GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

PREPARATORY EXAMINATION

2023

10721

BUSINESS STUDIES

(PAPER 1)

TIME: 2 hours

MARKS: 150

10 pages

BUSINESS STUDIES P1

10721E

X05

P.T.O.

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 answers to the first TWO questions selected in SECTION B and the answers to the FIRST question selected in SECTION C will be marked.

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 written in full sentences.

5. Use the mark allocation and the 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**	**30**	**20**
B: THREE direct/indirect-type questions CHOICE: Answer any TWO.	**2**	**40**	**70**
	3	**40**	
	4	**40**	
C: TWO essay-type questions CHOICE: Answer any ONE.	**5**	**40**	**30**
	6	**40**	
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 correct answer and write only the letter (A – D) next to the question numbers (1.1.1 to 1.1.5) in the ANSWER BOOK, e.g. 1.1.6 D.

1.1.1 Sam is entitled to 6 weeks of paid … leave over a period of 36 months according to the Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997).

A annual
B maternity
C sick
D family responsibility

1.1.2 The employees of Trendy Trading render effective customer service. This is an example of a(n) … in the SWOT analysis.

A strength
B weakness
C opportunity
D threat

1.1.3. Tom's Paints operate in the … sector as they specialise in the manufacturing of paint.

A primary
B economic
C secondary
D tertiary

1.1.4 This benefit is compulsory by law for employees:

A Housing allowance
B Unemployment Insurance fund
C Medical aid
D Car allowance

1.1.5 The … business function is responsible for promoting the image of the business.

A administration
B marketing
C purchasing
D public relations

(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 to 1.2.5) in the ANSWER BOOK.

purchasing; induction; National Credit Act; internal; internship; production; training; Consumer Protection Act; learnership; external

1.2.1 The … forces businesses to disclose more information about their products and processes.

1.2.2 Practical training opportunities that can lead to a recognised occupational qualification, is known as a/an …

1.2.3 Lazi Constructions used the … recruitment method because existing employees already understand how the business operates.

1.2.4 The … manager ensures that there are no stoppages due to stock shortages.

1.2.5 An effective … programme allows employees to have an overview of the business.

(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 to 1.3.5) in the ANSWER BOOK, e.g.1.3.6 K.

COLUMN A	COLUMN B
1.3.1 Placement procedure	A promotes equal opportunities and fair treatment in the workplace
1.3.2 Quality	B adding new, unrelated products to existing products which may appeal to existing customers
1.3.3 National Skills Development Strategy	C aims at achieving higher employment levels and reduced levels of poverty
1.3.4 Horizontal diversification	D determines the employee's skills by conducting psychometric tests
1.3.5 Labour Relations Act	E measuring performance and taking corrective measures
	F adding new, unrelated products to existing products which may appeal to new groups of customers
	G determines fair assessment criteria on which selection will be based
	H provides for the participation of government and organised labour
	I promotes workplace forums to accommodate employees in decision making
	J measured against specific criteria such as physical appearance

(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 THREE types of integration strategies. (3)

2.2 Outline any TWO consumer rights as stipulated in the National Credit Act (NCA), 2005 (Act 34 of 2005). (4)

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

MAGS COMPUTERS (MC)

Mags Computers buys components from IMM International, which has a slow delivery schedule. The employees of MC lack the relevant skills necessary to manufacture quality computers. MC had to borrow money from Smart Bank at a high-interest rate to improve their products.

2.3.1 Quote THREE challenges of MC from the scenario above. (3)

2.3.2 Classify MC's challenges according to the THREE business environments. (3)

2.3.3 State the extent of control that MC has over each business environment named in QUESTION 2.3.2 (3)

Use the table below as a GUIDE to answer QUESTIONS 2.3.1 to 2.3.3.

CHALLENGES 2.3.1	BUSINESS ENVIRONMENTS 2.3.2	EXTENT OF CONTROL 2.3.3
1.		
2.		
3.		

2.4 Explain any TWO types of defensive strategies. (6)

2.5 Discuss the advantages of diversification strategies. (6)

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

ZANADO WHOLESALERS (ZW)
The management of Zanado Wholesalers sold some of their shares to their black employees. ZW outsources its services to suppliers that are BBBEE compliant.

Identify TWO pillars of the Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003) implemented by ZW. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 2.6.

