



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

JUNE 2019

BUSINESS STUDIES

MARKS: 300

TIME: 3 hours



This question paper consists of 16 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 FOUR questions

Answer any THREE of the four questions in this section.

SECTION C: Consists of THREE questions

Answer any TWO of the three questions in this section.

2. Read the instructions for each question carefully and take particular note of what is required.
3. Number the answers correctly 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 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 a guide for mark and time allocation when answering each question.

SECTION	QUESTION	MARKS	TIME (minutes)
A: Objective-type questions COMPULSORY	1	40	30
B: FOUR direct/indirect-type questions CHOICE: Answer any THREE.	2	60	30
	3	60	30
	4	60	30
	5	60	30
C: THREE essay-type questions CHOICE: Answer any TWO.	6	40	30
	7	40	30
	8	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, for example 1.1.11 D.

1.1.1 Stella dairy farm takes over Mfundo's cheese factory, ... integration was applied.

- A horizontal
- B forward
- C backward
- D conglomerate

1.1.2 This Act makes provision for the establishment of the Commission for Conciliation, Mediation and Arbitration (CCMA):

- A Labour Relations Act, 1995 (Act 66 of 1995)
- B Employment Equity Act, 1998 (Act 55 of 1998)
- C National Credit Act, 2005 (Act 34 of 2005)
- D Compensation for Occupational Injuries and Diseases Act, 1997 (Act 61 of 1997)

1.1.3 The ... encourages good quality training in the workplace to ensure on-going development of skills.

- A Labour Relations Plan
- B Skills Development Levy
- C Human Resources Development Strategy
- D National Skills Development Strategy

1.1.4 This leadership style encourages employees to work hard because they will receive rewards:

- A Situational
- B Charismatic
- C Transactional
- D Democratic

1.1.5 Businesses apply this management and leadership theory to change, develop and motivate employees over a short period of time:

- A Situational
- B Transformational
- C Trait
- D Leaders and followers

- 1.1.6 This team dynamic theory focuses on FOUR pairs of attitudes and functions:
- A Belbin
 - B Jungian
 - C MTR-I approach
 - D Margrison-McCann
- 1.1.7 Menzi Ltd is not only concerned about their financial position, but also about their social and environmental successes. Therefore they report on their ... performance.
- A profitability
 - B social
 - C Porter's Five Forces
 - D triple bottom line
- 1.1.8 Businesses allowing employees to use their own language during free time, is a way to promote ... rights in the workplace.
- A cultural
 - B social
 - C consumer
 - D economic
- 1.1.9 Joseph lost his job at Green Industries, therefore he is entitled to claim from the ... Fund.
- A Skills Development
 - B Compensation
 - C Unemployment Insurance
 - D Medical Aid
- 1.1.10 Inspection of the final product to ensure that it complies with the required standard:
- A Quality gap
 - B Quality control
 - C Quality assurance
 - D Quality management

(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 numbers (1.2.1–1.2.5) in the ANSWER BOOK.

autocratic; leader; R500 000; staff development; manager; R50 000;
Delphi; bureaucratic; performance appraisal; brainstorming

- 1.2.1 Employers pay 1% as a skills development levy if their annual salary expense exceeds ...
- 1.2.2 Lutho inspires his workers to do their best. He is therefore a good ...
- 1.2.3 A/An ... leader ensures that employees follow strict rules and procedure when performing their tasks.
- 1.2.4 The ... technique is where a team of experts are given questionnaires to obtain their opinions without bringing them together.
- 1.2.5 Comparing the actual performance of a financial manager to his/her expected performance in order to increase his/her salary is called ...
- (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, for example 1.3.6 K.

COLUMN A	COLUMN B
1.3.1 Strategy	A only young people are considered for appointment
1.3.2 Democratic leadership	B remuneration based on an agreed hourly rate
1.3.3 Inclusivity	C process to implement an action plan
1.3.4 Involvement of all employees/People-based management	D leaders inspire followers to change their expectations
1.3.5 Piecemeal	E people from different backgrounds are employed
	F an action plan to achieve a pre-determined goal
	G keep staff informed about the latest quality standards
	H remuneration based on the number of items produced
	I keep shareholders satisfied with the quality standard
	J when leaders consider employees' feelings and opinions

(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 Name the SIX components of the PESTLE analysis. (6)
- 2.2 Identify the consumer right, as stipulated in the Consumer Protection Act (Act 68 of 2008), which is applicable to EACH of the following policy statements of Sifiso Traders.
- 2.2.1 Customers can object to unwanted promotional e-mails/telesales. (2)
- 2.2.2 Customers will receive written notices of amended clauses in their contracts that may limit their rights. (2)
- 2.2.3 Customers will be refunded for faulty products. (2)
- 2.2.4 Customers can reject goods that are not the same as the sample marketed. (2)
- 2.3 Explain the advantages of intensive strategies in addressing business challenges. (4)
- 2.4 Read the scenario below and answer the questions that follow.

