GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

GAUTENG DEPARTMENT OF EDUCATION

PREPARATORY EXAMINATION

2019

10720

BUSINESS STUDIES

TIME: 3 hours

MARKS: 300

17 pages

BUSINESS STUDIES

10720E

X10

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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 all FOUR main topics.

   SECTION A: COMPULSORY
   SECTION B: Consists of FIVE questions.
   Answer any THREE of the five questions in this section.
   SECTION C: Consists of FOUR questions.
   Answer any TWO of the four questions in this section.

2. Read the instructions for each question carefully and take particular note of what is required.

3. Number your 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 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 mark and time allocation when answering each question.

SECTION	QUESTION	MARKS	TIME (Minutes)
A: **Compulsory Objective-type questions**	1	40	30
B: **FIVE direct / indirect-type questions CHOICE: Answer any THREE.**	2 3 4 5 6	60 60 60 60 60	30 30 30 30 30
C: **FOUR essay-type questions CHOICE: Answer any TWO.**	7 8 9 10	40 40 40 40	30 30 30 30
		300	**180**

7. Begin the answer to EACH question on a NEW page, for example Question 1 – new page, Question 2 – new page, et cetera**.**

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 number (1.1.1 – 1.1.10) in the ANSWER BOOK, for example 1.1.11 E

1.1.1 This Act prevents the reckless granting of loans to consumers:

A Consumer Protection Act, 2008 (Act 68 of 2008)
B Labour Relations Act, 1995 (Act 66 of 1995)
C National Credit Act, 2005 (Act 34 of 2005)
D Employment Equity Act, 1998 (Act 55 of 1998)

1.1.2 JKT Garden Services specialises in landscaping and tree-felling. It operates in the … sector.

A primary
B secondary
C tertiary
D informal

1.1.3 Businesses may sell off some product lines which have slow growth potential. This strategy is known as ...

A Divestiture.
B Retrenchment.
C Liquidation.
D Horizontal.

1.1.4 Tom delegates tasks according to the level of maturity of his employees. This is an example of a … leadership theory.

A bureaucratic
B situational
C leaders and followers
D transitional

1.1.5 ... is an example of a non-profit company.

A Post Office
B Eskom
C Telkom
D Johan Old Age Home

1.1.6 Which one of the following statements represents a function of the JSE?

A Helps investors to choose between different share options
B Raises primary capital
C Serves as instrument for pricing
D Does not provide protection for investors

1.1.7 ... refers to projects that are not part of normal business activities but are aimed at benefitting the community.

A Corporate Social Investment
B Corporate Social Responsibility
C Contemporary Social Responsibility
D Sustainability

1.1.8 A human resource activity which matches employee competence with their position in the workplace is known as ...

A screening.
B placement.
C induction.
D training.

1.1.9 Businesses may use ... as a source of internal recruitment.

A newspapers
B recruitment agencies
C walk-ins
D notice boards

1.1.10 A small group of voluntary workers who meet regularly to discuss quality-related matters in the workplace:

A Quality teams
B Quality control
C Quality circles
D Quality council

(10 x 2) (20)

1.2 Complete the following statements by using the word(s) in the list below. Write only the word(s) next to the question number (1.2.1 – 1.2.5) in your ANSWER BOOK.

appointment; insurance; non-verbal; place; employment; market; assurance; verbal; profit; micro

1.2.1 The ... environment is the internal operation environment of a business.

1.2.2 Thabo received the ... contract outlining his working conditions.

1.2.3 Fire and theft are examples of short-term …

1.2.4 Businesses may use PowerPoint during a ... presentation in the workplace.

1.2.5 One of the elements of the triple bottom line is ...

(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 number (1.3.1 – 1.3.5) in the ANSWER BOOK, for example 1.3.6 K

COLUMN A		COLUMN B	
1.3.1	Collective bargaining	A	Compensation beyond a regular wage which is exempt from taxation
1.3.2	Accountability	B	Disagreement between the employer organisations and trade unions
1.3.3	Fringe benefits	C	Directors must report on business transactions.
1.3.4	Inclusivity	D	The directors are responsible for actions that are taken in the business.
1.3.5	Delphi technique	E	Negotiations between employer associations and trade unions
		F	A group of experts complete a questionnaire to solve a complex business problem.
		G	A workforce consists of people from different ages.
		H	Some employees from different cultural backgrounds are excluded in the workplace.
		I	Individuals generate new ideas around a specific area.
		J	Money paid to employees for working extra hours

(5 x 2) (10)

TOTAL SECTION A: 40

SECTION B

Answer ANY THREE 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, for example Question 2 on a NEW page, Question 3 on a NEW page, et cetera.

