



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES

NOVEMBER 2010

MARKS: 300

TIME: 3 hours

This question paper consists of 11 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of **THREE** sections and covers all learning outcomes.

SECTION A: COMPULSORY

SECTION B: Consists of **THREE COMPULSORY** questions.

SECTION C: Consists of **FOUR** questions.

Answer any **TWO** of the four questions from this section.

2. Number the answers correctly according to the numbering system used in this question paper.
3. Except where other instructions are given, answers must be in full sentences.
4. Use the mark allocation and nature of each question to determine the length and depth of an answer.
5. Use the table below as a guide for mark and time allocation when answering each question.

SECTION	QUESTION	MARKS	TIME
A: Multiple-choice Questions, Words in Brackets, Matching Items COMPULSORY	1	40	30 min.
B: THREE direct questions COMPULSORY	2	60	30 min.
	3	60	30 min.
	4	60	30 min.
C: Essay questions Answer any TWO of the four questions.	5	40	30 min.
	6	40	30 min.
	7	40	30 min.
	8	40	30 min.
TOTAL		300	180 min.

6. The answer to **EACH** question must begin on a **NEW** page, for example: **QUESTION 1** – new page, **QUESTION 2** – new page, et cetera.
7. Calculators may be used.
8. Write neatly and legibly.

SECTION A (COMPULSORY)**QUESTION 1**

- 1.1 Four 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 B.
- 1.1.1 Which ONE of the following best describes *self-management*?
- A Setting goals, identifying careers and time management
 - B Influencing international trends, for example exchange rates
 - C Control of suppliers
 - D Global competitiveness
- 1.1.2 The portion of the insurance claim that the insured will have to pay:
- A Premium
 - B Excess
 - C Indemnity
 - D Life insurance
- 1.1.3 Which ONE of the following would you regard as an ethical business practice?
- A Price fixing between cellphone service providers
 - B Competitors working together to fix government tenders
 - C Commercial banks fixing bank charges
 - D Charging the same price for goods in urban and rural areas
- 1.1.4 The Chief Executive Officer (CEO) of Tongaat Hulett's Sugar Limited wants to consult with all stakeholders to achieve specific production targets. This is known as the ... management style.
- A autocratic
 - B laissez-faire
 - C democratic
 - D charismatic
- 1.1.5 Which ONE of the following will most likely be included in the salary advice?
- A Housing allowance
 - B Rates on private property
 - C Electricity account
 - D Bank service charges

- 1.1.6 Thabiso Ltd is experiencing financial problems. The company is selling some of its assets to pay creditors. This strategy is known as ...
- A diversification.
 - B retrenchment.
 - C liquidation.
 - D divestiture.
- 1.1.7 Describes requirements such as skills, knowledge, qualifications and experience for a particular job:
- A Job title
 - B Human relations
 - C Job specification
 - D Personnel function
- 1.1.8 The monitoring of best business practice includes economical, environmental and social issues. This is largely due to ...
- A SWOT analysis.
 - B King's Code
 - C general management.
 - D problem-solving techniques.
- 1.1.9 Prevents unfair discrimination against employees in the workplace:
- A Employment Equity Act, 1998 (Act 55 of 1998)
 - B Skills Development Act, 1998 (Act 97 of 1998)
 - C Basic Conditions of Employment Act, 1997 (Act 75 of 1997)
 - D Broad-Based Black Economic Empowerment Act, 2005 (Act 53 of 2003)
- 1.1.10 Patricia won R50 000 in the Lotto draw. She invested the money in a fixed deposit account for two years, earning an interest rate of 14% p.a. compounded annually. The maturity value of her investment is ...
- A R46 270,73.
 - B R85 000.
 - C R64 980.
 - D R35 000.
- (10 x 2) (20)

- 1.2 Choose the correct word(s) from those given in brackets. Write only the word(s) next to the question number (1.2.1 – 1.2.5) in the ANSWER BOOK.
- 1.2.1 The (force-field analysis/Delphi technique) is a problem-solving method which obtains the opinions of experts on problematic issues without necessarily bringing them face to face.
 - 1.2.2 An increase in interest rates by the Reserve Bank is an example of a (macro-/market-) environment challenge for a business.
 - 1.2.3 (Discrimination/Sustainability) is one of the factors that contributes to the success of the business enterprise.
 - 1.2.4 (Offshore/Short-term) investments refer specifically to international financial business opportunities.
 - 1.2.5 A measure used to identify, eliminate and prevent deviations from set standards in the manufacturing of a product refers to (stock control/quality control). (5 x 2) (10)
- 1.3 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A – G) next to the question number (1.3.1 – 1.3.5) in the ANSWER BOOK, for example 1.3.6 H.

