KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

# NATIONAL SENIOR CERTIFICATE

## GRADE 12

## BUSINESS STUDIES P1

## PREPARATORY EXAMINATION

## SEPTEMBER 2021

**MARKS: 150**

**TIME: 2 hours**

**This question paper consists of 11 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 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 questions 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** | **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** |
| | | | | |
| **TOTAL** | | | **150** | **120 minutes** |

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.

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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 number (1.1.1 to 1.1.10) in the ANSWER BOOK, e.g. 1.1.6 D

1.1.1 This Act sets minimum requirements for the employment contract

A Broad Based Black Economic Empowerment Act 2003, (Act 53 of 2003), (amended in 2013)
B Labour Relations Act, 1995 (Act 66 of 1995)
C Skills Development Act ,1998 (Act 97 of 1998)
D Basic Conditions of Employment Act, 1997 (Act 75 of 1997)

1.1.2 Mhlanga Trading is expected to ...which is one of the implications of ownership as a BBBEE pillar.

A appoint black people in senior executive positions
B create more opportunities for black people to become entrepreneurs
C encourage businesses to invest in black owned SMMEs
D involve black people in decision- making process

1.1.3 Businesses apply the ... to analyse their position in the market.

A SWOT analysis
B PESTLE model
C Porter's Five Forces
D Environmental scanning

1.1.4 The advantage of total client satisfaction as a Total Quality management/ TQM element on large businesses is to...

A increase profitability as more goods and services are sold.
B gain access to the global market
C draw up customers and competitors' profile
D attract foreign investment

1.1.5 Radoo Supermarket terminated the employment contracts of some employees due to insolvency. This is known as ...

A retrenchment.
B redundancy .
C resignation.
D retirement.

(5x2) (10)

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1.2 Complete the following statements by using the words 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.

| |
|---|
| control; piecemeal; public relations; SWOT; Skills Development Levy; marketing; assurance; time-related; PESTLE; government grants |

1.2.1 Businesses with a staff payroll over R500 000 per annum can claim the...

1.2.2 Phezulu Consultancy compiled a ... analysis to investigate the reasons for low morale amongst their employees.

1.2.3 A salary determination method whereby workers are paid according to the number of units produced is known as...

1.2.4 Basel Manufacturers implemented quality...when they inspected their final products to ensure that required standards are met.

1.2.5 The ...function is responsible for conducting an aggressive advertising campaign to attract more customers.

(5x2) (10)

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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, e.g.1.3.6 K.

| COLUMN A | | COLUMN B | |
|---|---|---|---|
| 1.3.1 | Concentric diversification | A | compulsory benefit offered to employees |
| 1.3.2 | National Credit Regulator | B | responsible for changing the raw materials into useful products |
| 1.3.3 | Tertiary sector | C | can be used for accountability with each business function |
| 1.3.4 | Unemployment Insurance Fund | D | responsible to register businesses that allow customers to use their products and pay installments |
| 1.3.5 | Quality | E | allows businesses to blacklist their clients who are over indebted . |
| | | F | adding a new product that is related to existing product and which will appeal to new customers |
| | | G | non-compulsory benefit offered to employees |
| | | H | renders services to the public and businesses |
| | | I | ability of goods to meet the specific needs of customers |
| | | J | adding new products that are unrelated to existing products but may appeal to existing customers |

(5×2) (10)

**TOTAL SECTION A: 30**

## SECTION B

Answer ANY TWO questions from 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 the purpose of the Labour Relations Act (LRA), (Act 66 of 1995). (6)

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

**MAX FAST FOODS (MFF)**

Max Fast Foods complies with the Employment Equity Act by promoting equal opportunities and fair treatment. MFF also accommodate people from different designated groups. They also appoint black women in management position. Employees are paid equally for work of equal value.

2.3.1 Quote THREE ways in which MFF is complying with the Employment Equity Act from the scenario above. (3)

2.3.2 Explain other ways in which MFF can comply with the Employment Equity Act. (4)

2.4 Describe the role of SETAs in supporting the Skills Development Act, 1998 (Act 97 of 1998). (6)

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2.5 Read the scenario below and answer the questions that follow

| JUMBO TYRES (JT) |
|---|
| Jumbo Tyres specialises in the manufacturing of motor vehicle tyres. JT is experiencing a decline in productivity due to high level of employee absenteeism. The suppliers of JT have increased the price of raw materials by 20%. The government has also increased the interest rate making it difficult for JT to borrow money from the bank. |

2.5.1 Name the business sector in which JT operates. Motivate your answer by quoting from the scenario above. (3)

Use the table below as a GUIDE to answer the questions that follow.