ABC BANK LTD (ABL)

George and Busisiwe are employed by ABC Bank Ltd as tellers. George earns more than Busisiwe. Busisiwe is unhappy and demands to earn the same salary as George. She feels that ABC Bank Ltd does not comply with the Employment Equity Act (EEA), 1998 (Act 55 of 1998).

- 2.4.1 Name the business sector in which ABC Bank Ltd operates and motivate your answer. (3)
- 2.4.2 Explain the main purpose of the Employment Equity Act (EEA), 1998 (Act 55 of 1998) with specific reference to Busisiwe's claim of non-compliance by ABC Bank Ltd with this Act. (6)
- 2.4.3 Outline any TWO business actions that can be regarded as discriminatory by the EEA. (4)
- 2.5 Distinguish between *BEE* and *BBBEE*. (8)

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

BEST CABINETS DESIGN (BCD)

Khaya is a cabinet maker, employed by Best Cabinets Design, a factory designing and building household and industrial cabinets. He was struck by a nail in his eye while performing his duties and was rushed to hospital without reporting the accident. Khaya had not been wearing his protective eye goggles, despite having often been advised to do so.

- 2.6.1 Name the Act that is applicable to Khaya's accident at work. (2)
- 2.6.2 Quote ONE incident from the scenario where Khaya did not comply with the Act mentioned in QUESTION 2.6.1. (1)
- 2.6.3 Discuss the impact of the Act referred to in QUESTION 2.6.1 on businesses and employees. (6)
- 2.7 Suggest ways in which businesses can comply with the National Credit Act (NCA), 2005 (Act 34 of 2005). (6)
- 2.8 Evaluate the positive impact of the Labour Relations Act (LRA), 1995 (Act 66 of 1995) on businesses. (6)
- [60]**

QUESTION 3: BUSINESS ROLES

- 3.1 Name FOUR components of corporate social responsibility (CSR). (4)
- 3.2 Identify the problem-solving technique presented in EACH of the following scenarios.
- 3.2.1 Thandi pretends to be sitting with someone when she makes her own decisions. (2)
- 3.2.2 Power Services list positives and negatives for the project of drilling for oil in the Wild Coast. (2)
- 3.2.3 Tamsanqa Cleaning Services explores different ways to modify their services. (2)
- 3.2.4 Mpho gives his employees an opportunity to suggest ideas randomly which are then written on a chart. (2)
- 3.3 Explain how businesses can contribute to the well-being of their employees. (4)
- 3.4 Read the scenario below and answer the questions that follow.

MONEYWISE FINANCIAL SERVICES LTD (MFS)

The collapse of Moneywise Financial Services Ltd resulted from a lack of attracting potential investors as well as unsustainable business models. The local newspaper reported the possibility of liquidation, resulting from the lack of management skills of the directors. The management of MFS denies this allegation.

- 3.4.1 Quote TWO examples of poor corporate governance from the scenario above. (2)
- 3.4.2 Name TWO King Code principles for good corporate governance that MFS did not apply. (4)
- 3.4.3 Advise MFS on how to apply each King Code principle identified in QUESTION 3.4.2 to improve their corporate governance. (4)
- 3.5 Explain the benefits of creative thinking in the workplace. (6)
- 3.6 Describe the correct procedure to deal with grievances in the workplace. (8)

- 3.7 Read the statement below and answer the questions that follow.

The Occupational Health and Safety Act of 1993 provides the right to health and safety for persons at work with the use of plant and machinery.

- 3.7.1 Explain the responsibilities of workers in promoting human health and safety in the workplace. (4)
- 3.7.2 Discuss the roles of health and safety representatives in the workplace. (8)
- 3.7.3 Recommend TWO ways in which businesses can protect the environment and human health. (4)
- 3.8 Suggest ways in which businesses could promote social rights in the workplace. (4)
- [60]**

QUESTION 4: BUSINESS OPERATIONS

- 4.1 Give FOUR examples of fringe benefits in the workplace. (4)
- 4.2 Outline the purpose of an interview as a human resource activity (6)
- 4.3 Read the scenario below and answer the questions that follow.

HLOMPO GUEST LODGE (HGL)

Hlompo Guest Lodge has advertised a vacancy for a receptionist in the *Daily Times*. The following requirements must be met by all successful applicants:

- Grade 12 Certificate
- Excellent computer skills
- Report writing
- Verbal and written communication
- Time management
- Willing to work extra hours

- 4.3.1 Identify TWO examples of job description and TWO examples of job specification in the scenario above.

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

JOB DESCRIPTION	JOB SPECIFICATION
1.	1.
2.	2.

