GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

PREPARATORY EXAMINATION

2025

10721

BUSINESS STUDIES

(PAPER 1)

BUSINESS STUDIES P1

10721E

TIME: 2 hours

MARKS: 150

10 pages

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 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 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**	**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 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 This act encourages workers to participate in learning programmes:

A Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997)
B National Credit Act (NCA), 2005 (Act 34 of 2005)
C Skills Development Act (SDA), 1998 (Act 97 of 1998)
D Labour Relations Act (LRA), 1995 (Act 66 of 1995)

1.1.2 Shado Trading enjoys strong brand loyalty in the market. This is an example of a(n) ... in a SWOT analysis.

A strength
B weakness
C opportunity
D threat

1.1.3 Veggie Canning operates in the … sector, as they specialise in the manufacturing of a variety of canned foods.

A tertiary
B economic
C primary
D secondary

1.1.4 The purpose of an interview is to ...

A communicate information about the well-being of employees.
B evaluate the skills and personal characteristics of the applicant.
C record the responses of candidates for future reference.
D check the application of every candidate that may need to be explained.

1.1.5 The ... function ensures that all documentation is kept neat and orderly in a safe place.

A administrative
B financial
C public relations
D production

(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.

legal requirement; Basic Conditions of Employment Act (BCEA), divestiture; selection; Employment Equity Act (EEA); public relations; condition; recruitment; retrenchment; marketing

1.2.1 Thando Trading terminated the employment contracts of some of their employees for operational reasons. This defensive strategy is known as …

1.2.2 The … stipulates that employees should be paid double for overtime worked on public holidays.

1.2.3 The process of finding suitable candidates to fill a vacancy in a business is known as …

1.2.4 A … of an employment contract requires businesses to clearly stipulate the duties and responsibilities of employees.

1.2.5 Ayisha is responsible for providing a press release at Ouma Traders. This is a quality indicator of the ... function.

(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	Human Resource Development Strategy	A	ensures full involvement of employees to satisfy customers' needs
1.3.2	Strategic management process	B	formulates alternative strategies to respond to opportunities
1.3.3	Labour Relations Act (LRA), 1995 (Act 66 of 1995)	C	develops guidelines for the participation of government and organised labour
1.3.4	Placement	D	provides for the rights of employees to embark on an illegal strike
1.3.5	Total quality management	E	selected candidates are subject to further screening
		F	develops short-term and long-term workforce skills
		G	qualifications of the selected candidate are matched with the requirements of the job
		H	provides for the right to lock-out by the employer as a reaction to lengthy strikes
		I	ensures that customers' needs are met by inspecting the physical appearance of the product
		J	formulates alternative strategies to respond to the challenges

(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 PESTLE analysis factors. (4)

2.2 Outline the advantages of intensive strategies. (6)

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

GEEK COMPUTERS (GC)

Geek Computers manufactures a variety of electronic products. GC is currently experiencing a shortage of electrical components from its supplier. They borrowed money from Fine Bank at a high interest rate due to an unstable economy.

2.3.1 Quote TWO challenges for GC from the scenario above. (2)

2.3.2 Classify GC's challenges according to the business environments. (2)

2.3.3 State the extent of control that GC has over EACH business environment classified in QUESTION 2.3.2. (2)

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.		

2.4 Explain how the Sector Education and Training Authorities (SETAs) are funded. (6)

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

CAMELOT BOUTIQUE (CB)

Camelot Boutique underwent a compliance inspection to ensure that the business is in accordance with the Consumer Protection Act of 2008 (Act 68 of 2008). It was discovered that CB varies the quality of goods when selling in different areas. They also blacklisted customers without making efforts to recover the debt. CB denied customers proper information about their services.

2.5.1 Quote TWO actions that are regarded as non-compliance with the Consumer Protection Act from the scenario above. (2)

2.5.2 Explain the penalties that businesses may face for non-compliance with the Consumer Protection Act. (4)

2.6 Discuss the purpose of the Employment Equity Act (EEA), 1998 (Act 55 of 1998). (6)

2.7 Advise businesses on the steps in strategy evaluation. (6)
[40]

QUESTION 3: BUSINESS OPERATIONS

3.1 Name any FOUR examples of fringe benefits. (4)

3.2 Outline the role of the interviewee during the interview. (6)

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

KELLY LOGISTICS (KL)

Kelly Logistics has a vacant position for a financial manager. KL advertised the vacancy on the notice board of the business.