COLUMN A	COLUMN B
1.3.1 Piracy	A promotion of employees from within the company
1.3.2 Internal recruitment	B settlement of a labour dispute by an independent person
1.3.3 Founding statement	C stated in the memorandum of association of a public company
1.3.4 Forward vertical integration	D to make copies of licensed/copyright DVDs without permission and to sell them as original copies
1.3.5 Arbitration	E lower prices are charged in order to establish the product in the market
	F states the main business activity of a close corporation
	G BMW as manufacturer takes over the retail sales of BMW cars

(5 x 2) (10)

TOTAL SECTION A: 40

SECTION B (COMPULSORY)**QUESTION 2**

- 2.1 Using Porter's model, name the FIVE forces that should be used to analyse the market environment. (10)
- 2.2 Corporate social investment has benefits (advantages) as well as challenges (disadvantages) for corporate businesses.
- 2.2.1 Name TWO benefits of corporate social investment for a business. (4)
- 2.2.2 Name TWO challenges of corporate social investment for a business. (4)
- 2.3 Describe FIVE functions/services of the Johannesburg Securities Exchange. (10)
- 2.4 Read the scenario below and answer the question that follows.

MY FIRST WHEELS

Suvarshni Naicker completed her studies at the University of KwaZulu-Natal and wanted to buy a new Toyota Yaris valued at R180 000.

She applied for credit and after two days received an SMS from the sales person with the following message:

'CREDIT APPLICATION UNSUCCESSFUL.'

She was very disappointed.

- Explain Suvarshni's rights regarding her rejected credit application and the manner in which she was informed. (6)
- 2.5 How does the National Skills Development Strategy (NSDS) deal with the shortage of skills in the labour market? Motivate your answer. (8)

2.6 Read the case study below and answer the questions that follows.

HILTON RANCH DIVERSIFIES

Hilton Ranch is a cattle farm near Vryburg in North West. Hilton Ranch recently opened the Fresh Meat butchery, which is also situated in Vryburg.

The butchery is very popular for its delicious homemade biltong and sausages.

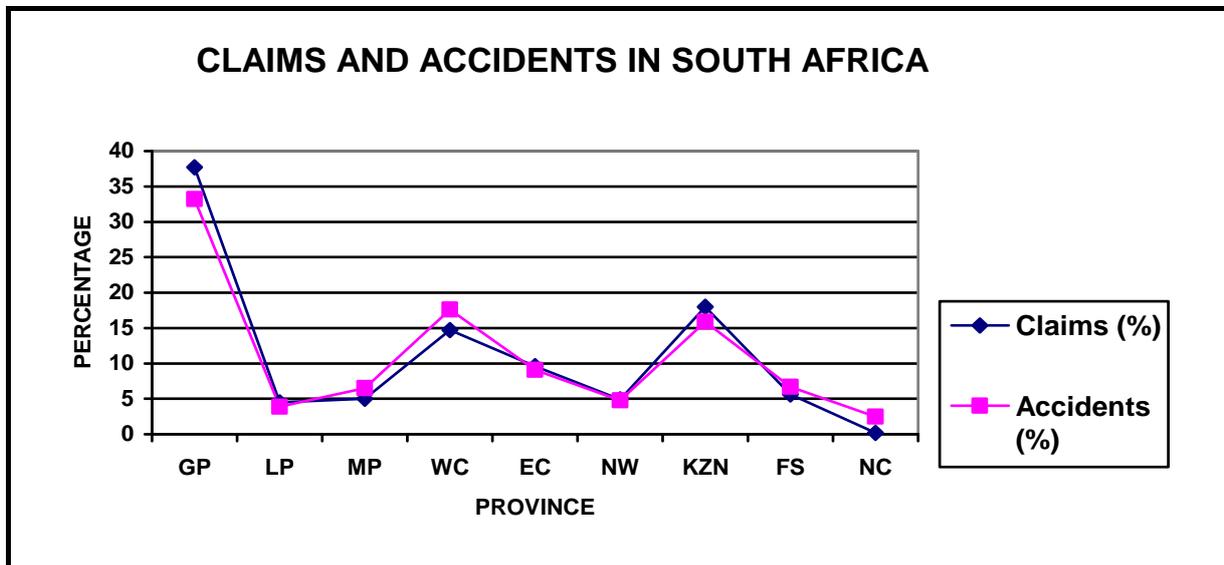
Ringo Ltd. manufactures a wide range of veterinary products for use on Hilton Ranch, as well as on other cattle farms across the country.

- 2.6.1 Identify the sectors which the various business enterprises mentioned above belong to. Motivate your answer. (9)
- 2.6.2 Discuss the extent to which Hilton Ranch can control the micro business environment of the three sectors identified in QUESTION 2.6.1. (9)
- [60]**

QUESTION 3

- 3.1 The following questions are based on the Unemployment Insurance Fund (UIF).
- 3.1.1 Define the nature of the fund. (2)
- 3.1.2 Describe how it is funded. (4)
- 3.1.3 List THREE benefits of the fund for employees. (6)
- 3.1.4 Does the UIF benefit the employer? Motivate your answer. (4)
- 3.2 Discuss how businesses in South Africa can contribute to human rights, inclusivity and environmental issues in the workplace. (18)
- 3.3 The property of Turbo Distillers has a current market value of R300 million. The warehouse was partly damaged by fire. Damages were assessed at R60 million. The insurance company is not prepared to pay the full amount of the claim because Turbo Distillers insured the property for only R200 million.
- 3.3.1 Which principle of insurance is applicable to the above claim? (2)
- 3.3.2 Calculate the compensation that Turbo Distillers will receive from the insurance company. Show ALL the calculations. (6)
- 3.4 State THREE provisions of the Road Accident Fund (RAF). (6)

3.5 The graph below illustrates the distribution of claims and accidents according to provinces in South Africa. Study the information and answer the questions that follow.



