

MATRIC BUSINESS STUDIES MEMORANDUM

MARKS: 300

TIME: 3 HOURS

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions:

1. This question paper consists of THREE sections: SECTION A, SECTION B and SECTION C.
2. Consider the time allocation when answering the questions.
3. Read the instructions carefully for each question and answer only what is required.
4. Number the answers correctly according to the numbering system used in this question paper.
5. Unless other instructions are given, answers must be in full sentences.
6. The mark allocation of each question will determine the length of your answer.
7. It is in your own interest to write legibly and neatly. Neatness and systematic presentation of facts are essential.
8. **NOTE:** Start the answers to **EACH** question on a **NEW** page.

QUESTION	SECTION	MARKS	TIME
1 2 3	A: Multiple-choice questions, True/False items, Matching items COMPULSORY	40 marks	30 min
4 5 6	B: THREE questions COMPULSORY	180 marks	90 min
7 8 9 10	C: Essay questions Answer any TWO questions from this section	80 marks	60 min
	TOTAL	300 marks	180 min (3 hours)

SECTION A: COMPULSORY

QUESTION 1

- 1.1 B micro
- 1.2 B The shareholders are responsible for some of the debts of the business and also lose the amount they have invested in the business.
- 1.3 C Human Resources Department
- 1.4 A Affirmative action
- 1.5 D Contingency Approach
- 1.6 B Sponsoring an HIV/AIDS orphanage
- 1.7 C Strengths, weaknesses, opportunities and threats
- 1.8 B Entrepreneur, capital, labour and resources
- 1.9 C The employee accepts an offer of employment.
- 1.10 A Delphi
- 1.11 C Macro environment
- 1.12 A Greater output is achieved through collaboration.
- 1.13 A the Skills Development Act
- 1.14 D no
- 1.15 B whether your personal belongings can be used to settle business debts
- 1.16 B Broad-Based Black Economic Empowerment (BBBEE)
- 1.17 D SAQA
- 1.18 A fraud by employees
- 1.19 A Shares
- 1.20 C Public company

QUESTION 2

2.1 False

2.2 True

2.3 True

2.4 True

2.5 True

2.6 True

2.7 False

2.8 True

2.9 False

2.10 False (10)

QUESTION 3

3.1 G

3.2 E

3.3 B

3.4 F

3.5 H

3.6 I

3.7 J

3.8 C

3.9 A

3.10 D (10)

TOTAL SECTION A: 40

SECTION B (COMPULSORY): ANSWER ALL THREE QUESTIONS

QUESTION 4

- 4.1
- **Capital**
The large sum of money (capital) needed to run a mining company is always going to be a challenge.
 - **Selling price**
The mine must be able to sell gold at a price which both satisfies its need for profit and the market's need for affordability.
 - **Wages**
Wages must meet the needs of both the employees and the employer (the mine).
 - **Profits**
Profits must be maximised by a structure which prevents waste and improves productivity. (8)
- 4.2 Physical, political, technological, economic, social and legal (5)
- 4.3 Included in the purpose of the SDA are the following ambitions: To:
- increase the level of investment in education and training, both in and for the workplace
 - increase the supply of skills and knowledge to meet the needs of the market
 - create and develop a link between learning and the demands of the world of work
 - develop the skills and knowledge of existing workers and enable employers to become more productive and competitive
 - provide opportunities for unskilled people to gain work experience
 - assist in the redress of past discrimination of previously disadvantaged people by increasing their employment prospects through training and development (10)
- 4.4
- a) **Vision:** identifies activities that a business intends to pursue.
 - b) **Mission:** describes the business's purpose or reason for existing.
 - c) **Objectives:** the end goal towards which activities are aimed.
 - d) **Strategies:** a unified direction; implies the use of resources to achieve goals.
 - e) **Policies:** statements that guide thinking and acting in the decision-making process at different levels of management. (6)
- 4.5 **Definition:** An entrepreneur is someone who sees a need in the market and finds a way to satisfy that need. (1)

Entrepreneurship is a key factor of production. (1)

