GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

GAUTENG DEPARTMENT OF EDUCATION

PREPARATORY EXAMINATION

2018

10720

BUSINESS STUDIES

TIME: 3 hours

MARKS: 300

19 pages

BUSINESS STUDIES
1072E
10720E

X05

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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 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 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 in full sentences.

5. Use the mark allocation of each question to determine the length of the answer.

6. Use the table below as a guide for mark and time allocation when answering each question.

SECTION	QUESTION	MARKS	TIME
A: Compulsory objective-type questions covering all the work.	1	40	30 minutes
B: FIVE direct / indirect-type questions: Choose any THREE questions from this section.	2 3 4 5 6	60 60 60 60 60	30 minutes 30 minutes 30 minutes 30 minutes 30 minutes
C: FOUR essay-type questions: (Choose any TWO from this section)	7 8 9 10	40 40 40 40	30 minutes 30 minutes 30 minutes 30 minutes
		300	**180 minutes**

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

8. Non-programmable calculators may be used.

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 Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003)
C National Credit Act, 2005 (Act 34 of 2005)
D Employment Equity Act, 1998 (Act 55 of 1998)

1.1.2 The functions of SETAs is to ...

A train employees.
B train Skills Development Facilitators.
C develop management plans.
D register learnership programmes.

1.1.3 An action plan to achieve a specific goal:

A Monitoring
B Strategy
C Strategic management
D Strategic evaluation

1.1.4 Which one of the following is an example of compulsory insurance?

A Medical aid
B Pension Fund
C Road Accident Fund
D Life insurance

1.1.5 The procedure where all CVs received are evaluated against a predetermined criteria:

A Selection
B Training
C Placement
D Recruitment

1.1.6 One of a worker's social rights is the right to ...

A wear traditional clothes to work on heritage day.
B join a union of his / her choice.
C medical aid and access to medical care.
D fair wages.

1.1.7 Which one of the following is NOT a King Code principle?

A Transparency
B Responsibility
C Accountability
D Profitability

1.1.8 In this stage of team development the team members start to question one another's ideas and opinions:

A Forming
B Storming
C Norming
D Performing

1.1.9 The process of attracting qualified employees to apply for a vacant post:

A Recruitment
B Selection
C Interviews
D Placement

1.1.10 Elmar Bus Services specialises in transporting tourists to and from the airport. They operate in the ... sector

A public
B primary
C secondary
D tertiary

(10x2) (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 the ANSWER BOOK.

decision making; STRATE; Human Resources Development Strategy; ten; problem solving; state-owned company; SENS; public company; National Skills Development Strategy; three.

1.2.1 ESKOM is a ... because the government holds majority shares.

1.2.2 A person / business can buy shares electronically via ... on the JSE.

1.2.3 A senior manager considers existing alternatives and decides on the best solution. This is an example of ...

1.2.4 The ... encourages quality training in the workplace.

1.2.5 Workers are allowed to work a maximum of ... hours overtime per week.

(5x2) (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	RSA retail savings bonds	A	Clash between two employees in the workplace
1.3.2	Grievance	B	It is issued to shareholders as a result of a dividend shortfall.
1.3.3	Bonus shares	C	Inspection of the final product to ensure that it complies with the required standards
1.3.4	Piecemeal	D	Requires a minimum investment amount of R500.
1.3.5	Quality control	E	When an employee is unhappy in the workplace
		F	Carried out during and after the production process to ensure required standards have been met at every stage of the process
		G	Workers are paid according to the number of units produced.
		H	It was issued to the promoters of a company.
		I	Requires a minimum investment amount of R1000
		J	Workers are paid for the amount of time they spend at work or on a task.

(5x2) (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 any FIVE components of the PESTLE analysis. (5)

2.2 Identify the pillar of the Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003) that has been implemented by Sofa Ltd. in each of the following statements.

