.1.1 Identify TWO human resource activities referred to in the scenario above. (2)
- 5.1.2 Explain the process of selection which Mbashe Enterprise will use when selecting the most suitable candidate. (8)
- 5.1.3 Outline the advantages of external recruitment. (8)

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

TOM'S PLUMBING SERVICES

Tom has two employees working at Tom's Plumbing Services. The plumber earns a salary with medical and cellphone allowances. The assistant earns R15/hour.

- 5.2.1 Identify TWO types of fringe benefits mentioned in the scenario above. (2)
- 5.2.2 Discuss the impact of fringe benefits on the business. (8)
- 5.3 Explain the impact of the Employment Equity Act on the human resources function when making new appointments. (6)
- 5.4 Read the statement below and answer the questions that follow.

Quality is a very important part of any business, whether it is in the trading, manufacturing or services sector.

Suggest quality indicators in the following business functions:

- 5.4.1 Administration (6)
- 5.4.2 Marketing (6)
- 5.5 Advise businesses on how continuous improvement to processes and systems cycle (PDCA) can improve the quality of products and services. (6)
- 5.6 Discuss the impact of 'continuous skills development/education and training' as an element of Total Quality Management (TQM) on a large business. (8)

[60]

QUESTION 6: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENT**

6.1 Identify a specific business strategy in each of the following scenarios.

6.1.1 The Eco Group of companies owns, among others, Eco Records (music industry), Eco Atlantic (airline industry) and Eco Active (leisure industry).

6.1.2 Bonny Cellphones started its business in Saudi Arabia and has entered the South African cellphone market.

6.1.3 A car manufacturing business gained ownership of a car battery manufacturer.

6.1.4 Walter Ltd sold all its assets in an attempt to pay creditors.

6.1.5 Ludo Clothing Stores has taken over Real Clothing Stores.

(5 x 2) (10)

6.2 List the FIVE forces of Porter's model.

(5)

BUSINESS VENTURES

6.3 List THREE types of compulsory insurance.

(3)

6.4 Explain the function of the Johannesburg Securities/Stock Exchange.

(6)

6.5 Evaluate the effectiveness of using a data projector/PowerPoint when presenting business information.

(6)

BUSINESS ROLES

6.6 Describe the correct procedure to deal with grievances in the workplace.

(8)

6.7 Suggest ways in which a business can create an environment that promotes creative thinking.

(6)

BUSINESS OPERATIONS

6.8 Mention TWO details of an employment contract.

(4)

6.9 Differentiate between *job description* and *job specification*.

(6)

6.10 Discuss the impact of Total Quality Management if it is poorly implemented by businesses.

(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 ENVIRONMENT

The Labour Relations Act (LRA) (No. 66 of 1995) is a South African legislation that aims to promote economic development, social justice, labour peace and democracy in the workplace.

With reference to the statement above:

- Outline the rights of employees and employers as specified in the Labour Relations Act.
- Discuss the purpose of the Labour Relations Act.
- Explain actions which may be regarded as discriminatory by this Act.
- Analyse the impact of this Act on businesses.

[40]

QUESTION 8: BUSINESS VENTURES

“Management is efficiency in climbing the ladder of success; leadership determines whether the ladder is leaning against the right wall.”

Stephen Covey

Write a report on the following aspects:

- Distinguish between management and leadership.
- Discuss the following FOUR leadership styles:
 - Autocratic
 - Laissez-Faire
 - Bureaucratic
 - Democratic
- Suggest ONE situation in which each of the above-mentioned leadership styles can be used in the workplace.
- Explain the effect of personal attitude in successful leadership.

[40]

QUESTION 9: BUSINESS ROLES**POOL CLEAN LIMITED (PCL)**

Pool Clean Limited (PCL) is a newly established company rendering pool cleaning services to pool owners. PCL wants to develop business policies that address human rights, inclusivity and environmental issues in the workplace.

Write an essay on the following aspects:

- Explain how PCL policies can address any FIVE human rights issues in the workplace.
- Discuss the positive impact/benefits of a diverse workforce.
- Advise PLC how they should address gender and poverty issues in the workplace.
- Recommend ways on how PCL can protect the environment and promote human health.

[40]**QUESTION 10: BUSINESS OPERATIONS**

Quality performance in all businesses is essential. Without a quality management system the business will experience problems. Quality must therefore be continuously improved in order to maintain high standards.

With reference to the statement above:

- Discuss any FOUR elements of Total Quality Management (TQM).
- Outline the benefits of implementing a good quality management system in a business.
- Recommend ways in which businesses can reduce the cost of quality through TQM.

[40]

TOTAL SECTION C: 80
GRAND TOTAL: 300