[Adapted from: *Road Traffic Collisions, 2009*, Statistics South Africa]

- 3.5.1 Identify the type of graph used in the above illustration. (2)
 - 3.5.2 Which province has the highest accident rate in the country? (2)
 - 3.5.3 Write a report stating possible reasons for the high accident rate in the province identified in QUESTION 3.5.2. (6)
 - 3.5.4 Which province has the lowest number of claims against the Road Accident Fund (RAF)? (2)
- [60]**

QUESTION 4

- 4.1 The manager of the Human Resources Department requests you to conduct an interview for the position of secretary to the Chief Executive Officer (CEO).
List THREE important aspects to consider when preparing for the interview. (6)
- 4.2 Describe FOUR characteristics of a successful team. (8)
- 4.3 Name FIVE ways in which the general management function can influence the success of a business enterprise. (10)

4.4 Read the case study below and answer the questions that follow.

CONFLICT IN THE WORKPLACE

Peter is the marketing manager of Bush Lodge in King Williams Town. He employs three workers, Vusi, Jane and Busi. He dislikes Vusi and treats him differently from the two female employees.

He requires Vusi to work on weekends and to work overtime without payment, but he pays the other two workers for weekends and overtime worked.

Vusi is considering quitting his job if he is not transferred to another department.

- 4.4.1 State the main causes of the conflict in the above case study. (4)
- 4.4.2 Name THREE other causes (NOT from the case study) of conflict in the workplace. (6)
- 4.4.3 Give Vusi advice on the different ways in which he can overcome his dissatisfaction as an employee at Bush Lodge. (2)
- 4.5 Explain FOUR issues/factors that influence an individual's career path. (12)
- 4.6 With reference to the Basic Conditions of Employment Act, 1997 (Act 75 of 1997) (BCEA), answer the following questions:
- 4.6.1 What is the maximum number of days allowed for family responsibility leave? (2)
- 4.6.2 Outline any THREE minimum conditions of employment according to the above Act. (6)
- 4.6.3 Does the above Act make provision for domestic workers? Motivate your answer. (4)

[60]

TOTAL SECTION B: 180

SECTION C

Answer ANY TWO questions.

NOTE: Write down the QUESTION NUMBER only. The answer to EACH QUESTION must begin on a NEW PAGE, for example QUESTION 5 on a NEW page, QUESTION 6 on a new page, et cetera.

QUESTION 5**MAKHAYA TALI'S WINERY**

Makhaya Tali started his winery business on a small farm he inherited from his late father. It is situated outside the town of Franschhoek in the Cape Winelands. He wants to use improved farming techniques and marketing methods to increase the farm's income.

His business is facing the following challenges:

1. He applied for a loan of R1 million to buy multipurpose equipment. This will replace some of the old vineyard and cellar equipment and enable him to produce wines of the highest international quality, as well as grape juice.
2. He will utilise some of these funds to open a wine shop on the farm. The wine shop will buy local, handcrafted packaging material.
3. Due to an increase in interest rates by the South African Reserve Bank, he has to pay higher interest.
4. Employees are demanding higher wages and salaries, which will result in a decline in the business profits.
5. Competitors in the vicinity are selling similar types of wine.
6. He is unable to advertise his wine beyond the borders of the province.
7. The recession/slowdown in the economy has affected most of the countries worldwide.
8. There has been a steady increase in the cost of fuel.

As a business consultant for Makhaya Tali's winery, identify the business's challenges, devise strategies to overcome the challenges and determine the environment in which the challenges exist. Advise Makhaya Tali on how to evaluate the effectiveness of the strategies.

[40]

QUESTION 6**KARMELBU AND PARTNERS**

Three friends, Jabulani, Melissa and Karen, are running a well-established partnership business in Soweto.

They manufacture, supply and install kitchen cupboards directly to the public. Their turnover is R30 million per year and they make a net profit of R9 million per year.

They have been in business for the past ten years. They are BBBEE compliant.

The partners want to change from a partnership to a public company. Advise them on any FOUR factors that may affect both the success and the failure of the new form of ownership. Recommend whether they should change to the new form of ownership. Motivate your answer.

[40]**QUESTION 7**

Business practices in South Africa demand that business enterprises should not only concentrate on making profits, but also consider the well-being of employees.

Briefly explain whether you agree with the above statement and then discuss any FIVE ways in which business enterprises can improve the well-being of their employees.

[40]**QUESTION 8**

Trade unions in South Africa play an important role in influencing the labour market and industrial relations policies for employees.

Discuss the role and functions of trade unions, as well as how they should handle grievance procedures. Include in your answer the role that trade unions played in the 2010 Soccer World Cup and state whether managers should be included as members of trade unions.

[40]

TOTAL SECTION C: 80
GRAND TOTAL: 300