GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

PREPARATORY EXAMINATION

2026

10721

BUSINESS STUDIES

(PAPER 1)

BUSINESS STUDIES P1

10721E

TIME: 2 hours

MARKS: 150

10 pages

X10

P.T.O.

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 answer 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 the nature of each question to determine the length and detail of an answer.

6. Use the table below as a guide for the 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 promotes equal opportunities and fair treatment in the workplace:

A The National Credit Act (NCA), 2005 (Act 34 of 2005)
B The Skills Development Act (SDA), 1998 (Act 97 of 1998)
C The Employment Equity Act (EEA), 1998 (Act 55 of 1998)
D The Labour Relations Act (LRA), 1995 (Act 66 of 1995)

1.1.2 Home Comforts wants to sell its existing products in new markets. This type of intensive strategy is known as …

A product penetration.
B market development.
C market penetration.
D product development.

1.1.3 Vallem Retailers operates in the … sector as they distribute goods to various customers.

A secondary
B economic
C primary
D tertiary

1.1.4 The role of the interviewee during an interview is to …

A be inquisitive and show interest in the business.
B explain the purpose of the interview to the panel.
C prepare responses for possible questions.
D allocate the same amount of time to each candidate.

1.1.5 The ability of goods to satisfy a specific need is known as ...

A quality control.
B quality performance.
C quality.
D quality management.

(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.

Labour Relations; provident; weakness; piece-meal; production; threat; marketing; Employment Equity; Unemployment Insurance; time related

1.2.1 Green Leaf Groceries is facing strong competition from Jabu Groceries. This is classified as a … in the SWOT analysis.

1.2.2 The … Act allows employees the right to join a trade union of their choice.

1.2.3 Businesses are required to contribute to the … Fund as a compulsory benefit.

1.2.4 The salary determination method in which employees are paid for the number of hours spent at work is known as … pay.

1.2.5 JVC Enterprise utilises machinery and equipment optimally. This is a quality indicator of the … function.

(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	Learnership	A	candidates who meet the minimum requirements are separated from others
1.3.2	Divestiture	B	used to assign the selected candidate to the specific job
1.3.3	Screening	C	business sells all assets to pay creditors due to lack of capital
1.3.4	Employment contract	D	can be used to measure quality against the specified standards of each department
1.3.5	Quality management	E	practical training opportunity for ongoing professional development
		F	can be used for accountability within each of the business functions
		G	business sells some assets that are no longer profitable
		H	candidates who applied for a vacancy are all invited to attend the interview
		I	practical training opportunity that leads to a recognised qualification
		J	an agreement between the employer and the employee that is legally binding

(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 Name any FOUR pillars of the Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003). (4 x 1) (4)

2.2 Outline the advantages of intensive strategies. (6)

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

TECH ENTERPRISES (TE)

Tech Enterprises sells electronic accessories in different retail outlets. TE is losing customers to businesses that sell the same products at lower prices. TE is experiencing a decline in productivity due to poor management.

2.3.1 Quote TWO challenges for TE from the scenario above.

2.3.2 Classify TE's challenges according to the business environments.

2.3.3 State the extent of control that TE has over EACH business environment classified in QUESTION 2.3.2. (2)

Use the table below as a GUIDE to answer QUESTIONS 2.3.1 to 2.3.3.

CHALLENGES (2.3.1)	BUSINESS ENVIRONMENTS (2.3.2)	EXTENT OF CONTROL (2.3.3)
1.		
2.		

2.4 Explain any TWO types of diversification strategies. (6)

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

ECO WAVE MANUFACTURERS (EWM)

Sarah, an employee at Eco Wave Manufacturers, sustained serious injuries while performing her duties at work. The management of EWM is aware that they may face penalties for non-compliance with the Act.

