GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

JUNE EXAMINATION
GRADE 12

2026

BUSINESS STUDIES

(PAPER 1)

BUSINESS STUDIES P1

C2721E

TIME: 2 hours

MARKS: 150

10 pages

X05

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 answers 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 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 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 provides protection to employees who are injured in the course of performing their duties.

A Consumer Protection Act (CPA), 2008 (Act 68 of 2008)
B Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997)
C Compensation for Occupational Injuries and Diseases Act (COIDA), 1997 (Act 61 of 1997)
D Labour Relations Act (LRA),1995 (Act 66 of 1995)

1.1.2 Nzalo Traders combines its business with its suppliers up the supply chain to decrease dependency.

A Forward vertical integration
B Horizontal integration
C Sideways integration
D Backward vertical integration

1.1.3 The … sector focuses on activities related to the manufacturing of products.

A secondary
B tertiary
C primary
D private

1.1.4 Candy Ltd used the … recruitment method when they advertised a vacancy on their business noticeboard.

A agency
B internal
C online
D external

1.1.5 Machinery and equipment are utilised optimally in the … function.

A marketing
B financial
C purchasing
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.

liquidation; placement; description; Labour Relations; recruitment; performance; divestiture; specification; management; Employment Equity

1.2.1 The … Act ensures that diversity in the workplace is achieved.

1.2.2 A business sells all assets to pay creditors. This defensive strategy is known as …

1.2.3 Job … outlines the minimum acceptable qualifications and skills needed for the job.

1.2.4 Florence Boutique implements quality … by using tools and techniques to improve the quality of their products.

1.2.5 The employee's qualifications and skills are matched with the requirements of the job during the ... procedure.

(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	Screening	A	ability to measure the specified standards of each department
1.3.2	Quality	B	addresses skills shortages in the South African workplace
1.3.3	Learnership	C	growth strategy used to sell existing products in new geographical areas
1.3.4	Market development	D	candidates' application forms are checked against the requirements of the job
1.3.5	National Skills Development Strategy	E	practical training opportunities that lead to a promotion to a senior position
		F	addresses low levels of mathematical skills among the youth and adults
		G	growth strategy used to sell new products in new geographical areas
		H	ability of goods to meet the specific needs of customers
		I	practical training opportunities that lead to a recognised occupational qualification
		J	candidates' strengths and weaknesses are matched with the requirements of the job

(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 List any FOUR consumer rights as stipulated in the Consumer Protection Act (CPA), 2008 (Act 68 of 2008). (4)

2.2 Outline the role of SETAs in supporting the Skills Development Act (SDA), 1998 (Act 79 of 1998). (6)

2.3 Identify the provisions of the Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997) applicable to Noria Manufacturers in each statement below.

2.3.1 Noria Manufacturers ensures that night work performed by employees after 18:00 is done by agreement. (2)

2.3.2 Management explained that a minimum of 4 weeks' notice must be given if the worker has been employed for a year or longer. (2)

2.3.3 Minors under 18 years of age are not exposed to work meant for an adult. (2)

2.4 Explain the purpose of the Labour Relations Act (LRA), 1995 (Act 66 of 1995). (6)

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

NATIONAL TECH DISTRIBUTORS (NTD)
National Tech Distributors supplies a variety of electronic products. NTD has lost sales as customers prefer to spend their money on medical expenses. Some of their employees are unable to work cohesively within a team. Imports are restricted because of the fluctuations in foreign currency.

Identify TWO PESTLE factors that pose challenges for NTD. Motivate your answer by quoting from the scenario above. (6)

Use the table below as a GUIDE to answer QUESTION 2.5.

PESTLE FACTORS	MOTIVATIONS
1.	
2.	

2.6 Discuss the advantages of intensive strategies. (6)

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

QUESTION 3: BUSINESS OPERATIONS

3.1 State TWO aspects that should be included in an employment contract. (2)

3.2 Outline the recruitment procedure. (6)

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

SURPRISE CONSTRUCTION (SC)

Surprise Construction specialises in building apartments and complexes. They offer attractive fringe benefit packages in order to reduce employee turnover. They also encourage employees to attend training programmes. SC saves money as benefits are tax deductible.

3.3.1 Quote TWO advantages of fringe benefits that are applicable to SC in the scenario above. (2)

3.3.2 Explain other advantages of fringe benefits for businesses. (4)

3.4 Advise businesses on the role of an interviewee during the interview. (6)

3.5 Identify the steps of the PDCA model applied by Eric Manufacturing (EM) in EACH statement below.

3.5.1 EM initially implemented the change on a small scale to improve their processes and systems. (2)

3.5.2 EM used data to evaluate the results of the change. (2)

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

3.7 Discuss the impact of total client satisfaction as a total quality management (TQM) element on large businesses. (6)

3.8 Advise businesses on the benefits of a good quality management system. (4)
[40]

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENT

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

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

SUPERIOR LEATHER ENTERPRISE (SLE)

Superior Leather Enterprise produces shoes and leather bags. They buy their raw materials from Prime Hide Suppliers, who sometimes supply inferior materials. The local government instructed SLE to register their products with the South African Bureau of Standards.

4.2.1 Quote TWO challenges for SLE from the scenario above. (2)

4.2.2 Classify SLE challenges according to the business environment. (2)

4.2.3 State the extent of control for each business environment in QUESTION 4.2.2. (2)

Use the table below as a GUIDE to answer QUESTION 4.2.1 to 4.2.3.

CHALLENGES 4.2.1	BUSINESS ENVIRONMENT 4.2.2	EXTENT OF CONTROL 4.2.3
1.		
2.		

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

4.4 Suggest ways in which businesses can comply with the Broad Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003). (4)

BUSINESS OPERATIONS

4.5 Outline the reasons for the termination of an employment contract. (4)

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

SANDY DESIGNS (SD)

Patience is the manager in the human resources function at Sandy Designs. She is expected to promote equal opportunities in the workplace. Patience ensures that training is structured. She must also ensure that the workplace represents the demographics of the country at all levels.

4.6.1 Quote TWO implications of the Employment Equity Act (EEA), 1998 (Act 55 of 1998) on the human resources function at SD from the above scenario. (2)

4.6.2 Explain other implications of the Employment Equity Act (EEA), 1998 (Act 55 of 1998) on the human resource function. (4)

4.7 Discuss the roles of quality circles as part of the continuous improvement of processes and systems. (4)

4.8 Advise businesses on 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 (LEGISLATION)

The National Credit Act (NCA), 2005 (Act 34 of 2005) was introduced in South Africa to regulate the credit industry. The Act seeks to protect consumers and ensure that they understand their rights and obligations. Businesses must operate within the legal framework by complying with the NCA.

Write an essay on the National Credit Act in which you include the following aspects:

- Outline the rights of consumers in terms of the NCA.
- Explain the purpose of the NCA.
- Discuss the impact of the NCA on businesses.
- Recommend ways in which businesses can comply with the NCA. **[40]**

QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCES FUNCTION)

The correct selection procedures assist businesses to minimise wasteful spending when filling vacant posts. Businesses should use different salary determination methods to ensure that their employees are remunerated accordingly. They must ensure that newly appointed employees understand the legal requirements of an employment contract. Proper induction must also be provided for these employees.

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 TWO salary determination methods.
- Discuss the legal requirements of an employment contract.
- Advise businesses on the purpose of induction. **[40]**

TOTAL SECTION C: 40

TOTAL: 150