QUESTION 2

BUSINESS ENVIRONMENTS

2.1 List FIVE components of the PESTLE analysis. (5)

2.2 Outline the role of SETAs in supporting the implementation of the Skills Development Act. (8)

2.3 Identify the consumer right applicable to EACH of the following policy statements of MTZ Trading.

2.3.1 Customers will be refunded for any faulty products that are returned to the store.

2.3.2 Customers are given the option to stop unwanted direct marketing.

2.3.3 MTZ Trading will not publish false statements about their products and services.

2.3.4 MTZ Trading honours credit vouchers and prepaid services. (8)

2.4 Discuss ways in which businesses can comply with the following pillars of BBBEE.

2.4.1 Ownership (4)

2.4.2 Management (4)

2.4.3 Enterprise and Supplier Development (ESD) (4)

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

TSHEPO TRANSPORT SERVICES (TTS)

Tshepo Transport Services provides transport to international tourists visiting the country. The management of TTS ensured that all employees are treated equally regardless of gender and race.

2.5.1 Name the Act that is applicable to the scenario above. Quote from the scenario to support your answer. (3)

2.5.2 Discuss the positive impact of the Act identified in Question 2.5.1, on TTS as a business. (8)

2.6 Evaluate the impact of the Skills Development Act on businesses. (8)

2.7 Suggest practical ways in which businesses can comply with the National Credit Act (NCA), 2005 (Act 34 of 2005). (8)
[60]

QUESTION 3

BUSINESS VENTURES

3.1 Name SIX examples of non-verbal presentations. (6)

3.2 Outline factors that must be considered during presentations. (8)

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

Benjamin has established a company that enables shareholders to have limited liability even though he is personally liable for the debts of the business.

3.3.1 Identify the form of ownership suitable for Benjamin. Motivate your answer by quoting from the scenario. (3)

3.3.2 Explain the differences between the form of ownership identified in Question 3.3.1 and a public company. (8)

3.4 Discuss the rights of preference shareholders. (8)

3.5 Discuss how the following criteria can contribute to the success and / or failure of a partnership.

3.5.1 Management (4)

3.5.2 Taxation (4)

3.6 Tabulate the differences between *management* and *leadership*. (8)

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

LUCY ELECTRONICS (LE)
The project manager at Lucy Electronics motivates workers by giving them incentives for meeting deadlines.

3.7.1 Identify the leadership style applicable in the scenario above. Motivate your answer by quoting from the scenario. (3)

3.7.2 Discuss the impact of the leadership style identified in Question 3.7.1 (6)

3.7.3 Recommend situations in which the identified leadership style in Question 3.7.1 can be applied. (2)

[60]

QUESTION 4

BUSINESS ROLES

4.1 Identify the type of unethical business practice in EACH of the statements.

4.1.1 Mary promised to appoint Peter as her supervisor if he agrees to have a relationship with her.

4.1.2 The employees of Mpho Manufacturers spend time on Facebook during working hours and fail to meet deadlines.

4.1.3 Daniel generates extra income by using the company's car without permission. (6)

4.2 Differentiate between *problem-solving* and *decision-making*. (4)

4.3 Explain how transparency as a King Code principle can be applied in the workplace. (4)

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

CHOCOLATE DELUXE LTD. (CDL)

Chocolate Deluxe Ltd. wants to change the structure of the business to be more competitive. The management of CDL has identified the pros and cons of their decision. Employees are always encouraged to come up with new ideas.

4.4.1 Identify the problem-solving technique applicable to the scenario above. Support your answer by quoting from the scenario. (3)

4.4.2 Discuss the impact of the problem-solving technique identified in Question 4.4.1. (8)

4.4.3 Advise on ways in which CDL can create an environment that promotes creative thinking. (8)

4.5 Explain the negative impact of CSI on businesses. (8)

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

> Paul is the project manager for a team that renovates homes. His team is not happy due to an unfair workload and his poor administrative skills. They also feel that they are not treated with respect. This has caused conflict between Paul and his team members.

4.6.1 Identify THREE possible causes of conflict from the above scenario. (3)

4.6.2 Explain to Paul how he can apply the conflict resolution steps/techniques in the workplace. (8)

4.7 Suggest ways in which businesses can promote cultural rights in the workplace. (8)
[60]

QUESTION 5

BUSINESS OPERATIONS

5.1 State any SIX aspects that must be included in an employment contract. (6)

5.2 Outline the selection procedure as a human resources activity. (8)

5.3 Identify the salary determination method illustrated by EACH statement below:

5.3.1 The employees of TGL (Pty) Ltd. are remunerated according to the number of hours they spent at work. (2)

5.3.2 Thabo, the financial manager at Troyer Textiles pays employees according to the number of dresses they produce. (2)

5.4 Discuss the TWO components of job analysis. (6)

5.5 Justify the effectiveness of fringe benefits on businesses as a good rewarding system. (6)

5.6 Elaborate on the meaning of *Total Quality Management* (TQM). (5)

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

MARY CONFECTIONERY (MC)

Mary Confectionery specialises in the baking of birthday and wedding cake for local businesses. Mary ensures that checks are carried out during and after the production process. She also set targets and measures performance. Mary ensures that all business functions use the necessary tools to improve the quality of the product.

5.7.1 Quote THREE statements from the scenario above and link EACH ONE to a specific quality concept.

Use the table below as a guide to answer Question 5.7.1.