2.5.1 Identify the Act that is applicable to the scenario above. (2)

2.5.2 Explain the penalties for non-compliance with the Act identified in QUESTION 2.5.1. (4)

2.6 Discuss the purpose of the National Credit Act (NCA), 2005 (Act 34 of 2005). (6)

2.7 Advise businesses on the role of SETAs in supporting the Skills Development Act (SDA), 1998 (Act 97 of 1998). (6)
[40]

QUESTION 3: BUSINESS OPERATIONS

3.1 Name the TWO components of job analysis. (2 x 1)

3.2 Outline the reasons for the termination of an employment contract.

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

STELLA LOGISTICS (SL)

Stella Logistics specialises in moving large quantities of goods in containers. They use fringe benefits as leverage for salary negotiations. SL pays attorneys to help them create benefit plans that comply with legislation. The offering of fringe benefits increases employee satisfaction, as they may be willing to go the extra mile.

3.3.1 Quote TWO advantages of fringe benefits that apply to SL from the scenario above. (2 x 1) (2)

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

3.4 Advise businesses on the impact of external recruitment. (6)

3.5 Elaborate on the meaning of *total quality management (TQM).* (4)

3.6 Discuss the role of quality circles as a part of continuous improvement to processes and systems. (6)

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

RUDI LIMITED (RL)
Rudi Limited specialises in the production of solar lights for businesses. RL implements total quality management (TQM) elements to ensure smooth business operations. They can afford to purchase quality raw materials and equipment to avoid faulty products. RL ensures that cross-functional teams understand their core competencies.

Identify TWO total quality management (TQM) elements applied by RL. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 3.7.

TQM ELEMENTS	MOTIVATIONS
1.	
2.	

(6)

3.8 Advise businesses on the impact of total quality management (TQM) if poorly implemented. (4 x 1) (4

[4(

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 Name any FOUR types of leave as stipulated in the Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997). (4 x 1) (4)

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

BRIGHT SUPERSTORE (BS)
Bright Superstore is a large business that observes consumer rights as outlined in the Consumer Protection Act (CPA), 2008 (Act 68 of 2008). BS allows customers to return defective goods for a full refund. They also honour credit vouchers and prepaid services.

Identify TWO consumer rights of the Consumer Protection Act that are promoted by BS. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 4.2.

CONSUMER RIGHTS	MOTIVATIONS
1.	
2.	

(6)

4.3 Explain any TWO types of defensive strategies. (6)

4.4 Advise businesses on how they could apply the power of buyers as a force of Porter's Five Forces model to analyse their position in the market environment. (4)

BUSINESS OPERATIONS

4.5 State any FOUR sources of internal recruitment. (4 x 1) (4)

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

GEZINA TRADING (GT)

Gezina Trading recently employed and inducted Latif as a senior operations manager. Latif understands the rules and restrictions in the business. GT introduced him to his supervisors and colleagues. They created opportunities for Latif to explore different departments. The management of GT is aware of the importance of training in human resources.

4.6.1 Quote TWO benefits of induction from the scenario above. (2)

4.6.2 Explain the importance of training in Human Resources. (4

4.7 Discuss the benefits of a good quality management system. (6

4.8 Advise large businesses on the advantages of monitoring and evaluation of quality processes as a total quality management (TQM) element. (4)
[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 (BUSINESS STRATEGIES)

Businesses follow the strategic management process to improve their internal operations and overall performance. In addition, they use integration strategies to remain competitive in the market. However, many businesses face challenges posed by PESTLE factors, particularly political and technological factors. Therefore, they need to develop and evaluate new strategies.

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

- Outline the strategic management process.
- Explain THREE types of integration strategies.
- Discuss how the following PESTLE factors pose challenges to businesses:
  - Political
  - Technological
- Advise businesses on the steps in strategy evaluation. **[4**

QUESTION 6: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)

Quality control and quality assurance play an important role in contributing to business success. The application of the PDCA model enables businesses to continuously improve the quality of their products. Furthermore, the quality indicators within the financial function and general management function provide an insight into an organisation's growth. Many businesses also implement total quality management (TQM) to reduce the cost of quality.

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

- Outline the differences between *quality control* and *quality assurance*.
- Explain how businesses can apply the PDCA model/steps to improve the quality of their products.
- Discuss the quality indicators of the following business functions:
  - Financial function
  - General management function
- Recommend ways in which total quality management (TQM) can reduce the cost of quality. **[40]**

TOTAL SECTION C: 40

TOTAL: 150

END