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Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES

NOVEMBER 2012

MARKS: 300

TIME: 3 hours

This question paper consists of 10 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 from 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.
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
A: Objective type questions COMPULSORY	1	40	30 min.
B: THREE direct/indirect type questions COMPULSORY	2	60	30 min.
	3	60	30 min.
	4	60	30 min.
C: FOUR essay-type questions CHOICE (Answer any TWO.)	5	40	30 min.
	6	40	30 min.
	7	40	30 min.
	8	40	30 min.
TOTAL		300	180 min.

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 B.

1.1.1 Which ONE of the following is an example of horizontal integration?

- A Barberton Abattoir purchases a number of bookstores.
- B Nalini's Motor Manufacturer purchases Tina's Shoe Factory.
- C Dunlop's tyre-manufacturing company purchases a tyre fitment enterprise.
- D A large bookseller, Glen Bookstores, purchases a number of small independent bookstores.

1.1.2 According to Michael Porter's model, which ONE of the following forces is responsible for competition in a particular industry?

- A Environmental instability and change
- B The influence of macro-environmental variables
- C The bargaining power of suppliers and consumers
- D Complexity and an unpredictable environment

1.1.3 A ... is a circular representation where the information is divided into different categories and each segment represents a portion of 100%.

- A line graph
- B histogram
- C pie chart
- D bar graph

1.1.4 Blue and Berry's Cellphone Repair Shop is a ... and therefore has unlimited liability.

- A partnership
- B public company
- C close corporation
- D private company

1.1.5 When a senior manager coaches a junior manager 'under his/her supervision' it is known as ...

- A recruitment.
- B placement.
- C evaluation.
- D mentoring.

- 1.1.6 When the actual performance of a manager is compared to his/her expected performance in order to increase his/her salary, the process is known as ...
- A human resources planning.
 - B recruitment.
 - C performance appraisal.
 - D placement.
- 1.1.7 Which ONE of the following is documented in the King's Code III report?
- A Partners in a partnership
 - B Members of a close corporation
 - C The owner of a sole trader
 - D The board of directors of companies
- 1.1.8 The process of generating something new that is valuable and useful is referred to as ...
- A conflict management.
 - B creative thinking.
 - C labour relations.
 - D stress management.
- 1.1.9 Filling vacancies in a business enterprise with existing employees is known as ...
- A advertising.
 - B internal recruitment.
 - C external recruitment.
 - D job specification.
- 1.1.10 South African Airways (SAA) has taken the decision to expand into low-cost vehicle hire. SAA plans to roll out this new product offering within the next five years. This is an example of a/an ... goal.
- A strategic
 - B operational
 - C functional
 - D tactical
- (10 x 2) (20)

1.2 Choose the correct word(s) from those given in brackets. Write only the word(s) next to the question number (1.2.1–1.2.5) in the ANSWER BOOK.

1.2.1 (Market/Product) development takes place when a business enterprise introduces new products in existing markets.

1.2.2 The rate at which the Reserve Bank lends money to commercial banks is known as the (prime/repo) rate.

1.2.3 (Brainstorming/Empty Chair) is a creative problem-solving technique in which several people think about a single problem and suggest ideas that could lead to a solution.

1.2.4 The (marketing/public relations) function creates a favourable image of the business.

1.2.5 Job (description/specification) outlines the duties and responsibilities of an employee. (5 x 2) (10)

1.3 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–G) next to the question number (1.3.1–1.3.5) in the ANSWER BOOK, for example 1.3.6 H.

COLUMN A	COLUMN B
1.3.1 Strikes	A South Africa's inflation rate is steady at 4,6%
1.3.2 Johannesburg Securities Exchange	B more organisations are looking for alternative energy sources such as solar power
1.3.3 Physical environment	C workers work at a slower pace than normal so that they deliberately do not meet the production quota
1.3.4 Verbal abuse	D comments that cause discomfort or offence in the workplace
1.3.5 Entrepreneur	E serves as a link between the investors and entrepreneurs
	F organised stay-away from work by workers whereby they are prepared to forfeit their income
	G takes calculated risks

(5 x 2) (10)

TOTAL SECTION A: 40

SECTION B (COMPULSORY)**QUESTION 2**

- 2.1 Describe FIVE ways in which a presenter should handle feedback and respond to questions after a presentation. (10)
- 2.2 State FIVE roles of the Sector Education and Training Authorities (SETAs). (10)
- 2.3 Read the case study below and answer the questions that follow.