| CHALLENGES (2.5.2) | BUSINESS ENVIRONMENTS (2.5.3) | EXTENT OF CONTROL (2.5.4) |
|---|---|---|
| | | |

2.5.2 Quote THREE challenges for JT from the scenario above. (3)

2.5.3 Classify JT's challenges according to THREE business environments in QUESTION 2.5.2 (3)

2.5.4 State the extent of control JT has over EACH business environment named QUESTION 2.5.3. (3)

2.6 Evaluate the impact of National Credit Act (NCA), 2005 (Act 34 of 2005) on Businesses. (6)
[40]

## QUESTION 3: BUSINESS OPERATIONS

3.1 Name FOUR examples of fringe benefits. (4)

3.2 Outline the role of the interviewer when preparing for an interview. (6)

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

| SBONGA TRANSPORT SERVICES (STS) |
|---|
| Sbonga Transport Services compiled a job advertisement for a vacant position. The advertisement outlined the following aspects.<br>• Duties and responsibilities of the job<br>• 3 years managerial experience |

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

Use the table below as a GUIDE to answer QUESTION 3.3

| COMPONENTS OF A JOB ANALYSIS | MOTIVATIONS |
|---|---|
| 1. | |
| 2. | |

(6)

3.4 Discuss the benefits of induction for businesses. (4)

3.5 Outline the differences between *quality management* and *quality performance.* (8)

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

**VALTRIN STATIONERY (VS)**

Valtrin Stationery sells quality office stationery. The management of VS works closely with suppliers to improve the quality of their raw materials. VS implements a pro-active maintenance programme for their equipment to reduce breakdowns.

3.6.1 Quote TWO ways in which total quality management (TQM) reduces the cost of quality in the scenario above. (2)

3.6.2 Explain other ways in which TQM can reduce the cost of quality. (6)

3.7 Recommend ways in which the quality of performance of the general management function can contribute to the success of the business. (4)
**[40]**

## QUESTION 4: MISCELLANEOUS TOPICS

## BUSINESS ENVIRONMENTS

4.1 Identify the force of Porter's Five Forces model applied by Umbilo Trading in EACH statement below.

4.1.1 It was easy for Umbilo Trading to enter the market as they only needed a trading certificate. (2)

4.1.2 Moses Manufacturers is the only provider of raw materials for Umbilo Trading. (2)

4.1.3 Mvelo Trading sells similar products at lower prices. (2)

4.2 Outline the difference between National Skills Development Strategy and Human Resources Development Strategy. (4)

4.3 Explain the advantages of the Consumer Protection Act, 2008 (Act 68 of 28 April 2008) (CPA) on businesses. (4)

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

**HAIL INTERIOR LIMITED (HIL)**

Hail Interior Limited has been experiencing financial difficulties. HIL sold some of their assets that are no longer profitable. The management of HIL finally decided to sell all the assets to pay creditors.

Identify TWO defensive strategies applied by HIL. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 4.4

| DEFENSIVE STRATEGIES | MOTIVATIONS |
|---|---|
| 1. | |
| 2. | |

(6)

**BUSINESS OPERATIONS**

4.5 Outline the selection procedure as a human resources activity. (4)

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

**AZANDE KITCHEN (AK)**

Azande Kitchen has vacancies for a supervisor and a financial manager. The vacancy for supervisor is advertised in the business notice board, while the vacancy for financial manager is advertised in the internet and newspapers.

Identify TWO types of recruitment methods applied by AK. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 4.6

| TYPES OF RECRUITMENT METHODS | MOTIVATIONS |
|---|---|
| 1. | |
| 2. | |

(6)

4.7 Explain the negative impact of TQM if poorly implemented by businesses. (4)

4.8 Advise businesses on the advantages of continuous improvement to processes and systems as a total quality management/TQM element on large businesses. (6)

**[40]**

**SECTION C**
Answer ONE question in this section.

NOTE: Clearly indicate the QUESTION NUMBER of the chosen question. The answer to EACH 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 conduct strategic management process to overcome the challenges posed by PESTLE analysis factors. Many businesses apply intensive strategies to remain sustainable in the market. Businesses should evaluate the effectiveness of their strategies.

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

- Outline steps of the strategic management process.
- Explain how the following PESTLE analysis factors may pose a challenge to business.
  - Economic
  - Social
- Discuss THREE types of intensive strategies
- Advise businesses on the steps that they should consider when evaluating strategies

**[40]**

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

Businesses follow the correct recruitment procedure to minimise voluntary turnover. They also need to follow the legal requirements of an employment contract. Many businesses monitor and evaluate their quality processes as one of the TQM elements. They also make use of the services of quality circles to stay ahead of their competitors.

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

- Outline the recruitment procedure as a Human Resources function.
- Explain legal requirements of an employment contract.
- Discuss the impact of monitoring and evaluating quality processes as a TQM element on a large business.
- Advise businesses on the importance of quality circles as part of continuous improvement to processes and systems.

**[40]**

**TOTAL SECTION C: 40**
**GRAND TOTAL: 150**

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