STATEMENT FROM THE SCENARIO	QUALITY CONCEPT

(9)

5.7.2 Explain to MC the benefits of a good quality management system. (8)

5.8 Suggest ways in which businesses can improve the quality of performance within the purchasing function. (8)

[60]

QUESTION 6

MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

6.1 Name THREE types of business environments and state the extent of control that businesses have over EACH environment.

Use the table below as a guide to answer the question.

BUSINESS ENVIRONMENT	EXTENT OF CONTROL
6.1.1	
6.1.2	
6.1.3	

(6)

6.2 Explain the following provisions of the Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997):

6.2.1 Meals-breaks / Rest periods

6.2.2 Annual leave

6.2.3 Family responsibility (6)

BUSINESS VENTURES

6.3 Explain the advantages of state-owned companies. (6)

6.4 Discuss *liquidity* as a factor to consider when making an investment decision. (4)

6.5 Read the statement below and answer questions that follow.

Mpho wants to invest R 50 000 in a fixed deposit account. The bank offers him 8% compound interest, per annum, for three years.

6.5.1 Calculate the interest that Mpho would receive after three years. (4)

6.5.2 Explain the other form of interest that can be offered by the bank. (4)

BUSINESS ROLES

6.6 Identify the diversity issues addressed by BCC Enterprise in EACH statement below.

6.6.1 The management of BCC Enterprise ensures that Vusi and Jane are treated equally in the workplace.

6.6.2 Senior experienced employees are requested to mentor younger employees.

6.6.3 BCC Enterprise makes provision for ramps to accommodate people using wheelchairs. (6)

6.7 Discuss ways in which businesses can protect the environment and human health. (8)

BUSINESS OPERATIONS

6.8 Identify the Total Quality Management (TQM) element applied by Zena Construction Ltd. in EACH statement below.

6.8.1 Products and services are constantly improved resulting in the improvement in the quality of products.

6.8.2 Employees are regularly trained to improve their performance.

6.8.3 Market research is conducted on a regular basis to determine the needs of customers.

6.8.4 Sufficient capital is available to purchase raw materials and equipment to render quality services. (8)

6.9 Advise the business on the reasons for terminating an employment contract. (8)
[60]

SECTION C

Answer any TWO questions in this section. Clearly indicate the QUESTION NUMBER of each question that you choose. The answer to each question must start on a NEW page, for example Question 7 on a NEW page, Question 8 on a NEW page, et cetera.

QUESTION 7

BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)

SIMPHIWE MANUFACTURERS (SM)

Simphiwe Manufacturers specialises in the supply of designer bags. Sales have declined due to challenges in the market and macro-environment. The management of SM decided apply Porter's Five Forces model and implement business strategies in order to deal with their business challenges.

Write a detailed report on the following aspects.

- Explain how SM may apply Porter's Five Forces to analyse the challenges of the market environment.
- Discuss THREE types of diversification strategies that SM may use to address challenges in the macro-environment.
- Elaborate on the effectiveness of intensive strategies as a best strategy for addressing business challenges.
- Advise the management of SM on the steps to consider when evaluating strategies. **[40]**

QUESTION 8

BUSINESS VENTURES (INSURANCE)

Businesses realise the importance of compulsory and non-compulsory insurance. They are also mindful of the principles of insurance. They must insure that their assets are not under-insured or over-insured.

With reference to the statements above, write an essay on the following aspects.

- Distinguish between *compulsory* and *non-compulsory* insurance and give examples of each.
- Explain the importance of insurance for businesses.
- Discuss FOUR principles of insurance.
- Advise businesses on the differences between *over-insurance* and *under-insurance*.

[40]

QUESTION 9

BUSINESS ROLES (TEAM PERFORMANCE AND CONFLICT)

Businesses achieve their objectives through effective teamwork. It is important for team leaders to know the different stages of team development. They should also be able to handle grievances and conflict in the workplace**.**

Write an essay on the following aspects.

- Differentiate between *a grievance* and *conflict*.
- Discuss FOUR stages of team development.
- Explain THREE criteria to assess successful teams.
- Suggest strategies of dealing with the following difficult personalities:

  - Indecisive people
  - Quiet people **[40]**

QUESTION 10

BUSINESS OPERATIONS (HUMAN RESOURCES)

CLAUDIA PAINT MANUFACTURERS (CPM)

Claudia Paint Manufacturers is looking for an experienced supervisor. Fatima, the Human Resources manager is expected to conduct interviews, and induct the newly-appointed supervisor. CPM will also ensure that the rights of the new employee are protected as outlined in the Labour Relations Act, 1995 (Act 66 of 1995).

Write an essay on the following aspects.

- Outline the recruitment procedure that CPM should follow to fill the vacancy.
- Explain the role of the interviewer before and during the interview.
- Discuss the benefits of induction.
- Advise Fatima on the implications of the Labour Relations Act on the Human Resources function. **[40]**

TOTAL SECTION C: 80

TOTAL: 300

END