GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

# GAUTENG DEPARTMENT OF EDUCATION

# PREPARATORY EXAMINATION

# 2021

## 10721

## BUSINESS STUDIES

## PAPER 1

**TIME: 2 hours**

**MARKS: 150**

**10 pages**

Business Studies P1

10721E

X05

**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 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 your 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 detail of an answer.

6. Use the table below as a guide for the mark and time allocation when answering each question.

| SECTION | QUESTION | MARKS | TIME (Minutes) |
|---|---|---|---|
| A: **Objective-type questions: COMPULSORY** | 1 | 30 | 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 |
| | | **150** | **120 minutes** |

7. Begin the answer to each question on a NEW page e.g. QUESTION 1 on a new page, QUESTION 2 on a 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 number (1.1.1 to 1.1.5) in the ANSWER BOOK, e.g. 1.1.6 D.

1.1.1 This Act gives consumers the opportunity to access debt counselling.

A Consumer Protection Act, 2008 (Act 68 of 2008)
B Labour Relations Act, 1995 (Act 66 of 1995)
C National Credit Act, 2005 (Act 34 of 2005)
D Employment Equity Act, 1998 (Act 55 of 1998)

1.1.2 Sam Manufacturers added a new product that is related to existing products, and it appeals to new customers. This is known as … diversification strategy.

A conglomerate
B horizontal
C concentric
D backward

1.1.3 Which of the following businesses may be classified under the tertiary sector?

A Kraft Sugar Plantation
B Point Furniture Manufacturers
C Drizzle Fresh Produce
D Blueberg Rail Services

1.1.4 The process of matching a new employee's skills and abilities with the requirements of a job is known as …

A placement.
B selection.
C training.
D recruitment.

1.1.5 The … business function ensures that required quantities of stock is delivered at the right time.

A public relations
B marketing
C purchasing
D administration

(5 x 2) (10)

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

| Basic Conditions of Employment Act; piece-meal; economic; non-compulsory; compulsory; marketing; public relations; social; time-related; Compensation for Occupational Injuries and Diseases Act |
| --- |

1.2.1 High crime rate that affects the trading hours of a business can be regarded as a/an … challenge as one of the PESTLE factors.

1.2.2 The … provides comprehensive protection for employees who are wounded while performing their duties.

1.2.3 Econ Traders deducts Unemployment Fund Insurance (UIF) from workers' salaries as a/an …. benefit.

1.2.4 The … function is responsible for the promotion of goods and services of June's Beauty Shop.

1.2.5 Workers are paid for the amount of time they spend at work. This is known as a … salary determination method.

(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 to 1.3.5) in the ANSWER BOOK, for example 1.3.6 K.

| COLUMN A | | COLUMN B | |
|---|---|---|---|
| 1.3.1 | Interviewee | A | Makes provision for the establishment of the CCMA and bargaining councils |
| 1.3.2 | Quality | | |
| 1.3.3 | Employment Equity Act | B | Ensures that black women are appointed in management positions |
| 1.3.4 | SETAs | | |
| 1.3.5 | Labour Relations Act | C | Trains employees to improve productivity in the workplace |
| | | D | Shows confidence and has a positive attitude |
| | | E | Implements affirmative action to prevent unfair discrimination at all levels |
| | | F | Creates an opportunity to exchange information |
| | | G | Ability of goods to satisfy a specific need |
| | | H | Sets minimum requirements for the employment contract |
| | | I | Measures taken by businesses to satisfy customers' needs beyond their expectations |
| | | J | Oversees training in different sectors of the South African economy |

(5 x 2) (10)

**TOTAL SECTION A: 30**

## SECTION B

Answer ANY TWO questions from this section in the ANSWER BOOK.

**NOTE:** Clearly indicate the QUESTION NUMBER of each question that you choose. Start the answer to EACH question on a NEW page.

## QUESTION 2: BUSINESS ENVIRONMENTS

2.1 Name THREE provisions of the Basic Conditions of Employment Act, 1997 (Act 75 of 1997). (3)

2.2 Identify the consumer right applicable to EACH of the following policy statements of Enzi Traders:

2.2.1 Enzi Traders will not overbook services and then not honour the agreement. (2)

2.2.2 Customers may reject goods that are not the same as the samples marketed. (2)

2.2.3 Enzi Traders will honour credit vouchers and prepaid services. (2)

2.3 Elaborate on the meaning of *learnerships.* (4)

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

**VALLEY DEW FARM (VDF)**

Valley Dew Farm specialises in the production of crops. VDF buys their equipment from Gerald Suppliers who have increased their prices by more than 20%. Jane, the supervisor does not have a good working relationship with her employees. VDF can no longer export their products due to an increase in the exchange rates.