3.3.1 Name the method of recruitment used by KL in the scenario above. (2)

3.3.2 Explain the advantages of the method of recruitment named in QUESTION 3.3.1. (4)

3.4 Discuss the purpose of induction. (4)

3.5 Elaborate on the meaning of *quality control*. (4)

3.6 Explain how the quality of performance of the production function can contribute to the success of a business. (4)

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

HAMID MANUFACTURERS (HM)

Hamid Manufacturers specialises in selling exclusive homeware. Employees are trained at all levels so that everyone understands their roles in quality management. Management sets realistic and achievable goals. HM implements proactive maintenance programmes for equipment to reduce interruptions in production.

3.7.1 Quote TWO ways in which TQM reduces the cost of quality from the scenario above. (2)

3.7.2 Discuss other ways in which TQM can reduce the cost of quality. (4)

3.8 Advise businesses on the impact of poorly implemented TQM. (6)

[40]

QUESTION 4: BUSINESS ENVIRONMENTS

4.1 Name any FOUR forces of Porter's Five Forces model. (4)

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

FUN TOYS (FT)

Fun Toys manufactures musical toys for newborn babies. FT decided to add new musical toys for teenagers, which will appeal to new customers.

4.2.1 Identify the type of diversification strategy applied by FT. Motivate your answer by quoting from the scenario above. (3)

4.2.2 Discuss ONE other type of diversification strategy. (3)

4.3 Explain the rights of consumers in terms of the National Credit Act (NCA), 2005 (Act 34 of 2005). (6)

4.4 Advise businesses on ways in which they can comply with the Compensation for Occupational Injuries and Diseases Amendment Act (COIDA), 1997 (Act 61 of 1997). (4)

BUSINESS OPERATIONS

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

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

LERATO CONSULTANTS (LC)

Lerato Consultants compiled a job analysis for the vacant position of a sales manager. LC indicated that applicants must have a degree in business management. The successful candidate will have to make presentations on the sales and profits of the business.

Identify TWO components of a job analysis used by LC. Motivate your answer by quoting from the scenario above.

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

COMPONENTS OF A JOB ANALYSIS	MOTIVATIONS
1.	
2.	

(6)

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

4.8 Advise large businesses on the advantages of adequate financing and capacity as a Total Quality Management (TQM) element. (4)

[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 (LEGISLATION)

The Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003) was introduced to overcome the challenges of Black Economic Empowerment (BEE). Businesses are expected to have a sound knowledge of this Act for effective implementation. Many businesses strive to comply with the requirements of the Act to avoid penalties.

Write an essay on the Broad-Based Black Economic Empowerment Act in which you include the following aspects:

- Outline the purpose of the Broad-Based Black Economic Empowerment Act.
- Explain the impact of BBBEE on businesses.
- Discuss the implications of the following BBBEE pillars on businesses:
  - Management control
  - Ownership
  - Socio-economic development/Social responsibility
- Advise businesses on the penalties that they could face for non-compliance with the BBBEE Act. **[40]**

QUESTION 6: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)

Quality management and quality performance play important roles in the production of high-quality products. The correct implementation of quality concepts enables businesses to enjoy the benefits of a good quality management system. Some businesses believe in using the elements of Total Quality Management (TQM) to satisfy the needs of their customers. They also make use of the services of quality circles as part of the continuous improvement of processes and systems.

Write an essay on quality of performance in which you include the following aspects:

- Outline the differences between *quality management* and *quality performance.*
- Explain the benefits of a good quality management system.
- Discuss the impact of the following TQM elements on businesses:
  - Continuous skills development/Education and training
  - Total client/customer satisfaction
- Advise businesses on the role of quality circles as part of the continuous improvement of processes and systems. **[40]**

TOTAL SECTION C: 40

TOTAL: 150

END