It combines the other three factors of production: (1) capital (1), labour (1) and resources (1) to produce goods and services to meet consumer needs. (1)

There are skills common to all successful entrepreneurs. They include:

- strategic skills (1)
- planning and management skills (1)
- human relation skills (1)
- financial skills (1)
- marketing skills (1)

Good strategic skills allow an entrepreneur to establish a business which satisfies a market need. These skills also allow the entrepreneur to run the business in such a way that consumers realise the value of what it has to offer. (2)

Planning and management skills involve the ability to meet the demands of all the environments involved and to minimise the effect of the challenges posed by the environments. Also included is the ability to set goals, monitor achievements and efficiently use resources. (2)

Human relation skills enable the entrepreneur to interact effectively with both employees and customers/clients. (2)

Financial skills ensure that the business the entrepreneur creates will be run efficiently with both income and expenditure managed well. In addition, financial skills also include the ability to assess investments in terms of risk and potential. (2)

Marketing skills are essential if the entrepreneur is to promote the goods or services the business offers. If no one knows about the value the business can add, the business will fail. (2)

(22)

4.6 Socio-economic issues are issues in society that have an impact on the economy – mostly negative.

- Examples: Poverty; unemployment; HIV/AIDS; piracy; drug abuse; abuse of women and children; and lack of skills and training. (3)

4.7 Possible solutions to unemployment:

- Adult literacy programmes – people unable to read and write struggle to find formal employment.
- Entrepreneurship programmes – an economy with more successful entrepreneurs will have more work available.
- Municipalities can start job creation projects – through job creation, unemployment decreases and skills development can increase.
- Treatment should be available to sick employees, especially with regard to ARVs and TB treatment – sick people cannot work as easily as healthy ones. (6)

TOTAL: 60

QUESTION 5

- 5.1 The advertisement states that they require an employment equity person which means it is an affirmative action position. (2)
- 5.2 A BCom degree and certified financial planning (2)
- 5.3
- Computer literacy in all Office programs – the ability to use a computer since this is essential in a workplace nowadays.
 - Excellent verbal and written communications skills – the employee will need to be able to communicate with a variety of clients.
 - Sound judgment and problem-solving capabilities – not all clients will have straight-forward requirements and each will need to be addressed uniquely.
 - Strong client service orientation – any business with clients needs staff that will treat them well at all times.
 - Confidentiality is essential – the employee will have access to confidential financial information about famous people. It is essential that the clients know that their information is safe.
 - The ability to work both in a team and alone when required – as an advisor the employee would need to work alone, but teamwork would be required for the developing and managing of the team. (6)
- 5.4 The employment process must include the following steps:
- Received CVs must be studied. Any applicants who do not meet the initial basic requirements as laid out in the advertisement can be immediately rejected on these grounds.
 - Candidates must be interviewed.
 - A shortlist is created after all the interviews of two or three of the best candidates.
 - The candidates on the shortlist are interviewed again and may be required to complete competency tests in the relevant areas.
 - These test results are then analysed.
 - A candidate is selected and the unsuccessful applicants are informed.
 - The background and reference check on the selected candidate is carried out with permission from the candidate.
 - The results of the background check determine the next step. If the results are favourable, the candidate is offered the job. If the results are not favourable, the process must be repeated. (16)
- 5.5 The explanation should include the following information:
- The Employment Equity Act was passed to prevent unfair discrimination on the basis of race, religion, sex, gender, colour, disability, etc. (2)
 - To address previous imbalances, every employer must promote, and be seen to promote, equal opportunity in the workplace. (1)
 - All businesses are required to ensure that their workforce is representative of all races, and to represent other previously disadvantaged people. (2)

- If a business is not representative, it is essential, and a legal requirement, that it creates and then implements a plan to appoint people to new positions giving preference to previously disadvantaged people. This will ensure compliance with the Employment Equity Act in future. (3)

(8)

5.6 The answer provided could include the following information:

Jack disclosed confidential information when he was in a position that requires confidentiality. (1) This is unprofessional behaviour (1) because the position he is in and his professional training (1) allowed him access to this information. (1)

