education

Department of Education
FREE STATE PROVINCE

PREPARATORY EXAMINATION

GRADE 12

BUSINESS STUDIES P1

SEPTEMBER 2025

MARKS: 150

TIME: 2 HOURS

This question paper consists of 10 pages.

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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 answer 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	**2**	**40**	**70**
	3	**40**	
CHOICE: Answer any TWO.	**4**	**40**	
C: TWO essay-type questions	**5**	**40**	
CHOICE: Answer any ONE.	**6**	**40**	**30**
TOTAL		**150**	**120**

7. Start 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.

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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 to 1.1.5) in the ANSWER BOOK, e.g., 1.1.6 B.

1.1.1 This Act ensures that the workforce represents the demographics of the country:

A Labour Relations Act
B Employment Equity Act
C Basic Conditions of Employment Act
D Broad-Based Black Economic Empowerment Act

1.1.2 A business that takes over its suppliers to reduce the risk of dependency, applies the … integration strategy

A horizontal
B diversification
C forward vertical
D backward vertical

1.1.3 Pieter Transporters operate in the … sector as they deliver products to various customers.

A global
B primary
C tertiary
D secondary

1.1.4 The quality indicator of the … function is to get accreditation from the ISO 9001 to ensure quality products.

A purchasing
B public relations
C financial
D production

1.1.5 The implementation of change on a wider scale by Themba Constructions is referred to as the … step of the PDCA model.

A act
B plan
C do
D check

(5 x 2) (10)

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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.

ownership, financial, strength, competitor, management control, intranet, opportunity, recruitment agencies, management, marketing

1.2.1 … is regarded as one of the components of the micro-environment.

1.2.2 The owner of Davie Bed & Breakfast identified a/an … when Mandy Bed & Breakfast closed down.

1.2.3 … refers to businesses that involve black people in decision-making.

1.2.4 The … function uses pricing techniques to ensure a competitive advantage.

1.2.5 The … is used as one of the sources of internal recruitment.

(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 Adequate financing and capacity	A compels businesses to create acceptable employment practices and safety regulations
1.3.2 COIDA	B develop short-term and long-term workforce skills
1.3.3 Unemployment Insurance Fund	C provides high-quality products and services according to specifications
1.3.4 National Skills Development Strategy	D enables large businesses to afford to implement systems to prevent errors in the processes
1.3.5 Public relations function	E non-compulsory benefit to employees
	F improves access to training programmes
	G compels businesses to provide standards for employment contracts
	H provides regular and positive press releases
	I enables businesses to conduct market surveys to get feedback from their customers on the quality of their products
	J compulsory benefits paid to employees

(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 any FOUR provisions of the Basic Conditions of Employment Act (BCEA). (4)

2.2 Outline the advantages of intensive strategies. (6)

2.3 Identify the PESTLE elements that pose a challenge to Bizzar Contractors in EACH statement below:

2.3.1 Bizzar Contractors lost many customers due to the lack of online trading.

2.3.2 They cannot implement correct measures when disposing of waste materials.

2.3.3 The business increased their prices due to a higher inflation rate. (6)

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

KAGISO BANK (KB)

Kagiso Bank offers different financial products to prospective clients. KB allows clients to obtain reasons for credit being refused. KB also allow consumers to shop around for the best prices. They ensure their clients receive information in an understandable language.

2.4.1 Quote TWO consumer rights in terms of the National Credit Act (NCA), 2005 (Act 34 of 2005) from the scenario above. (2)

2.4.2 Evaluate the impact of the National Credit Act on businesses. (6)

2.5 Discuss the penalties for non-compliance with the Compensation for Occupational Injuries and Diseases Amendment Act, (COIDA) 1997 (Act 61 of 1997). (4)

2.6 Explain how SETAs are funded. (6)

2.7 Recommend ways in which businesses can comply with the Employment Equity Act (EEA), 1998 (Act 55 of 1998). (6)

[40]

QUESTION 3: BUSINESS OPERATIONS

3.1 State any FOUR aspects that should be included in an employment contract. (4)

3.2 Outline the placement procedure as a human resources activity. (4)

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

NAIDOO PRIVATE HOSPITAL (NPH)

Naidoo Private Hospital (NPH) has advertised a vacancy for a financial consultant. The advertisement includes the following requirements for the position:

- A Bachelor's degree in Commerce
- Responsible for internal auditing
- Four years of experience in financial management
- Compiling monthly budgets and financial reports

Quote TWO examples of a job description and TWO examples of job specifications from the scenario above.

