education

Department:
Education
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES

EXEMPLAR 2008

MARKS: 300

TIME: 3 hours

This question paper consists of 14 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of THREE sections and covers all learning outcomes:

   SECTION A: COMPULSORY
   SECTION B: Consists of THREE COMPULSORY questions.
   SECTION C: Consists of FOUR questions.
   Answer any TWO of the four questions in this section.

2. Consider the time allocation for each question when answering the questions.

3. Read the instructions for each question carefully and answer only what is required.

4. Number the answers correctly according to the numbering system used in this question paper.

5. Except where other instructions are given, answers must be written in full sentences.

6. Use the mark allocation and the nature of each question to determine the length of an answer.

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

8. NOTE: Start the answer to EACH question on a NEW page, for example: QUESTION 1 – new page, QUESTION 2 – new page, et cetera.

QUESTION	SECTION	MARKS	TIME
1	**A: Multiple-choice Questions, True/false Items, Matching Items COMPULSORY**	**40**	**30 min.**
2	**B: THREE questions COMPULSORY**	**60**	**30 min.**
3		**60**	**30 min.**
4		**60**	**30 min.**
5	**C: Essay questions Answer any TWO of the four questions.**	**40**	**30 min.**
6		**40**	**30 min.**
7		**40**	**30 min.**
8		**40**	**30 min.**
	TOTAL	**300**	**180 min.**

SECTION A (COMPUSORY)

QUESTION 1

1.1 Four possible options are provided as 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 B.

1.1.1 Which ONE of the following statements regarding creativity is TRUE?

A Only intelligent people are creative.
B Knowledge does not assist creativity.
C Creativity is an innate ability that can be learnt.
D Only artistic people are creative.

1.1.2 This legislation ensures that qualified people from designated groups have equal opportunities in the workplace:

A Affirmative action
B Unemployment Insurance Act
C Skills Development Act
D Black Empowerment Act

1.1.3 Which ONE of the following is an example of a social responsibility programme implemented by a business?

A Increase in manager's salary
B Sponsoring an HIV/Aids orphanage
C Increasing profits
D Discounting the prices of its products

1.1.4 This form of investment carries the highest risk:

A Shares
B Property
C Unit trusts
D Fixed deposit

1.1.5 One of the significant advantages for a business enterprise of making use of work teams (team-work) is that …

A greater output through collaboration is attained.
B it is time-consuming.
C technology is a requirement to succeed.
D it encourages individualism.

1.1.6 This form of ownership stipulates a minimum of seven members:

A Close corporation
B Partnership
C Public company
D Private company

1.1.7 Which ONE of the following could be regarded as unprofessional and unethical behaviour?

A Increasing prices in line with competitors
B Selling second-hand goods for new
C Finding a substitute for the competitor's product
D Employing unskilled workers

1.1.8 Who is most likely to offer learnerships in insurance?

A Industrial Development Corporation (IDC)
B South African Reserve Bank (SARB)
C Manpower Commission
D Sector Education and Training (SETA)

1.1.9 The South African government introduced this Act in 2003 as a method of growing the country's economy, eradicating poverty, creating jobs and enforcing the concept of transformation in the workplace:

A Industry Charter
B Broad-Based Black Economic Empowerment (BBBEE)
C National Credit Act
D BBBEE Codes of Good Practice

1.1.10 Disciplinary rules and procedures form part of the … contract.

A insurance
B leasing
C hire-purchase
D employment (10 x 2) (20)

1.2 Choose a term from COLUMN B that matches a description in COLUMN A. Write only the letter (A – F) next to the question number (1.2.1 – 1.2.5) in the ANSWER BOOK, for example 1.2.6 G.