2.2.1 The company has recently promoted four black women as senior managers of different departments.

2.2.2 They are using the services of black suppliers that are BBBEE compliant.

2.2.3 Employees are invited to buy shares in the company.

2.2.4 The company has employed employees from different backgrounds.

2.2.5 Employees are sent for training to improve their knowledge and skills. (5x2) (10)

2.3 Discuss the strategic management process. (6)

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

THEMBI CLOTHING MANUFACTURERS (TCM)

Thembi Clothing Manufacturers specialises in the manufacturing of winter jackets. TCM buys raw material from Piet textiles who is always out of stock. Employees of TCM stay absent from work on a regular basis. TCM obtained a loan from Mzansi Bank at a high interest rate to finance the business.

2.4.1 Name the business sector in which TCM operates. Quote from the scenario above to support your answer. (3)

Use the table below as a guide to answer the following questions.

CHALLENGE 2.4.2	BUSINESS ENVIRONMENT 2.4.3	EXTENT OF CONTROL 2.4.4

2.4.2 Quote THREE challenges for TCM from the scenario above. (3)

2.4.3 Classify TCM's challenges according to the THREE business environments. (3)

2.4.4 State the extent of control that TCM has over each environment identified in QUESTION 2.4.2. (3)

2.5 Describe THREE types of defensive strategies. (9)

2.6 Explain how businesses could apply the following forces from Porter's FIVE forces model.

2.6.1 Power of the supplier (4)

2.6.2 Bargaining power / Buyer power (4)

2.6.3 Threat / Barriers to new entrants to the market (4)

2.7 Read the statement below and answer the questions that follow.

THEMBA BUILDING CONSTRUCTION (TBC)

The employees of TBC always remind each other about workplace safety to avoid unnecessary accidents.

2.7.1 Name the Act that is applicable to the scenario above. (2)

2.7.2 Recommend ways in which TBC can comply with the Act identified in QUESTION 2.7.1. (4)

[60]

QUESTION 3

BUSINESS VENTURES

3.1 Identify the form of investment applicable in each statement below.

3.1.1 MMM Ltd. has invited the public to invest their money with them.

3.1.2 Peter Zama has invested his money at Tax Bank for 3 years at a rate of 6% p.a.

3.1.3 Sizwe Enterprise borrowed capital from Floyd Peterson at a rate of 7% p.a., which is payable after 5 years.

3.1.4 Patrick Shoba contributes R200 a month to Sunland who will appoint fund managers to collectively invest it in safe shares.

(8)

3.2 Distinguish between *compound interest* and *simple interest*. (8)

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

Samson has a business property with a value of R5 000 000. He insured this property for R 4 000 000. Fire caused damage of R 100 000 to the property.

3.3.1 Identify the clause that the insurer will use to calculate the amount that they will pay out to Samson. (2)

3.3.2 Calculate the amount that the insurer will pay Samson. (4)

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

JANE'S PRESENTATION Jane, is the Financial Manager of Jewels Ltd. She must make a presentation to the shareholders at the annual meeting. She decided to use handouts as well as a PowerPoint presentation.

3.4.1 Identify TWO visual aids from the scenario above. (2)

3.4.2 Evaluate the positive impact of ONE of the visual aids identified in QUESTION 3.4.1 (8)

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

MATATO CHAMBER OF BUSINESS (MCB)

MCB invited business owners to their year-end function. The following business owners shared their leadership styles:

- Richard does not allow his employees to participate in decision-making.
- Paul allows his employees to make all decisions as long as they are not in violation of the company policies.
- Themba rewards employees for meeting deadlines.

3.5.1 Identify the leadership styles that are represented by Richard, Paul and Themba. (6)

3.5.2 Suggest THREE situations in which Richard's leadership style can be applied. (6)

3.6 Discuss the following leadership theories:

3.6.1 Situational leadership (4)

3.6.2 Transformational leadership (4)

3.7 Advise a presenter on factors that he/she should consider during a presentation. (8)
[60]

QUESTION 4

BUSINESS ROLES

4.1 Big Bus CC wants to invest in the community.

4.1.1 List FIVE components of Corporate Social Responsibility that Big Bus CC can consider. (5)

4.1.2 Explain to Big Bus CC, the relationship between the triple-bottom-line and social responsibility. (9)

4.2 Discuss THREE criteria for assessing successful team performance. (9)

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

BEN COMMUNICATION (BC)

Andrew, is a manager at Ben Communication. He wants to have an intimate relationship with Sue in exchange for a promotion. Andrew also uses the company's petrol card for personal trips. Andrew's senior manager has noticed that he takes long lunch breaks.