2.4.1 Quote THREE challenges for VDF from the scenario above. (3)

2.4.2 Classify VDF's challenges according to the THREE business environments. (3)

2.4.3 State the extent of control that VDF has over EACH business environment mentioned in QUESTION 2.4.2. (3)

Use the table below as a GUIDE to answer QUESTIONS 2.4.1 to 2.4.3.

| CHALLENGES (2.4.1) | BUSINESS ENVIRONMENTS (2.4.2) | EXTENT OF CONTROL (2.4.3) |
|---|---|---|
| 1. | | |
| 2. | | |
| 3. | | |

2.5 Explain the rights of employees according to the Labour Relations Act. (6)

2.6 Discuss any TWO types of defensive strategies. (6)

2.7 Advise businesses on the advantages of diversification strategies in addressing business challenges. (6)

**[40]**

## QUESTION 3: BUSINESS OPERATIONS

3.1 List any TWO sources of external recruitment. (2)

3.2 Read the scenario below and answer the question that follows.

**ABC ATTORNEYS (AA)**

ABC Attorneys advertised a vacancy on the internet, for a secretary. The successful candidate should be able to perform the following duties and meet the following requirements:

- Recording documents
- Excellent communication skills
- Filing legal documents
- Minimum of 2 years' relevant experience

Quote TWO examples EACH of job description and job specification from the scenario above.

Use the table below as a GUIDE to answer QUESTION 3.2.

| EXAMPLES OF JOB DESCRIPTION | EXAMPLES OF JOB SPECIFICATION |
|---|---|
| 1. | 1. |
| 2. | 2. |

(4)

3.3 Discuss the impact of internal recruitment on businesses. (8)

3.4 Explain the advantages of fringe benefits on businesses. (6)

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

**VENTER MANUFACTURERS (VM)**

Venter Manufacturers is a large business that specialises in the manufacturing of outdoor trailers and caravans. VM conducts quality control checks and procedures at key points. They also use market research to analyse shoppers' needs.

3.5.1 Identify the Total Quality Management (TQM) elements applied by VM. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 3.5.1.

| TQM ELEMENTS | MOTIVATIONS |
|---|---|
| 1. | |
| 2. | |

(6)

3.5.2 Discuss the advantages of ONE TQM element identified in QUESTION 3.5.1 on Venter Manufacturers as a large business. (4)

3.6 Explain the quality indicators of the production function. (4)

3.7 Advise businesses on the benefits of a good quality management system (6)

**[40]**

## QUESTION 4: MISCELLANEOUS TOPICS

## BUSINESS ENVIRONMENTS

4.1 Name FOUR pillars of the Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003). (4)

4.2 Outline THREE ways in which SETAs are funded. (6)

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

**MANTI NAIL BOUTIQUE (MNB)**

Manti Nail Boutique specialises in superficial nails for women. MNB's profitability has decreased due to a high inflation rate. Some of MNB's employees do not have the skills to operate the new nail equipment.

4.3.1 Identify TWO PESTLE factors that pose a challenge to MNB. Motivate your answer by quoting from the scenario above. (6)

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

| PESTLE FACTORS | MOTIVATIONS |
|---|---|
| 1. | |
| 2. | |

4.3.2 Suggest TWO ways in which MNB can deal with the challenges posed by ONE of the PESTLE factors identified in QUESTION 4.3.1. (4)

**BUSINESS OPERATIONS**

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

**FATHIMA CONSULTANTS (FC)**

Fathima Consultants followed the recruitment procedure to hire the best candidate. They requested Faith to book and prepare the venue for the interview. She must also inform the interviewees about the date and place of the interview. Faith provided the interviewees an opportunity to ask questions.

4.4.1 Quote TWO roles Faith must perform as the interviewer when preparing for an interview from the scenario above. (2)

4.4.2 Explain the recruitment procedure as a human resource activity. (6)

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

4.6 Explain how businesses can apply the PDCA model/steps to improve the quality of their products. (8)

**[40]**

**TOTAL SECTION B: 80**

## SECTION C

Answer any ONE question from this section in the ANSWER BOOK.

**NOTE:** Clearly indicate the QUESTION NUMBER of the chosen question.
Start the answer to your question on a NEW page.

### QUESTION 5: BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)

Businesses apply the strategic management process in order to identify challenges that are posed by the external environment. Some businesses implement intensive strategies to deal with challenges posed by some of the business environments. Others apply the Porter's Five Forces model to analyse their position in the market environment. Businesses need to evaluate the effectiveness of their strategies.

Write an essay on business strategies in which you include the following aspects:

- Outline the strategic management process.
- Explain how businesses could apply the Porter's Five Forces model to analyse their position in the market.
- Discuss THREE types of intensive strategies.
- Advise businesses on the steps they should follow when evaluating strategies. **(40)**

### QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCES FUNCTION & QUALITY OF PERFORMANCE)

Businesses need to select suitable candidates with relevant knowledge and skills to perform the required tasks. They also need to be familiar with the purpose of induction. It is always important that new employees be properly inducted. Businesses should implement Total Quality Management (TQM) by using quality circles in order to reduce the cost of quality.

Write an essay on the human resources function and quality of performance in which you include the following aspects:

- Outline the selection process as a human resources activity.
- Explain the purpose of induction.
- Discuss the roles of quality circles as part of the continuous improvement to processes and systems.
- Recommend ways in which TQM can reduce the cost of quality. **(40)**

**TOTAL SECTION C: 40**

**TOTAL: 150**

**END**