Jack's racist comments are unethical and contrary to the Constitution. (1) Racist comments and remarks are both illegal and unethical (1) and his using of the company email to disseminate such comments is unprofessional. (1)

Jack could be dismissed for either offence. (1)

The disclosing of confidential information could affect more people than just Jack. The business could suffer as clients ceased to trust the process (1) and the employees (1). In addition, the racist comments could cause other employees to resign. (1) If clients found out about the racism they too may decide to take their business elsewhere. (1)

(12)

5.7 Inclusivity means that nobody may be discriminated against. (1) This definition includes the necessity for all employees to be treated fairly at all times. (1) Also included is the fact that employment must be accessible to all people: (1) both previously disadvantaged and disabled. (1)

(4)

5.8 It is compulsory (1) for all businesses to take out unemployment insurance (1) for all staff members (1). This insurance ensures that employees have a limited income (1) if they lose their job (1) for some reason. (1). The total cost of unemployment insurance is 2% (1) of the employees' salary. (1) This can be paid entirely by the employer (1) or half can be paid by the employer and half by the employee. (1)

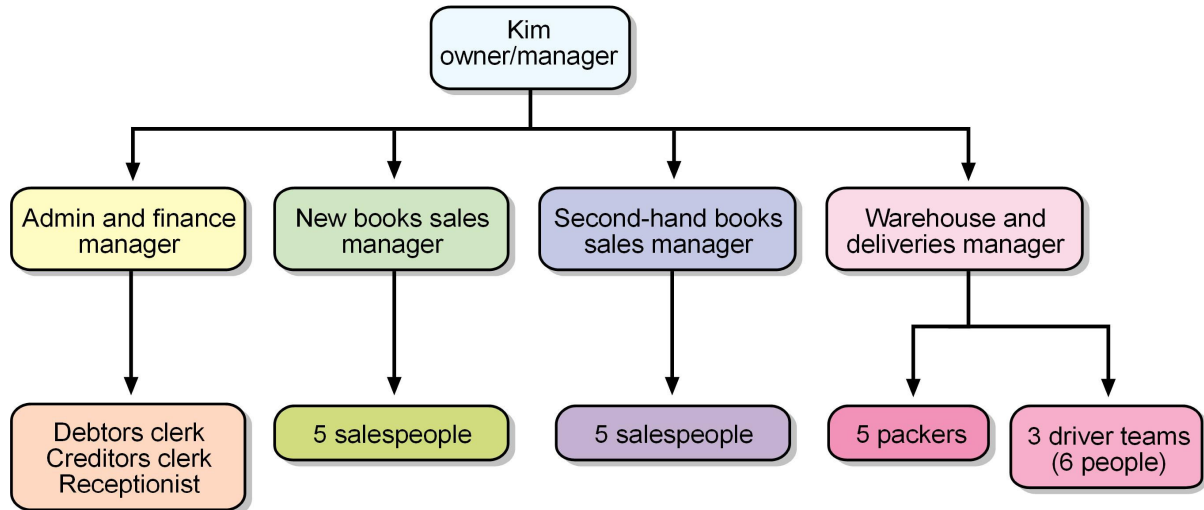
(10)

TOTAL: 60

QUESTION 6

6.1 An organogram of the business should resemble the one below:

Organogram / organisation structure



6.2 Completed table:

Characteristic	Partnership	Close corporation
Ownership	2-20 members called partners	1-10 members called members
Legal personality	Not a legal person	Is a legal person
Autonomy	None	Yes
Continuity	Lacks continuity	Has continuity
Formation	Can be formed orally or in writing. If it is done in writing, a Partnership Agreement must be signed.	Must sign a Founding Statement . Must wait for a certificate of Incorporation.
Taxation	Personal capacity	Business pays tax on its profits
Adaptability to change	Good	Fair

(14)

- 6.3
- a) The Skills Development Act
 - b) The Employment Equity Act
 - c) The Skills Development Act

(3)

6.4 Professionalism is a way of conducting oneself that includes the following:

Respect for others (1)