COLUMN A	COLUMN B
1.2.1 Trade unions and employer organisations working together to resolve conflicts	A strategy
1.2.2 A process of planning, organising, leading and controlling the resources to achieve the goals of the organisation	B workplace forum
1.2.3 A logical way to end conflict because the mediation process has deadlocked	C management
1.2.4 Formed by representatives of workers in the workplace with the aim of giving input in management decisions	D productivity
1.2.5 Plan of action to achieve a goal	E dispute resolution
	F arbitration

(5 x 2) (10)

1.3 Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'true' or 'false' next to the question number (1.3.1 – 1.3.5) in the ANSWER BOOK.

1.3.1 Reading newspapers and business journals informs business people about the business environment.

1.3.2 According to the Black Economic Empowerment (BEE) policy, a black women-owned company is formed when 25,1% of the business is owned and managed by black women.

1.3.3 A curriculum vitae (CV) is essentially the most important personnel marketing tool for employment in the business world.

1.3.4 The recruitment and selection of human resources can be outsourced by a business enterprise.

1.3.5 Increasing production within a business organisation is an advantage to competitors. (5 x 2) (10)

TOTAL SECTION A: 40

SECTION B (COMPUSORY)

QUESTION 2

2.1 Read the case study below and answer the questions that follow.

New Township Salon

Thandiwe Ntombela opened the New Age Hair Salon in Bisho in 2003. She provided employment for five staff members who travelled from the local township, which is 50 kilometres from work. They worked long hours. They started work at 08:00 and finished at 19:30, seven days a week.

Thandiwe was not well-equipped because she was making use of old and slow hairdressing equipment in her salon. On 1 July 2007 Thandiwe bought new hairdressing equipment and a computer to use as a database for clients. This was financed through a loan of R40 000 from ABSA Bank at 17,5% p.a. interest, linked to the prime interest rate of the South African Reserve Bank (SARB).

This salon experienced difficulties relating to staff issues and crime. Mariam, an employee for three years, applied for maternity leave and needed her Unemployment Insurance Card. She found out later that she was not registered because she had been employed as a casual worker.

There were armed robberies at Thandiwe's premises on two occasions where her staff were held up and all the cash from the till was taken.

During October 2007 the Governor of the SARB announced an increase of 1% in the prime interest rate.

Thandiwe was still excited about her plans for the business for the future. She wanted to explore the possibility of opening a branch in the neighbourhood.

2.1.1 Explain the term *prime interest rate*. (2)

2.1.2 Calculate the interest that will have accrued on the loan on 31 December 2007. (3)

2.1.3 The prime interest rate has increased by 1% to 18,5%. What strategic options does Thandiwe have with regard to this increase in the interest rate? Explain. (4)

2.1.4 Describe the impact of crime on businesses and state measures that can help reduce crime. (4)

2.1.5 State the provision regarding maternity leave in the Unemployment Insurance Fund (UIF). (2)

2.1.6 How would it affect Mariam (refer to QUESTION 2.1.5) as the employee and Thandiwe as the employer of the New Age Hair Salon? Motivate your answer. (6)

2.2 List any THREE stages involved in developing strategy. (3)

2.3 The following refers to specific business operations. They describe particular business sectors. For EACH identify the business sector and explain the reason for your answer.

2.3.1 Canning factory processing jam from peaches

2.3.2 Hotels offering accommodation to tourists (8)

2.4 Corporate social responsibility has become part of big business in South Africa since 1990 when apartheid was abolished. This was as a result of initiatives by the United Nations that put pressure on business to rectify social injustice and alleviate poverty.

2.4.1 Describe how corporate social responsibility benefits business and the community. (10)

2.4.2 Briefly explain, using examples, TWO social responsibility programmes which are supported by businesses in your community. (6)

2.5 Explain the purpose of the Skills Development Act, 1998 (Act 97 of 1998) and comment on the progress of this Act in industry. (12)
[60]

QUESTION 3

3.1 Discuss the impact of the following issues on either the success or the failure of a partnership and a company:

3.1.1 Taxation

3.1.2 Management (12)

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3.2 Read the case study below and answer the question that follows.