Use the table below to answer the questions that follow

UNETHICAL BUSINESS PRACTICES 4.3.1	TYPES 4.3.2	RECOMMENDATIONS 4.3.3

4.3.1 Quote THREE unethical practices from the scenario above. (3)

4.3.2 Identify the type of unethical business practice for EACH ONE quoted in QUESTION 4.3.1. (6)

4.3.3 Recommend ONE strategy that BC could introduce to deal with EACH type of unethical business practice identified in QUESTION 4.3.2. (6)

4.4 Suggest strategies to deal with the following difficult personalities in the workplace.

4.4.1 Complainer (2)

4.4.2 Expert (2)

4.4.3 Aggressive person (2)

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

PETS DELIGHT (PD)

Melville is the owner of a small pet shop in Krugersdorp. A while ago one of his staff members made a mistake and ordered 300 bird cages and Melville has since only sold 2 cages. This mistake has caused a big cash flow problem for Melville and he wants to use creative thinking to solve his business problem.

4.5.1 Name FOUR problem-solving techniques (except SCAMPER) that the management of PD can use to solve the challenge. (4)

4.5.2 Advise Pets Delight how they can apply SCAMPER to solve Pet Delight's problems. (6)

4.6 Elaborate on the correct procedure to deal with grievances in the workplace. (6)

[60]

QUESTION 5

BUSINESS OPERATIONS

5.1 Outline the purpose of an interview as a human resources activity. (6)

5.2 Explain the meaning of *job specification*. (4)

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

LETHABO ENTERPRISES (LE)

Lethabo Enterprises has recently employed Maria. The management of LE has introduced Maria to her supervisor and fellow colleagues. Maria was also given the opportunity to attend training sessions in order to learn the processes and procedures of the company.

5.3.1 Identify the human resources activity applicable to the scenario above. Motivate your answer by quoting from the scenario. (3)

5.3.2 Describe the placement procedure that LE should follow. (6)

5.3.3 Advise the management of LE on the aspects that must be included in the human resources activity identified in QUESTION 5.3.1. (6)

5.4 Discuss the implication of the Skills Development Act on the human resources function. (8)

5.5 Identify the business function responsible for improving the quality of performance in each statement below.

5.5.1 The management of Marula Lodge uses outdated information to make strategic decisions. (2)

5.5.2 Baba Shoe Factory bought raw materials from Bibi Suppliers who did not deliver on time. (2)

5.5.3 Zazi Manufacturers produces poor quality products. (2)

5.6 Explain how total quality management may impact on the reduction of the cost of quality. (6)

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

TSHEPO CONSTRUCTION (TC)

Tifo the director of Tshepo Construction, is worried about the quality of their products. He requested specialists from different departments to form a team. They were then requested to provide suggestions on how this problem could be solved.

5.7.1 Identify the team that is responsible for improving the quality of products in the workplace. (2)

5.7.2 Discuss the importance of the team identified in QUESTION 5.7.1 in improving the quality of products. (7)

5.8 Advise businesses on how they can apply the PDCA model / cycle to improve the quality of their products. (6)

[60]

QUESTION 6

MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

6.1 Outline any SEVEN provisions of the Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997). (7)

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

GERT ALARM SYSTEMS (GAS)

GAS specialises in the installation of CCTV and alarm systems. GAS has employed Mpho who is a qualified technician. They also have sufficient resources to buy the latest equipment. Kate, the new employee is not experienced in handling appointments for new installations. Currently the business is using an outdated testing machine which does not record information accurately.