BBBEE PILLARS	MOTIVATIONS
1.	
2.	

(6)

2.7 Advise businesses on the role of SETAs in supporting the Skills Development Act (SDA), 1998 (Act 97 of 1998). (6)

[40]

QUESTION 3: BUSINESS OPERATIONS

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

3.2 Outline the benefits of induction for businesses. (6)

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

BRIGHT PUBLISHERS (BP)
The management of Bright Publishers terminated the employment contracts of certain workers due to restructuring. BP ensures that employees understand their roles/responsibilities. John, the supervisor, decided to resign voluntarily for better job opportunities.

3.3.1 Quote TWO reasons for the termination of an employment contract, from the scenario above. (2)

3.3.2 Discuss other reasons for the termination of an employment contract. (4)

3.4 Explain TWO salary determination methods. (6)

3.5 Outline the benefits of a good quality management system. (4)

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

SOLARWISE MANUFACTURERS (SM)
Solarwise Manufacturers checks the quality of their solar panels to meet the required standards, during and after the production process. The Chief Executive Officer (CEO) of SM uses techniques and tools to improve the quality of their products.

Identify TWO quality concepts that are applicable to SM. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 3.6.

QUALITY CONCEPTS	MOTIVATIONS
1.	
2.	

(6)

3.7 Discuss the impact of total quality management (TQM) if poorly implemented by businesses. (4)

3.8 Advise businesses on the quality indicators of the financial function. (6)

[40]

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 Outline the rights of employees in terms of the Labour Relations Act (LRA), 1995 (Act 66 of 1995). (6)

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

MOHAMMED BUILDERS (MB)
Mohammed Builders follows safety measures so that they are protected from financial burden should an accident occur in the workplace.

4.2.1 Identify the Act that is applicable to the scenario above. (2)

4.2.2 Discuss the advantages of the Act identified in QUESTION 4.2.1. (4)

4.3 Explain how businesses could apply the following forces of the Porter's Five Forces model to analyse their position in the market environment:

4.3.1 Power of competitors/Competitive rivalry (4)

4.3.2 Threat of substitution/substitutes (4)

BUSINESSES OPERATIONS

4.4 Name any TWO aspects that should be included in an employment contract. (2)

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

ICONIC ENTERPRISES (IE)

Iconic Enterprises advertised a vacancy for an administrator in the local newspaper. The human resource manager sorted the application documents according to the selection criteria. Specific responsibilities of the new position were outlined. The manager invited the shortlisted candidates to attend the interview.

4.5.1 Quote TWO aspects of the selection procedure that IE applied in the scenario above. (2)

4.5.2 Explain the role of the interviewer during the interview. (6)

4.6 Discuss the roles of quality circles as part of continuous improvement of processes and systems. (4)

4.7 Advise businesses on the advantages of continuous skills development as a TQM element of large businesses. (6)

[40]

TOTAL SECTION B: 80

SECTION C

Answer ANY ONE question in this section.

NOTE: Clearly indicate the QUESTION NUMBER of the chosen question. 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 (BUSINESS STRATEGIES)

Successful businesses develop and evaluate suitable strategies to deal with identified challenges in business environments. Many businesses use intensive strategies to improve the performance of existing products in the market. They also apply the PESTLE factors to identify challenges in the macro environment and find ways to deal with these challenges.

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

- Outline the steps in strategy evaluation.
- Explain the advantages of intensive strategies.
- Discuss how the following PESTLE factors pose challenges to businesses:
  - Technological
  - Economical
  - Legal
- Recommend ways in which businesses can deal with the challenges posed by the PESTLE factors above. **[40]**

QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCE FUNCTION)

Many businesses follow the correct recruitment procedure to find suitable and qualified employees. Businesses compile a job analysis to determine competencies required for the job. They also offer attractive fringe benefits as additions to employees' remuneration. The management of the human resource function should be mindful of the implications of the Employment Equity Act (EEA), 1998 (Act 55 of 1998) when making appointments.

Write an essay on the human resource function in which you include the following aspects:

- Outline the recruitment procedure as a human resource activity.
- Explain the TWO components of a job analysis.
- Discuss the impact of fringe benefits on businesses.
- Advise the management of the human resources function on the implications of the Employment Equity Act on their operations. **[40]**

TOTAL SECTION C: 40

TOTAL: 150

END