Themba's Clothing Boutique

Themba Nkosi established his business in 1990. His capital consisted mainly of money saved since he started working as a salesman for a clothing factory. He worked for nine years before being promoted to the position of marketing manager. In that post he acquired vast experience in planning, controlling and organising all marketing activities.

He resigned from the clothing factory because he felt that he had acquired enough experience to start and manage his own business in the manufacturing and selling of clothing.

Themba arranges regular meetings with the staff in order to ascertain whether there are any constraints in the workplace, and invites recommendations for solutions. He keeps the staff informed of business performance and achievements through an internal newsletter.

In addition to buying and selling stock from clothing factories, he also designs and manufactures certain lines of clothing as per request from special customers. Themba imports new fabrics from China and manufactures clothing that is targeted at the lower income groups.

He spends long hours ensuring that every business function operates effectively and smoothly. There are challenges from new businesses, flea markets and street vendors who sell similar lines of clothing; however, Themba perseveres with his business.

He was nominated for the Businessman of the Year Award recently.

Analyse THREE entrepreneurial qualities of Themba's Clothing Boutique.
Use the information in the case study to support your answer. (12)

3.3 Classify each of the following descriptions under COMPULSORY INSURANCE or NON-COMPULSORY INSURANCE. Write the appropriate category next to the question number and give a reason for your answer.

EXAMPLE:
Shoplifting – Non-compulsory insurance
Reason: The owner reserves the right to absorb the risk.

3.3.1 Safety of passengers travelling in a taxi on a public road

3.3.2 Business premises destroyed by fire

3.3.3 Protection of employees against injury in a factory employing 60 workers (12)

3.4 Study the following information on share trading and answer the questions that follow.

FOOD PRODUCERS								
NAME	**Close**	**High**	**Low**	**DM**	**YM%**	**DY**	**PE**	**DV**
Illovo	1 915	1 945	1 900	+15	14,9	3,8	12,7	124 075
Oceana	1 650	1 670	1 650	-20	10,7	4,5	14,6	4 700
Rainbow	1 660	1 660	1 650	+3	68,5	3,6	11,0	738 672
Tiger Brands	18 250	18 507	18 000	-25	3,2	3,3	15,1	416 285
Tongaat	12 850	13 200	12 750	+50	33,1	4,3	19,3	161 123

[Source: *Business Report*, Tuesday 10 April 2007]

KEY:

Close: Market close; **High**: Day's high; **Low**: Day's low; **DM**: Daily move; **YM%**: Last 12 months' percentage move; **DY**: Dividend yield; **PE**: Price-earnings ratio; **DV**: Day's volume

3.4.1 Which institution publishes this type of information in the newspapers? (2)

3.4.2 Name TWO functions of the institution mentioned in QUESTION 3.4.1. (4)

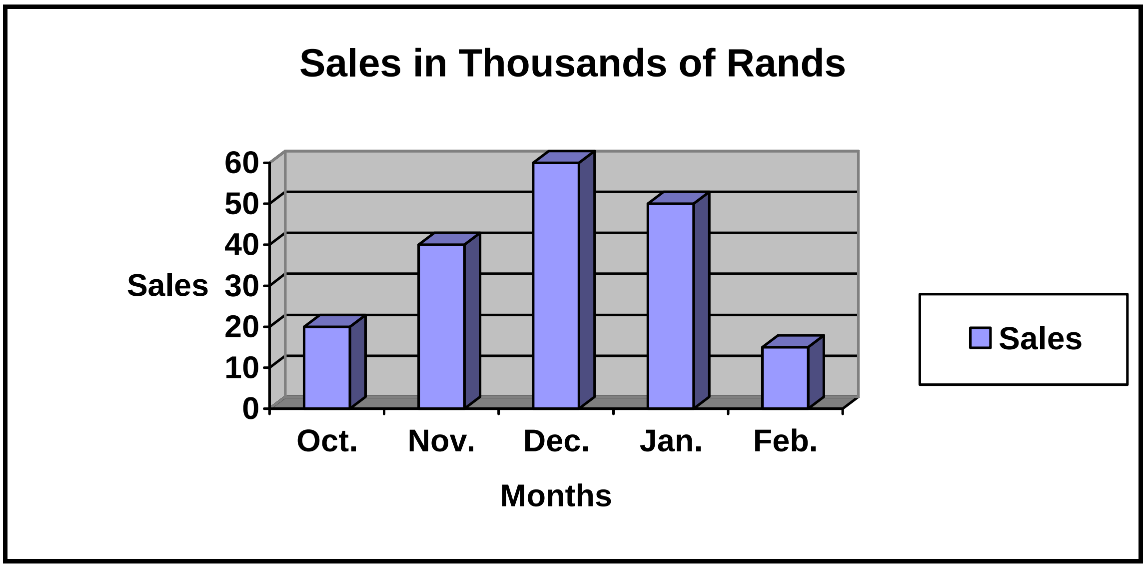
3.4.3 Explain what happened to Tiger Brands' shares during the day's trading on 10 April 2007. (2)

