



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

JUNE 2021

**BUSINESS STUDIES P1
(EXEMPLAR)**

MARKS: 150

TIME: 2 hours

This question paper consists of 9 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of THREE sections and covers TWO main topics.

SECTION A: COMPULSORY

SECTION B: Consists of THREE questions

Answer any TWO of the three questions in this section.

SECTION C: Consists of TWO questions

Answer any ONE of the two questions in this section.

2. Read the instructions for each question carefully and take particular note of what is required.

Note that ONLY the first TWO questions in SECTION B and the FIRST question in SECTION C will be marked.

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 (minutes) |
|---------|--------------------------------------------------------------------|----------|-------|-------------------|
| A: | Objective-type questions COMPULSORY | 1 | 40 | 30 |
| | | | | |
| B: | THREE direct/indirect type questions CHOICE: Answer any TWO. | 2 | 40 | 30 |
| | | 3 | 40 | 30 |
| | | 4 | 40 | 30 |
| | | | | |
| C: | TWO essay-type questions CHOICE: Answer any ONE. | 5 | 40 | 30 |
| | | 6 | 40 | 30 |
| TOTAL | | | 150 | 120 |

7. Begin the answer to EACH question on a NEW page, e.g. QUESTION 1 – new page, QUESTION 2 – new page.
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 numbers (1.1.1–1.1.5) in the ANSWER BOOK, for example 1.1.6 D.

1.1.1 This Act prevents unfair marketing practices:

- A Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997)
- B Consumer Protection Act (CPA), 2008 (Act 68 of 2008)
- C Labour Relations Act (LRA), 1995 (Act 66 of 1995)
- D National Credit Act (NCA), 2005 (Act 34 of 2005)

1.1.2 Mega Furniture Manufacturer implemented the ... diversification strategy when they also started selling school uniforms.

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

1.1.3 Mpho Suppliers pays their employees ... their normal rate for working overtime.

- A 2 and a half of
- B 1 and a half of
- C double
- D triple

1.1.4 The reason for the termination of an employment contract is ... when an employee decides to leave his/her job voluntarily.

- A resignation
- B retrenchment
- C restructuring
- D retirement

1.1.5 A small group of voluntary workers that meets regularly to discuss quality-related matters in the workplace:

- A Employee representatives
- B Quality managers
- C Shop stewards
- D Quality circles

(5 x 2) (10)

- 1.2 Complete the following statements by using the word(s) 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.

| |
|------------------------------------------------------------------------------------------------|
| compulsory; BEE; purchasing external; fringe; forward; marketing; backward; BBBEE; internal |
|------------------------------------------------------------------------------------------------|

- 1.2.1 The ... vertical integration strategy is used when a business combines with the distributor of their product.
- 1.2.2 The ... is an Act that is enforced and encourages a wider group of previously disadvantaged people to participate in the economy.
- 1.2.3 Daylight Incorporated used ... recruitment when they advertised a position for a new production manager in the local newspaper.
- 1.2.4 The ... function maintains optimum stock levels to avoid stock-outs.
- 1.2.5 Jokes Ltd offers cellphone allowances as a ... benefit to attract new employees.

(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 numbers (1.3.1–1.3.5) in the ANSWER BOOK, for example 1.3.6 K.

| COLUMN A | COLUMN B |
|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.3.1 SWOT analysis | A process during which preliminary interviews are conducted to identify suitable applicants |
| 1.3.2 National Skills Development Strategy | B analyse the external environment of a business |
| 1.3.3 Market development | C provides for a system of credits that learners receive when they complete learnerships |
| 1.3.4 Placement | D inspection carried out during and after the production process to ensure that required standards have been met at every stage of the process |
| 1.3.5 Quality control | E businesses introduce new products into existing markets |
| | F analyse the internal and external environment of the business |
| | G process of matching a new employee's skills and abilities with the requirements of a job |
| | H provides career guidance and training centres |
| | I businesses aim to sell its existing products in new markets |
| | J inspection of the final product to ensure that it meets the required standards |

(5 x 2) (10)

TOTAL SECTION A: 30

SECTION B

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 2 on a new page, QUESTION 3 on a NEW page.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 Name TWO types of business sectors. (2)

2.2 Outline the steps in strategy evaluation. (6)

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

MAJEED & FARZEEN MANUFACTURERS (MFM)

Majeed & Farzeen Manufacturers specialises in the manufacturing of clothing. They have seen a decrease in sales due to strong competition and are struggling. Majeed is suggesting that they should sell some of the business's assets, while Farzeen seem to think they should rather sell all the assets to pay off their business debt.

Identify the type of defensive strategy suggested by Majeed and Farzeen. Motivate your answer by quoting from the scenario above. (6)

Use the table below as a GUIDE to answer QUESTION 2.3.

| | TYPE OF DEFENSIVE STRATEGY | MOTIVATION |
|---------|----------------------------|------------|
| Majeed | | |
| Farzeen | | |

2.4 Explain how the economic factor as a PESTLE element may pose challenges to businesses. (4)

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

CLOUD CONSTRUCTION (CC)

Cloud Construction specialises in the construction of buildings. The business allows regular assessment of the workplace by inspectors in order to determine the level of risk their workers are exposed to. They are also registered with CETA (Construction SETA).

