WESTERN CAPE
EDUCATION DEPARTMENT

GRADE 12

BUSINESS STUDIES

PREPARATORY EXAMINATION
PAPER 1
2022

MARKS: 150

TIME: 2 HOURS

This question paper consists of 9 pages.

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** for all the candidates.

   SECTION B: Consists of THREE questions.
   Answer any TWO of the three questions in this section.

   SECTION C: Consists of TWO questions.
   Answer ONE of the two questions in this section.

2. Read the instructions for each question and take careful note of what is required. Note that only the first TWO questions in SECTION B and the FIRST question 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 incorrectly numbered answers.

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 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 of questions **COMPULSORY**	**1**	30	20
B: THREE direct / indirect types of questions CHOICE: **Answer any TWO**	**2**	40	35
	3	40	35
	4	40	35
C: TWO essay type questions CHOICE: **Answer any ONE.**	**5**	40	30
	6	40	30
TOTAL		**150**	**120 minutes**

7. Start the answer to EACH question on a NEW page, for example QUESTION 1 - new page, QUESTION 2 - new page

8. You may use a non-programmable calculator.

9. Write neatly and legibly.

10. Use a BLUE / BLACK pen.

SECTION A - COMPULSORY

QUESTION 1

1.1 Various options are given 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 A/An … agreement includes practical work experience that can lead to a recognised occupational qualification.

A. human resource development strategy
B. internship
C. learnership
D. national skills development strategy

1.1.2 Dolby Ltd adds new products that are unrelated to existing products which may appeal to new groups of customers. This strategy is known as … diversification.

A. concentric
B. conglomerate
C. divestiture
D. horizontal

1.1.3 Pearson Finance (Pty)Ltd operates in the … sector as they specialise in offering financial services.

A. informal
B. primary
C. secondary
D. tertiary

1.1.4 Bergsig Construction uses modern production technology to ensure their products are in line with the latest innovations. It is an example of … as an TQM element

A. continuous skills development
B. adequate financing and capacity
C. monitoring and evaluation of quality processes
D. continuous improvement of processes and systems

1.1.5 The purpose of an interview is to…

A. evaluate the skills and personal characteristics of the applicant
B. avoid asking of discriminative type of questions
C. prepare the venue for the interview
D. invite possible candidates to apply for the vacant post

(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

time-related; PESTLE; unemployment insurance; 45; internal; piecemeal; SWOT; external; 60; housing allowance

1.2.1 Workers may not work more than … hours per week.

1.2.2 Berry Fruit Farms compiled a … analysis to identify challenges that internal and external factors posed to their business.

1.2.3 Amanda is entitled to... as a compulsory benefit.

1.2.4 Steel Welding used the … salary determination method when they paid Anele according to the number of items he produced.

1.2.5 The process of obtaining potential candidates from outside the company is called... recruitment.

(5 x 2) (10)

1.3 Choose a term from COLUMN A that matches the description in COLUMN B. 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 Rights of employees	**A.** is a benefit provided by the business in addition to a salary
1.3.2 Porters Five Forces model	**B.** may form bargaining council for collective bargaining purposes
1.3.3 Screening	**C.** refers to the ability of a product/service to satisfy the needs of consumers
1.3.4 Fringe benefit	**D.** allows businesses to analyse the challenges in the macro-environment
1.3.5 Quality	**E.** attempts to invite candidates to attend the interview
	F. refers to the control carried out during and after the production process
	G. may refer unresolved workplace disputes to the CCMA
	H. is a mandatory benefit required by law.
	I. allows businesses to analyse their position in the market
	J. attempts to eliminate unsuitable applicants

(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 you select. 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 rights of consumers in terms of the NCA. (4)

2.2 Outline how SETAs are funded. (4)

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

MAMELA STATIONERS (MS)

Mamela Stationers specialises in selling stationery. MS decided to merge with Mandla Bookstores in East London. that also sells stationery, to expand their business and to increase market share.

2.3.1 Identify the type of integration strategy used by Mamela Stationers in the scenario above. (2)

2.3.2 Explain the advantages of diversification strategies. (4)

2.4 Discuss the strategic management process. (6)

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

PAPER FACTORY (PF)

Paper Factory is a large paper manufacturing business that employs many employees. They refused to accept a valid medical certificate of a sick worker.