3.4.4 What was the price of Illovo shares at the end of the market day? (2)

3.4.5 How does regular information, as given in the table above, assist you in deciding which shares to buy? Substantiate your answer. (4)

3.5 Would you prefer to buy shares or unit trusts? Motivate your answer. (4)

3.6 The information that follows relates to the sales of Danie, David and Simpiwe Retailers CC. This enterprise specialises in the sale of gifts, stationery and school uniforms.



3.6.1 Identify the trend indicated in the histogram. (2)

3.6.2 What, in your opinion, has influenced the trend? Justify your answer. (4)

[60]

QUESTION 4

4.1 Differentiate between *leadership* and *management*. (4)

4.2 Distinguish between the following management styles:

4.2.1 Autocratic (4)

4.2.2 Democratic (4)

4.2.3 Laissez-faire (4)

4.3 Describe FIVE steps that you, as a manager, can use to resolve conflicts in the workplace. (10)

4.4 You have passed Grade 12. You are currently employed at an industrial company which manufactures car seat covers. Your fellow-workers requested that you join the trade union.
What would be your response? Motivate your answer. (10)

4.5 You are the managing director of a company. You are interested in the well-being of your employees in the workplace.
Explain any TWO of the strategies you would implement. (6)

4.6 Study the following advertisement and answer the questions that follow.

SOWETAN Tuesday April 10 2007

GAUTENG PROVINCIAL GOVERNMENT

Department of Sport, Arts, Culture and Recreation

Assistant Director: HR Planning, Provisioning & Administration

Directorate: HR Management and Development

Centre: Johannesburg (Ref No: 70041754)

Salary: R146 689 p.a. (Plus benefits)

Requirements: • The successful candidate should have a five years experience in HR Management • Proven experience in the HR Planning, Provisioning and Administration environment • The candidate should also have proven understanding of financial management, management reporting, planning and organizing • The candidate should be able to work under pressure.

Duties: • Build operational efficiency and effectiveness on personnel administration support services through: Reporting on non-compliance to HRM delegations, monitor compliance by the GSSC on SLA and submit monthly reports on personnel administration transactions • Ensure correct implementation of transactions on Persal • Communicate update on HR Legislations, circulars, resolutions and agreements • Co-ordinate departmental Job Evaluation processes • Co-ordinate recruitment process and compile recruitment report • Assist in responding to Internal and External general queries • Coaching, mentoring and performance assessment of staff • Compile quarterly and annual reports.

Enquiries: Debbie Nel, Tel: (011) 355-2594.

We welcome applications from persons with disAbilities

The Provincial Government of Gauteng is committed to the achievement and maintenance of diversity and equity in employment, especially in respect of race, gender and disability.

Applications must be submitted on form Z83, obtainable from any Public Service department or from the Website, which must be completed in full. A certified copy of your Identity Document and qualifications must be attached. The specific reference number of the post must be quoted; failure to comply with these instructions will disquality applications from being processed.