Courtesy and respect for others are fundamental elements of professional behaviour. A professional strives to understand the differences among classmates and colleagues, provides fair constructive feedback when asked to evaluate others, contributes equitably in group work, is punctual and avoids disrupting the learning and work environment. Professionals respect others' expectations of confidentiality and privacy. (2)

Commitment to quality (1)

A professional aims for the highest possible standards of performance and endeavours to produce work in which he or she can take true pride. (2)

Responsibility (1)

A professional takes responsibility for his or her own progress by being prepared for classes, labs, meetings and other activities. A professional also takes responsibility for his or her actions with care for consequences that might evolve and for how such actions will affect the others. (2)

Personal integrity (1)

Professionalism is reflected by the extent to which others can rely upon you. A professional can be counted on to follow through on commitments, avoid conflicts of interest and bias and adhere to the rules of society or organisations with which they are involved, such as the university. (2)

(12)

6.5 Strike management

Managers should be prepared for and know how to deal with strike action. They should also know what to do after a strike has taken place. (1) Strike management consists of a number of phases, namely:

Phase 1: Be prepared – plan and organise before the strike (1)

Managers should have a plan that minimises the effect of a strike (1) and encourages workers to return to work as soon as possible. (1) A contingency plan should be in place if all work stops (1), or if a union calls for a strike. A committee could be appointed to handle strike action and follow through on the contingency plan. (1)

Phase 2: Manage the strike

In the event of a strike, management's aim should be to:

- restore order and get workers back to work as soon as possible (1)
- protect people and property so that financial and emotional losses are minimised (1)
- identify the immediate cause of the strike and find solutions (1)
- deal with conflict situations and establish healthy labour relations (1)
- be in a better position to handle matters should a similar situation occur (1)

(11)

6.6 Causes of conflict (Any five)

Cause	Description
Personal differences	Differing worldviews, cultures and customs can lead to conflict.
Life experiences	The life experiences individuals have had form their worldview and opinions. They may also cause individuals to have preconceived opinions and stereotyping tendencies. When these ideas clash with the ideas of others in the work place, conflict may arise.
Poor communication skills	It is important that all employees of a business communicate well – both with each other and with clients/customers. When poor communication occurs, misunderstanding and frustration often follow. This easily leads to conflict.
Pursuing common objectives	When more than one person aims for the same outcome, one has to succeed and the others fail. This may lead to conflict if the process is not transparent as the ‘losers’ may feel that the process was not fair.
Competing for scarce resources	Whenever demand exceeds supply, conflict is a possibility. This demand and supply may refer to something as benign as time at the photocopier.
Uncertainty about responsibilities	Together with uncertainty regarding responsibility often comes a lack of clear guidelines. When there is no clear indication of who is responsible for what, conflict between staff members is likely.

(10)

TOTAL: 60

TOTAL SECTION B: 180

SECTION C: ANSWER ANY TWO QUESTIONS

QUESTION 7

Indigenous Wood Incorporated

VISION STATEMENT: To have a healthy, productive and skilled workforce

OBJECTIVE: To reduce the effect of HIV/AIDS on employees and the business

SWOT ANALYSIS

Strengths: • Motivated, enthusiastic workers • Excellent products	Weaknesses: • No counselling and support for workers • Small HR Department
Opportunities : • Unskilled workers are enthusiastic and would therefore probably be open to further training • Employees can be educated about HIV/AIDS • Counselling and support can be offered as there clearly is a need • Through training, education and support • The attitudes of employees and the community towards HIV and AIDS can be vastly improved	Threats: • Loss of skilled labour due to HIV and AIDS • Dropping in morale of staff as their colleagues get sick and then leave or die • A sense of helplessness in the face of the epidemic • Reaction of consumers • Cost of increasing Human Resources Department

STRATEGIC PLAN

Goal:

HIV and AIDS awareness and education

Strategy:

To offer non-threatening HIV/AIDS training to all staff members

Training must be suitable to the level of literacy and language of the staff – one size training does not fit all

Action Plan:

- Source a good training course.
- Engage a facilitator that will most probably appeal to the staff.
- Offer the training course more than once and at times that will suit employees. If necessary, run the course during working hours but do not penalise workers for a reduction in productivity.
- Provide reading material in the employee's own language. If the staff speaks a single indigenous language, provide some of the training in that language too.