There is a demand for the services of GAS in a newly-developed residential area. GAS is operating in a high crime area. A new competitor is planning to move into the area. GAS tendered for the contract to install alarm systems in the new hotel.

6.2.1 Compile a SWOT analysis for GAS. (4)

6.2.2 Suggest ONE strategy to overcome each weakness and threat identified in QUESTION 6.2.1. (4)

BUSINESS VENTURES

6.3 Name THREE types of shares. (3)

6.4 Explain the meaning of the following concepts:

6.4.1 *Indemnity* (2)

6.4.2 *Retirement annuity* (2)

6.5 Advise a presenter on how she / he can improve on the next presentation. (8)

BUSINESS ROLES

6.6 Discuss the negative impact of Corporate Social Investment on communities. (8)

6.7 Suggest ways in which businesses can create an environment that promotes creative thinking in the workplace. (6)

BUSINESS OPERATIONS

6.8 Define the term *employment contract*. (2)

6.9 Mention FIVE examples of fringe benefits. (5)

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

HOUSE & HOME DECOR (HHD)

HHD specialises in interior design. They are looking for a graphic designer. They have advertised the vacant post in the newspaper.

6.10.1 Identify the type of recruitment used by HHD. Motivate your answer by quoting from the scenario. (3)

6.10.2 Advise HHD on the positive impact of using the type of recruitment identified in QUESTION 6.10.1. (6)

[60]

TOTAL SECTION B: 180

SECTION C

Answer any TWO questions from 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 ENVIRONMENT (LEGISLATION)

> The relationship between employers and employees is guided by the Labour Relations Act (LRA), 1995 (Act 66 of 1995). Businesses who do not comply with the Act may face penalties.

Provide a detailed report on the following aspects of the Labour Relations Act:

- Outline the rights of the employer and the employee according to the LRA.
- Discuss the purpose of the Labour Relations Act.
- Evaluate the impact of this Act on businesses.
- Recommend ways in which businesses can comply with the LRA. **[40]**

QUESTION 8

BUSINESS VENTURES (FORMS OF OWNERSHIP AND LEADERSHIP)

> Mpho and Andrew are pharmacists who want to open a new pharmacy in Benoni. They must choose between a partnership and a private company. They agreed to use the democratic leadership style in the new pharmacy.

Advise Mpho and Andrew on the following aspects:

- Differentiate between a partnership and a private company.
- Explain how the following criteria can contribute to the success and / or failure of a partnership.

  - Capacity
  - Management
  - Capital

- Discuss the role of personal attitude in successful leadership.
- Advise Mpho and Andrew on situations in which they can use the democratic leadership style in the business. **[40]**

QUESTION 9

BUSINESS ROLES (DIVERSITY AND ENVIRONMENTAL ISSUES)

Businesses are expected to employ people from diverse backgrounds and those who do not have a diverse workforce always receive negative reports from the media. These reports often focus on the management of diversity and safety measures in the workplace. Some businesses have appointed health and safety representatives to ensure that safety measures are implemented in the workplace.

Write an essay on the following aspects:

- Discuss the benefits of diversity in the workplace.
- Explain the role of health and safety representatives in the workplace.
- Advise the business on how they should deal with the following diversity issues:

    - Gender
    - Language
    - Age

- Recommend ways in which businesses can protect the environment and human health. **[40]**

QUESTION 10

BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)

INZO SHOE MANUFACTURER LTD (ISM)

Inzo Shoe Manufacturer is a large company selling shoes to small shoe retailers. ISM has realised the importance of all business functions to take responsibility regarding the effective implementation of total quality management (TQM). This will enable them to improve the quality of their products.

As quality assurer, write an essay on the following aspects:

- Distinguish between quality *performance* and *quality management*.
- Discuss the impact of the following elements of (TQM) on large business:
  - Total client / customer satisfaction
  - Continuous improvement to processes and systems
- Elaborate on the impact on the business if TQM is poorly implemented.
- Suggest the quality indicators for the following business functions:
  - Financial
  - Marketing

[40]

TOTAL SECTION C: 80

TOTAL: 300

END