Applications can be delivered to: Gauteng Shared Service Centre, 77 Fox Street, Johannesburg or posted to: Private Bag X114, Marshalltown 2107 or apply online by visiting our website at: www.gautengonline.gov.za or contact the GSSC Call Centre on (011) 355-2222 for more options.

Closing date: 24 April 2007.

Due to the large number of applications we envisage receiving, applications will not be acknowledged. If you do not receive any response from us within 3 months, please accept that your application was unsuccessful.

[Source: *Sowetan,* Tuesday 10 April 2007]

4.6.1 State the job title. (2)

4.6.2 Assume you are applying for this position. Name any TWO significant aspects that are of relevance to you. Give reasons for your answer. (6)

4.6.3 Calculate the monthly gross salary for the advertised position, excluding benefits. (2)

4.6.4 The salary states 'Plus benefits'. Name any TWO possible benefits that may be offered by the Gauteng provincial government. (4)

4.6.5 How does this advertisement comply with the government's initiative of inclusivity? Give TWO reasons for your answer. (4)
[60]

TOTAL SECTION B: 180

SECTION C

Answer any TWO of the four questions in this section.

QUESTION 5

Read the following case study and answer the question that follows.

Plumtree is a tomato farm situated near Letsitele in Limpopo. The farm obtained most of its income from supplying fresh tomatoes to the nearby markets.

When turnover declined a business meeting was held to get inputs from management and workers.

The following comments were received from the workers:

1. The land did not yield as much tomatoes as in previous years. This was attributed to the fact that soil fertility was diminishing, the land needed to be ploughed and more fertiliser used to increase the yield.

2. It was also indicated that the recent drought had affected the production of tomatoes and that the supply of water from the nearby dam was insufficient due to low water levels.

3. Workers raised the issue of Star Tomato Producers, the neighbouring farm, which is attracting most of their clients. Plumtree has been losing business to Star Tomato Producers. This has led to a decline in sales and profitability.

4. Workers indicated to management that they worked long hours without overtime pay, received no medical attention for those infected with HIV/Aids, no sick-leave was granted and that Plumtree did not adhere to the Basic Conditions of Employment Act.

The following comments were received from the management of Plumtree:

1. Plumtree obtained a loan of R300 000 from the Land Bank at 15% interest p.a. The monthly repayment had increased as a result of a higher interest rate.

2. Management indicated that worker absenteeism had become a problem with at least four workers absent every week. This affected the performance of the business.

3. The rising fuel prices have also increased costs and reduced profitability.

4. Workers who were employed in a temporary capacity were not productive enough.

Identify and classify the challenges raised into the THREE environments. Also analyse the impact of these variables on Plumtree. Suggest strategies that Plumtree can use to overcome these challenges.

Make recommendations to Plumtree on whether it should continue to operate in this sector. **[40]**

QUESTION 6

Legislation controls the way businesses operate in South Africa. Most of these were developed to heal the divisions of the past and to transform society and are guided by policies, such as human rights, inclusivity and environmental issues.

Briefly explain the concepts *human rights, inclusivity* and *environmental issues* in the workplace and elaborate on initiatives that businesses can implement with regard to these matters.

Analyse and evaluate the extent to which they have been successful. **[40]**

QUESTION 7

Enterprises agree that ethical and professional behaviour are important aspects of the business environment.

Describe the concept *ethical and professional behaviour* and use practical examples to explain the various issues relating to the above-mentioned.

Comment on its application in the workplace. **[40]**

QUESTION 8

A business organisation has certain business and management functions which are performed by the managers of the various departments within the organisation. You are the general manager of such an organisation and have noticed that improved performance of these business functions can contribute significantly to the success of the business enterprise.

Identify and discuss any FIVE business functions. Analyse how the quality of performance of these functions can contribute towards making the business more profitable. **[40]**

TOTAL SECTION C: 80

GRAND TOTAL: 300