Use the table below as a GUIDE to answer QUESTION 3.3.

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

(4)

3.4 Outline the difference between *quality management* and *quality performance*. (4)

3.5 Discuss the benefits of a good quality management system. (6)

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

UNIQUE BOUTIQUE (UB)

Unique Boutique manufactures high-quality dresses. Management ensures that they stay abreast of the latest technology to stay ahead of their competitors. They also regularly conduct market surveys to provide customers with information on the quality of their products.

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

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

TQM ELEMENTS	MOTIVATION
1.	
2.	

(6)

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3.7 Explain how the quality of performance of the administration function can contribute to the success of the business. (6)

3.8 Advise businesses on the role of quality circles as part of the continuous improvement of processes and systems. (6)
[40]

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 Name any TWO types of business environments and state the extent of control businesses have over EACH business environment.

Use the table below as a GUIDE to answer QUESTION 4.1.

BUSINESS ENVIRONMENT	EXTENT OF CONTROL
1.	
2.	

(4)

4.2 Outline the rights of employees in terms of the Labour Relations Act (LRA). (6)

4.3 Distinguish between *Black Economic Empowerment (BEE)* and the *Broad-Based Black Economic Empowerment (BBBEE) Act*. (4)

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

ZAMA STORES (ZS)

ZS's management has recently failed to yield positive results. The business has decided to terminate employees' employment contracts for operational reasons. The business has also encountered more competitors. ZS's financial difficulties encouraged them to sell the entire business to pay their liabilities.

Identify TWO types of defensive strategies used by Zama Stores. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 4.4.

BUSINESS STRATEGY	MOTIVATION
1.	
2.	

(6)

BUSINESS OPERATIONS

4.5 Outline the recruitment procedure. (4)

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

BUHLE BOTTLE SUPPLIER (BBS)
Buhle Bottle Supplier has appointed Sam and Themba to whom they pay salaries and wages. Sam is paid according to the time he spends at work. Themba is remunerated for the tasks he has completed.

Identify the TWO methods of salary determination used by BBS. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 4.6.

SALARY DETERMINATION METHOD	**MOTIVATION**
1.	
2.	

(6)

4.7 Discuss the impact of TQM if it is poorly implemented. (4)

4.8 Suggest ways in which total quality management (TQM) can reduce the cost of quality. (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)

Businesses need to implement the strategic management process to improve internal operations. Porter's Five Forces model enables businesses to analyse their position in the market. Some use diversification strategies to deal with the challenges posed by the business environments and they also need to evaluate their strategies.

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

- Outline the strategic management process.
- Explain THREE types of diversification strategies.
- Discuss how businesses could apply the following forces of Porter's Five Forces model to analyse their position in the market environment:
  - Power of suppliers
  - Threats of substitution/substitutes
- Advise businesses on the steps they should consider when evaluating strategies.

[40]

QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCES FUNCTION)

Businesses follow the correct selection procedure to fill vacant posts to reduce unnecessary expenditure. They offer attractive fringe benefits to their employees to improve their products and services. They also conduct interviews to provide opportunities for applicants. Induction is offered when the employee accepts the offer.

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

- Outline the selection procedure as a human resources activity.
- Explain the purpose of an interview in the business.
- Discuss the impact of the fringe benefits on businesses.
- Suggest the benefits of induction to businesses.

[40]

TOTAL SECTION C: 40
GRAND TOTAL: 150

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