Going forward:

- Human Resources Department to source suitable training course and facilitator and to present both at the next meeting
- Human Resources Department to source indigenous language training material and to present it at the next meeting
- Hours suitable for training to take place to be discussed and decided upon between human resources manager and operations manager

HIV testing and counselling including ARV possibilities

Strategy:

To offer voluntary testing HIV and counselling

To explore the possibilities available regarding ARV supply

Action Plan:

- Approach the Medical Aid used by the company with regard to a wellness day including voluntary HIV testing.
- Research cost and social responsibility implications in implementing an ARV programme.
- Increase Human Resources department capacity to include counselling and support roles for employees.

Going forward:

- Human Resources Department to approach medical aid
- Human Resources Department to research ARVs and present findings at the next meeting
- Outside consultant to be sourced to assess Human Resources Department's additional staff and/or training requirements (General Manager to manage this process)

Training of employees

Strategy:

To increase skills levels of employees across the board

Action Plan:

- Operations Manager to indicate areas in which up-skilling would be beneficial to the business
- Operations Manager and Human Resources Department to identify employees suitable for first round of skills development training

Going forward:

- Once both the areas and the employees suitable for skills development are identified, training courses must be sourced and staff trained.

QUESTION 8

The following must be included in the flyer:

Entrepreneurial qualities and skills

Qualities: Creativity, risk taker, ability to see opportunities, hard workers, desire to turn a possibility and vision into a reality.

Skills: Ability to strategise, ability to plan and run a project, people skills and a genuine liking for people, basic financial skills. Most importantly – the skill to know when you are not able to do something and to get someone else to do it for you.

Presentation of the business

The following are important factors to consider when you are creating a business presentation:

Language: Spelling and grammar must be correct throughout.

Company specific information: Use of titles must be correct and not ostentatious; a suitable and memorable company logo should be included on all pages of a presentation.

The presentation of information in an accessible way: This includes the use of graphs, tables, bulleted lists and colour.

Overall effect: Every presentation should be neat and accurate.

Forms of ownership

These three are suitable:

Sole trader, partnership and CC (The learner should discuss at least two of these.)

The following are affected:

Capital; management; legal personality; autonomy; continuity; liability; formation; taxation; adaptability; name

(40)

QUESTION 9

The aims of the Skills Development Act No. 97 are to:

- develop the skills of the South African workforce
- increase the levels of investment in education and training in the labour market and to improve the return on that investment
- encourage employers to:
 - use the workplace as an active learning environment
 - provide employees with the opportunities to acquire new skills
 - provide opportunities for new entrants to the labour market to gain work experience
 - employ persons who find it difficult to be employed
- encourage workers to participate in learnership and other training programmes
- improve the employment prospects of persons previously disadvantaged by unfair discrimination and to redress those disadvantages through training and education
- ensure the quality of education and training in and for the workplace
- assist:
 - jobseekers to find work
 - retrenched workers to re-enter the labour market

- employers to find qualified employees
- provide and regulate employment services

Methods of achievement of the goals:

The goals of the Act can be achieved only if:

- all institutions involved in training work together, which include the National Skills Authority; the National Skills Fund; the Skills Development Levies Act; SETAs; labour centres; and the Skills Development Planning Unit (The learner only needs to mention two or three.)
- partnerships occur between the public and private sectors of the economy to provide education and training in and for the workplace
- all training is valuable, appropriate and SAQA accredited

Purpose of SETAs

- SETAs were established as implementing agencies of the skills development strategies and to replace the industry training boards.

The roles of SETAs are to:

- develop an appropriate skills plan for the sector
- implement the plan
- develop and administer learnerships
- support the implementation of the National Qualifications Framework
- ensure that training provided is of the correct quality (To this end they accredit and monitor education and training providers.)
- distribute the funds to the National Skills Fund and various SETAs
- report to the minister and SAQA

(40)

QUESTION 10

Corporate Social Responsibility (CSR) is the commitment to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community at large.

