GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

GAUTENG DEPARTMENT OF EDUCATION

PREPARATORY EXAMINATION

2020

10721

BUSINESS STUDIES

PAPER 1

TIME: 2 hours

MARKS: 150

11 pages

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 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 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**	**30**	**20**
B: THREE direct/indirect-type questions CHOICE: Answer any TWO.	**2**	**40**	**35**
	3	**40**	**35**
	4	**40**	**35**
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 to 1.1.5) in the ANSWER BOOK, e.g. 1.1.6 D.

1.1.1 The bank has declined Ipeleng's application for a loan due to bad debts. This is an example of the …

A Consumer Protection Act, (CPA), 2008 (Act 68 of 2008).
B National Protection Act, (NPA), 2007 (Act 35 of 2007).
C National Credit Act, (NCA), 2005 (Act 34 of 2005).
D Credit Agreement Act, (CAA), 1985 (Act 9 of 1985).

1.1.2 Indaba Constructions sold all their assets to pay creditors. This is known as …

A diversification.
B divestiture.
C retrenchment.
D liquidation.

1.1.3 Tido Manufacturers operate in the … business sector as they specialise in the production of winter jackets.

A primary
B secondary
C tertiary
D formal

1.1.4 Lloyd Construction used … to recruit possible candidates outside the business.

A bill boards
B business newsletter/circulars
C recommendation of current employees
D internal emails

1.1.5 James Consulting conducted … when they shortlisted suitable candidates for a vacant position.

A interview
B induction
C placement
D screening

(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 number (1.2.1 to 1.2.5) in the ANSWER BOOK.

performance; piecemeal; affirmative action; selection; nepotism; time-related; recruitment; employment equity; management; fronting

1.2.1 Nicky Trading Enterprise implemented the … policy when they gave qualified, previously disadvantaged people equal job opportunities.

1.2.2 Johan Construction included Zandile in the list of their directors yet she is a cleaner. This is an example of …

1.2.3 The process used by businesses to identify vacancies in the business and attract suitable candidates is known as ...

1.2.4 Smart Printers implemented quality … to ensure that the quality of goods focuses on the means to achieve consistency.

1.2.5 Vuka Africa uses … salary determination method to pay their employees after they have completed each task.

(5 x 2) (10)

1.3 Choose the 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	Placement	A	when a business sells some of its divisions that are no longer productive
1.3.2	Quality	B	protects consumers against unfair and reckless credit granting by businesses
1.3.3	Divestiture	C	determines a fair assessment criterion to ensure that the best candidate is chosen
1.3.4	Selection procedure	D	the selection and orientation of a suitable person for the job
1.3.5	Consumer Protection Act	E	aims at continuously improving the business product
		F	when a business sells all its assets in order to pay all liabilities
		G	matches the position and the competencies of the employee
	.	H	prepare an advertisement with the relevant information of the business
		I	protects the economic interests of consumers by providing them with information to make informed choices
		J	the ability of products/services to satisfy a specific need

(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 the FIVE pillars of the Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003), (amended in 2013). (5)

2.2 Mention THREE types of diversification strategies. (3)

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

NARISHA DAIRY PRODUCTS (NDP)

Narisha Dairy Products is a large business that sells fresh produce products. Guan, the manager, only accepted a valid medical certificate from Gail, one of her employees who was off sick. Jane was also off sick but her valid medical certificate was not accepted. Guan also prevented some employees from having access to their employment contracts.

2.3.1 Quote TWO actions that can be regarded as discriminatory according to the Basic Conditions of Employment Act (BCEA), 1997, (Act 75 of 1997). (2)

2.3.2 Describe ways in which the management of NDP can comply with the BCEA. (6)

2.4 Explain how businesses can apply the following Porter's Five Forces model to analyse their position in the market:

2.4.1 Power of competitors (4)

2.4.2 Threat of substitution (4)

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

RAYMOND CLOTHING MANUFACTURERS (RCM)

Raymond Clothing Manufacturers produces men's clothing. RCM decided to reduce the prices of their products in order to increase sales.