2.5.1 Identify the Act that is being violated by PF in the scenario above. (2)

2.5.2 Discuss other actions that may be considered non-compliance with the Act identified in QUESTION 2.5.1 (4)

2.6 Explain how the following PESTLE elements/factors may pose challenges to businesses:

2.6.1 Environmental (4)

2.6.2 Technological (4)

2.7 Recommend practical ways in which businesses may comply with the Employment Equity Act, (EEA) 1998 (Act 55 of 1998). (6)

[40]

QUESTION 3: BUSINESS OPERATIONS

3.1 Name any TWO sources of internal recruitment. (2)

3.2 Outline the quality indicators of the marketing function. (4)

3.3 Define placement as a human resources activity. (4)

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

GEORGE NURSERY (GN)

George Nursery (GN) expanded by starting a coffee shop as part of the nursery. The human resources department has identified a positio for an administrative assistant. The position will be advertised in the local newspaper to recruit suitable applicants.

3.4.1 Quote TWO steps of the recruitment procedure from the scenario above. (2)

3.4.2 Explain the role of the interviewee/applicant during the interview. (6)

3.5 Discuss the impact of internal recruitment on businesses. (6)

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

ANCHOR MANUFACTURERS (AM)

A number of regular customers of Anchor Manufacturers (AV) cancelled their orders because they claim that they no longer receive high quality products. In response, a group of AV employees made suggestions to management about how and what should be done to improve the quality processes and systems. AV must assess and determine whether the changes are working and if everything are going according to plan.

3.6.1 Identify TWO steps of the PDCA-model that Anchor Manufacturers applied. Motivate your answers by quoting from the scenario above. (6)
Use the table below as a GUIDE to answer QUESTION 3.6.1.

PDCA STEPS	MOTIVATION
1.	
2.	

3.6.2 Explain the importance of quality circles as part of the continuous improvement of processes and systems in a business. (4)

3.7 Advise businesses on the impact of TQM if it is poorly implemented. (6)

[40]

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 Name any TWO types of intensive strategies. (2)

4.2 Identify the force of Porter's Five Forces model that applies to Bobby's Barbershop in EACH statement below:

4.2.1 A new barbershop, Billy's Barbershop Boutique, offering services at lower prices than Bobby's Hairdresser. opened.

4.2.2 Bobby's Barbershop only needed a small amount of capital to start with business. (4)

4.3 List TWO business environments and state the extent of control that businesses have over EACH environment. (4)
Use the table below as a GUIDE to answer QUESTION 4.3.

BUSINESS ENVIRONMENTS	EXTENT OF CONTROL
1.	
2.	

4.4 Discuss TWO types of defensive strategies. (6)

4.5 Advise businesses on the consequences for non-compliance with COIDA. (4)

BUSINESS OPERATIONS

4.6 Name any TWO aspects of an employment contract. (2)

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

BIG BANG TRADERS (BBT)

Big Bang Traders has hired two new employees. The employees must complete an induction program of 10 days. The management took the employees on a tour of the premises. The employees were also introduced to their colleagues and supervisors.

4.7.1 Quote TWO aspects of the induction program from the scenario above. (2)

4.7.2 Discuss the benefits of induction for businesses. (6)

4.8 Explain the reasons for terminating an employment contract. (4)

4.9 Advise businesses how quality of performance can contribute to the success of the administration function. (6)

[40]

TOTAL SECTION B: [80]

SECTION C

Answer **ONE** question in this section.

NOTE: Clearly indicate the QUESTION NUMBER of each question you select. The answer to EACH question must start on a NEW page, for example 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)(amended in 2013) was introduced to overcome the challenges of Black Economic Empowerment (BEE). Businesses who do not comply with this Act will be penalised for non-compliance. Businesses must ensure that they understand the implications of the BBBEE pillars and are now compelled to comply with this Act.

Write an essay on BBBEE In which you include the following aspects:

- Outline the difference between BEE and BBBEE.
- Explain the penalties/consequences of non-compliance with BBBEE.
- Discuss the implications of FOUR revised pillars of BBBEE on businesses.
- Suggest ways in which businesses can comply with this Act.

[40]

QUESTION 6: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)

Businesses must focus on quality management and quality of performance in order to reduce the cost of quality. A good quality management system not only benefits the business, but also the workers and their customers. The advantages of a good quality management system contribute to continuous skills development and satisfied customers.

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

- Outline the differences between quality management and quality performance.
- Discuss the impact of the following TQM elements on large businesses:
  - Total client satisfaction
  - Continuous skills development
- Explain the benefits of a good quality management system.
- Suggest ways in which TQM can reduce the cost of quality.

[40]

TOTAL SECTION C: [40]

TOTAL: [150]