Some internal and external examples:

Areas	Internal social responsibility	External social responsibility
Housing	Housing projects for employees; assistance with securing home loans; where applicable – housing allowances paid	General and community housing projects; post disaster assistance offered; donations made to housing projects
Health	Workplace HIV/AIDS awareness programmes; ARVs provided or subsidised; voluntary testing and	Supporting community health programmes and clinics; subsidising ARVs, VTC and clinic

	counselling available; gym memberships subsidised for staff; meals provided	visits; soup kitchens and school meals subsidised or provided; sponsor the construction of vegetable gardens
Education and training	In-house training; bursaries; ABET programmes; crèche facilities for employees; school fees subsidised; school stationery, etc. provided for employees' children	Sponsor skills development of unemployed people; provide bursaries to underprivileged; involvement in local schools
Environment	Implement recycling projects at the workplace; education and training of staff members; reward recycling endeavours	Sponsor conservation programmes; be involved in planting schemes; subsidise the construction of indigenous plant areas in the community

Key elements/Areas of social responsibility:

- Affirmative action and the redressing of previous imbalances.
- Arts, culture and sport – Many communities do not even have an infrastructure of this nature in place. Initiatives in this area often revolve around the construction and maintenance of such infrastructures.
- Community and local economic development – Initiatives in this area should seek to improve the quality of life of the employees, their families and the host community at large. In addition, the interventions should serve as a foundation for broadening the base for economic development in the community.
- Education and training – These initiatives could provide supplementary classes to learners; upgrade educators' skills in areas of need and upgrade the local teaching infrastructure. In addition, a business may provide transport to local learners to and from school.
- Environmental conservation – Initiatives in this area must enable the business to coexist with the community with no detrimental effect on either.
- Health and welfare – Initiatives in this area would include any assistance offered to any clinics and other healthcare providers.
- Housing – In many local communities, low-cost housing development and sustainable human settlements are a need being addressed by CSR initiatives.
- Job creation – Initiatives in this area would be designed to create, develop and support small businesses that would in turn create jobs and stimulate the local economy. This would include the support of new entrepreneurs.
- Poverty alleviation – These initiatives would run closely with those developing the local economy.
- Rural development – See poverty alleviation. Any rural development initiatives would have to be sustainable.

Challenges faced by businesses:

- Red tape caused by legislative requirements. It is often difficult for businesses to get both the go-ahead for projects as well as the required assessment of them.
- Expenses – Many businesses are struggling financially and the added cost of social responsibility projects adds extra strain.
- Assessment – It is often difficult to measure the success of a community project. Many influences may have an effect on the result of a project. This difficulty poses challenges for the justification of the spending as well as the governmental acknowledgement of the involvement of the business.
- Implementation and monitoring – Once a project has been decided upon and financed, the actual implementation of the project can pose new challenges. Staff members are often too busy to have spare time to address non-essential projects and the business may not be able to allocate a staff member solely to implement and monitor the CSR projects.

Implications for the business:

- Enhanced business image – A business seen as contributing to the local community will experience loyalty from that community.
- Capacity-building through training – A business with well-trained staff has a greater capacity to grow.
- Lower staff turnover – Happy staff members are less likely to leave. A lower staff turnover means lower costs of staff replacement.
- Higher employee productivity – This benefit is a spin-off of having a lower staff turnover.
- Involvement in chosen projects – A business can select which projects to support. The projects selected are usually those close to the heart of either the business or the shareholders.
- Improving health of the workers who live in the community – In the time of HIV and AIDS, this can have a huge effect on the staff costs for a business.

Implications for communities:

- Job creation – Sustainable jobs created in a community will always have a positive effect on the community as a whole.
- Poverty alleviation – This results in more money available, which results in more buying power, which in turn results in more money being circulated. Poverty alleviation is an aspect of CSR that has the longest reach.
- Improved health services – A healthy community means a more employable community, which in turn means a more wealthy community.
- Education – An educated community has so many more opportunities for self-improvement than an uneducated one.

(40)