(4)

- 4.3.2 Name the type of recruitment that HGL used when they advertised the post. (2)
- 4.3.3 Give TWO other sources of the type of recruitment identified in QUESTION 4.3.2. (2)
- 4.3.4 Explain the procedure that HGL should follow to place the new employee. (6)
- 4.4 Elaborate on the implications of the Skills Development Act, 1998 (Act 97 of 1998) for the human resources function. (8)

- 4.5 Identify the business function that is responsible for the activities in EACH of the following scenarios.
- 4.5.1 The management of Hlomplo Guest Lodge uses outdated information. (2)
- 4.5.2 Vincent Pro Engineering manufactures products of good quality. (2)
- 4.5.3 Nomhle Beauty Salon bought their cosmetics from Exclusive Beauty Supplies. (2)
- 4.5.4 Pule Incorporated is not able to attract and retain skilled workers. (2)
- 4.6 Discuss the advantages of total client satisfaction for large businesses. (8)
- 4.7 Differentiate between *quality performance* and *quality management*. (8)
- 4.8 Suggest ways in which businesses could improve the quality of performance within the human resource function. (4)

[60]

QUESTION 5: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS**

- 5.1 Name the type of leave which is applicable in EACH of the following scenarios.
- 5.1.1 During the first six months of employment, Sipho is entitled to one day of paid leave every 26 days for medical reasons. (2)
- 5.1.2 Zimdo is entitled to a minimum of one day leave for every 17 days worked. (2)
- 5.1.3 Ntombi is pregnant and is entitled to at least four consecutive months of leave. (2)
- 5.1.4 Kagiso's grandfather has passed away. He is entitled to three to five (3–5) days paid leave per year. (2)
- 5.2 Discuss the following of Porter's Five Forces:
- 5.2.1 Competitive rivalry/Power of competitors (4)
- 5.2.2 Power of buyers (4)

BUSINESS VENTURES

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

SMITH CONSULTANT AGENCY (SCA)

Mr Smith is a manager of Smith Consultant Agency. He ensures that all employees have complete freedom and a high degree of autonomy.

- 5.3.1 Identify the leadership style used by Mr Smith in the scenario above. (2)
- 5.3.2 Describe reasons why employees may prefer the leadership style mentioned in QUESTION 5.3.1. (6)
- 5.3.3 Recommend situations in which the leadership style mentioned in QUESTION 5.3.1, could be applied in the workplace. (6)

BUSINESS ROLES

- 5.4 List any FOUR economic rights of employees in the workplace. (4)
- 5.5 Distinguish between *decision-making* and *problem-solving*. (4)
- 5.6 Discuss TWO strategies that businesses may use to manage EACH of the following socio-economic issues:
- 5.6.1 Unemployment (4)
- 5.6.2 HIV/Aids (4)

BUSINESS OPERATIONS

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

COAL MINING EXPLORATION (CME)

Coal Mining Exploration employed almost 3 000 employees. CME released a statement where they indicate their intention of cutting 1 500 employees' jobs and did not renew the employment contract of some senior staff. This is the result of energy transition.

- 5.7.1 Define the term *employment contract*. (2)
- 5.7.2 Outline any THREE possible reasons for terminating an employment contract by CME. (6)
- 5.8 Advise businesses on the importance of quality circles in improving the quality of their products. (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, e.g. QUESTION 6 on a NEW page, QUESTION 7 on a NEW page, etc.

QUESTION 6: BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)**SUPER ELECTRIC LAMPS (SEL)**

Super Electric Lamps manufacture electric lamps and employ highly skilled workers. Currently the business sales are declining. SEL considers to register as a franchise. Theft and burglaries pose a challenge to SEL.

With reference to the scenario above, you are required to:

- Develop a SWOT analysis for Super Electric Lamps
- Outline how SEL can handle each weakness and threat identified
- Discuss THREE defensive strategies that can be used by SEL
- Recommend steps in evaluation strategy

[40]**QUESTION 7: BUSINESS ROLES (TEAM PERFORMANCE AND CONFLICT)**

Effective teamwork depends on a group of a diverse people with different knowledge and skills. Some workers find it difficult to tolerate others which results in conflict. Business invests in team building programmes to achieve its goals and objectives.

As a team development consultant, provide detailed information on the following:

- Explain FOUR stages of team development
- Discuss the characteristics of successful teams
- Describe the causes of conflict that arise in the workplace
- Advise businesses on how they should handle conflict in the workplace

[40]

QUESTION 8: BUSINESS OPERATIONS (QUALITY MANAGEMENT)**SIZWE HARDWARE (PTY) LTD (SH)**

Sizwe Hardware is a large business, specialising in manufacturing both household and industrial aluminium doors and windows. The management is not actively involved in ensuring the best quality doors and windows. SH realises the importance of effective implementation of total quality management to improve the quality of their products.

With reference to the scenario above:

- Explain the benefits of a good quality management system
- Discuss how TQM can impact on the reduction of the cost of quality.
- Elaborate on the impact on the business if TQM is poorly implemented.
- Advise businesses on how they can apply the PDCA model/cycle to improve the quality of their products.

[40]

TOTAL SECTION C: 80
GRAND TOTAL: 300