2.5.1 Identify the type of intensive strategy that RCM used in the scenario above. (2)

2.5.2 Explain the advantages of intensive strategies. (6)

2.6 Advise businesses on how to apply the strategic management process. (8)
[40]

QUESTION 3: BUSINESS OPERATIONS

3.1 Give any THREE examples of employee benefits. (3)

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

VALUE TRADERS (VT)

Value Traders advertised a vacancy for an administrative assistant on their notice board. The successful candidate should meet the following requirements:

- Managing and distributing information
- Excellent computer skills
- Answering phones and minutes-taking
- Good interpersonal relations

3.2.1 Identify the method of recruitment used by Value Traders. Motivate your answer by quoting from the scenario. (3)

3.2.2 Quote the examples of job description and job specification from the scenario above. (4)

Use the table below as a GUIDE to answer QUESTION 3.2.2.

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

3.3 Explain the role of the interviewer before the interview. (4)

3.4 Discuss the benefits of induction for businesses. (6)

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

BERITTA MANUFACTURING COMPANY (BMC)

The management of Beritta Manufacturing Company has received many complaints from their customers about the poor quality of their products. They requested quality circles to suggest ideas on how they can improve the quality of their products. The quality circles are also expected to investigate problems and suggest solutions to management.

3.5.1 Quote TWO roles of the quality circles from the scenario above. (2)

3.5.2 Advise the management of BMC of other roles of quality circles in improving the quality of products. (6)

3.6 Explain the quality indicators of the production function. (6)

3.7 Discuss the impact of TQM if poorly implemented by businesses. (6)
[40]

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

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

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

BUSINESS ENVIRONMENT	EXTENT OF CONTROL
1.	
2.	

(4)

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

ABRAHAMS ENTERPRISE (AE)

Abrahams Enterprise has been experiencing a decline in profits due to challenges posed by social and economic factors in the macro environment.

Explain to AE how social **OR** economic factors as part of PESTLE analysis can pose challenges to businesses.

Use the table below as a GUIDE to answer QUESTION 4.2.

PESTLE FACTORS	CHALLENGES
Social factors **OR** Economic factors	

(4)

4.3 Discuss any TWO types of integration strategies. (6)

4.4 Advise businesses on any THREE roles of SETAs in supporting the Skills Development Act (SDA), 1998 (Act 97 of 1998). (6)

BUSINESS OPERATIONS

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

FARRIQ ELECTRONICS (FE)

Jannie has been appointed by Farriq Electronics as a driver. He was requested to sign the employment contract which only included remuneration, hours of work, leave and the probation period.

4.5.1 Name FOUR aspects of the employment contract in the scenario above. (4)

4.5.2 Explain the legal requirements of the employment contract to FE. (6)

4.6 Distinguish between *quality control* and *quality assurance.* (4)

4.7 Explain how businesses can apply any THREE steps of the PDCA model to improve the quality of their products. (6)

[40]

TOTAL SECTION B: 80

SECTION C

Answer ONE question in this section.

NOTE: Clearly indicate the QUESTION NUMBER of the chosen question. The answer of the CHOSEN 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) is one of the Acts that was established to promote democracy in the workplace. This Act makes provisions for the rights of both employers and employees. Businesses are required to comply with this Act to avoid penalties for non-compliance.

Keeping the above scenario in mind, write an assay on the Labour Relations Act (LRA) on the following aspects:

- Outline the rights of the employers and employees in terms of the Labour Relations Act.
- Explain the purpose of the LRA.
- Evaluate the impact of this Act on businesses.
- Recommend ways in which businesses may comply with this Act.

[40]

QUESTION 6: BUSINESS OPERATIONS (TOTAL QUALITY MANAGEMENT)

Large businesses realise that total quality management (TQM) is crucial in remaining competitive and sustainable. Businesses need to implement the TQM elements in order to reduce the cost of quality. Many businesses benefit from implementing a quality management system.

Write an essay on total quality management (TQM) and include the following:

- Elaborate on the meaning of *Total Quality Management*.
- Explain the benefits of a good quality management system.
- Discuss the impact of the following elements of TQM on large businesses:
  - Continuous skills development
  - Adequate finance and capacity
- Suggest ways in which TQM can reduce the cost of quality. **[40]**

TOTAL SECTION C: 40

TOTAL: 150

END