2.5.1 Identify TWO acts that CC is complying with. Motivate your answer by quoting from the scenario above. (6)

Use the table below as a GUIDE to answer QUESTION 2.5.1.

| ACT | MOTIVATION |
|-----|------------|
| 1. | |
| 2. | |

2.5.2 Outline the role of SETAs. (8)

2.6 Suggest ways in which businesses may apply the following pillars of BBBEE in the workplace:

2.6.1 Management control (4)

2.6.2 Enterprise and supplier development (4)

[40]

QUESTION 3: BUSINESS OPERATIONS

3.1 Name FOUR aspects included in an employment contract. (4)

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

SUPER SNACKS (SS)

Super Snacks appointed Sue as the new marketing manager. As part of the induction programme she was given a tour of the business premises and also received information about their products. The management at SS are aware of all the benefits of a good induction programme.

3.2.1 Identify the TWO aspects that SS included in their induction programme from the scenario above. (2)

3.2.2 Explain the benefits of induction for businesses. (6)

3.3 Differentiate between *job description* and *job specification*. (8)

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

FUMA FURNITURE (FF)

Fuma Furniture is a large business that specialises in the manufacturing of furniture. Customers are always requested to provide feedback about their products. They also allow for quality control checks and procedures at key production point to ensure high quality standards.

3.4.1 Identify TWO total quality management (TQM) elements applied by Fuma Furniture. Motivate your answer by quoting from the scenario above. (6)

Use the table below as a GUIDE to answer QUESTION 3.4.1.

| TQM ELEMENT | MOTIVATION |
|-------------|------------|
| 1. | |
| 2. | |

3.4.2 Recommend ways in which TQM can reduce the cost of quality. (4)

3.5 Distinguish between *quality management* and *quality performance*. (4)

3.6 Analyse the impact of continuous improvement to processes and system as a TQM element on large businesses. (6)

[40]

QUESTION 4: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS**

- 4.1 List the THREE business environments and state the extent of control that businesses have over EACH environment. (6)

Use the table below as a GUIDE to answer QUESTION 4.4.1.

| BUSINESS ENVIRONMENT | EXTENT OF CONTROL |
|----------------------|-------------------|
| 1. | |
| 2. | |
| 3. | |

- 4.2 Identify the element of Porter's five forces model that applies to Milky Milk in EACH of the following statements:
- 4.2.1 Branded Bottles is the only place from where Milky Milk can buy their plastic bottles. (4)
- 4.2.2 Strawberry Milks attracts more customers than Milky Milk. (4)
- 4.3 Explain the advantages of intensive strategies for businesses. (6)
- 4.4 Recommend TWO ways in which businesses can comply with the National Credit Act (NCA), 2005 (Act 34 of 2005). (4)

BUSINESS OPERATIONS

- 4.5 Mention any FOUR quality indicators of the marketing function. (4)
- 4.6 Read the scenario below and answer the questions that follow.

| EXPO SUITCASES (ES) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Expo Suitcases manufacture and distribute suitcases in the Eastern Cape. Recently they implemented a quality management system which resulted in increased customer satisfaction. Their image also improved as there are less returns. |

- 4.6.1 Identify TWO advantages of a good quality management system from the scenario above. (2)
- 4.6.2 Describe any other TWO advantages of a good quality management system. (4)
- 4.7 Explain the difference between *piece meal* and *time-related salary determination methods*. (4)
- 4.8 Evaluate the impact of fringe benefits to businesses. (6)

[40]**TOTAL SECTION B: 80**

SECTION C

Answer ONE question in this section.

NOTE: Clearly indicate the QUESTION NUMBER of each question chosen. The answer to the question must start on a NEW page, e.g. QUESTION 5 on a NEW page or QUESTION 6 on a NEW page.

QUESTION 5: BUSINESS ENVIRONMENTS (LEGISLATION)

The Labour Relations Act (LRA), 1995 (Act 66 of 1995) regulates the relationship between employers and employees. Businesses that do not comply with this Act may face stiff penalties.

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

- Outline the rights of employers and employees according to the LRA
- Explain the purpose of the LRA
- Discuss the impact of this Act on businesses
- Advise businesses on penalties/consequences that may be imposed for non-compliance with the LRA

[40]**QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCES)****FRUITY JUICES (FJ)**

Jaco is the human resources manager of Fruity Juices. He is responsible for recruitment and interviewing prospective candidates for vacant posts at Fruity Juices. The management prepares employment contracts which comply with legal requirements for the selected candidates. Fruity Juices has to make appointments within confines of the Employment Equity Act (EEA), 1998 (Act 55 of 1998).

Write an essay on human resources in which you address the following aspects:

- Outline the recruitment procedure
- Describe the role of the interviewer during the interview
- Explain the legal requirements of the employment contract
- Advise FJ on implications of the Employment Equity Act on the human resources function

[40]

TOTAL SECTION C: 40
GRAND TOTAL: 150