SMART CREATIONS CLOTHING (SCC) MANUFACTURER

Smart Creations Clothing Manufacturer is situated in a rural area. They manufacture a range of clothing aimed at a target market in the 18- to 28-year age range, earning an income of more than R130 000 a year. Recently, management has noticed a decline in sales and that their customers, the large clothing retailers, can import clothing from China at a much cheaper price.

Smart Creations Clothing Manufacturer had to retrench staff to stay in business. Employees were unhappy with management as they did not follow the correct procedure.

Some of the machinery at Smart Creations is outdated. The new computerised machinery from Japan is too expensive because of the unfavourable exchange rate.

- 2.3.1 Identify the sector in which Smart Creations Clothing (SCC) Manufacturer operates. (2)
- 2.3.2 SCC Manufacturer wants to evaluate whether the strategies they implemented were successful. Describe THREE steps that Smart Creations Clothing Manufacturer will follow when evaluating these strategies. (6)
- 2.3.3 Use the PESTLE model to identify the challenges facing Smart Creations Clothing Manufacturer. Suggest a strategy that may be implemented to overcome each challenge.

QUESTION 2.3.3 must be answered according to the headings in the table below.

PESTLE FACTOR	CHALLENGE	STRATEGY TO OVERCOME THE CHALLENGE
Economic		
Social		
Legislation		

(12)

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

Siyethemba Mvuyane bought a house in 2011 at a market value of R400 000. Due to financial constraints he decided to insure it for R300 000. Last month his house was damaged in a fire during a community protest and the damages amounted to R100 000.

2.4.1 The insurance company has decided to pay Siyethemba for damages incurred. Calculate the compensation that Siyethemba will receive from this claim. Motivate why he will receive this amount. (6)

2.4.2 Explain to Siyethemba the *principle of reinstatement* and also why it is NOT applicable to his insurance claim. (4)

2.5 Answer the following questions on the Employment Equity Act, 1998 (Act 55 of 1998).

2.5.1 State the main purpose of the Employment Equity Act. (2)

2.5.2 Evaluate the impact of this Act on business enterprises. (4)

2.5.3 Propose TWO ways in which government can contribute to the successful implementation of this Act. (4)
[60]

QUESTION 3

3.1 Outline the steps that an employee must follow when he/she is unfairly dismissed by his/her employer. (10)

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

Peter Williams is a manager at ABC Suppliers. He does not consult his employees, but expects them to carry out instructions correctly. He makes his own decisions, which are influenced by the rules and regulations of the business.

3.2.1 Name the leadership style illustrated in the scenario above. (2)

3.2.2 Identify any THREE situations where the leadership style in QUESTION 3.2.1 is successful. (6)

3.2.3 Justify why leaders should use different management styles when addressing different challenges. (4)

3.3 Tabulate TWO differences between a *manager* and a *leader*. (8)

3.4 Distinguish between *mediation* and *arbitration*. (4)

- 3.5 Briefly explain FIVE functions of trade unions. (10)
- 3.6 Examine the impact of quality on small and large businesses. (10)
- 3.7 Evaluate the implications of the National Credit Act, 2005 (Act 34 of 2005) (NCA) for businesses. (6)
- [60]**

QUESTION 4

- 4.1 State THREE functions of workplace forums. (6)
- 4.2 Read the scenario below and answer the questions that follow.

AFRICAN FINANCE CORPORATION LIMITED

The African Finance Corporation Limited (AFC Ltd.) is mandated to promote development in South Africa. Their primary focus is to increase the participation of black people in all sectors of the economy, to make a positive impact on job creation, skills development and training, as well as to encourage preferential procurement. To achieve this, AFC Ltd. engages in a number of activities across provinces.

- 4.2.1 Preferential procurement (buying) is one of the pillars of BBBEE. List THREE other pillars. (6)
- 4.2.2 Explain the meaning of *preferential procurement* as stated in the article. (4)
- 4.2.3 How does AFC Ltd promote BBBEE development in South Africa? Motivate your answer. (4)
- 4.3 Explain the Unemployment Insurance Fund (UIF) under the following headings:
- 4.3.1 The purpose of the UIF (4)
- 4.3.2 How contributions are made to this fund (4)
- 4.4 Discuss how the following factors will have an effect on the success and/or failure of a company:
- 4.4.1 Capital (4)
- 4.4.2 Taxation (4)
- 4.4.3 Legislation (4)

- 4.5 One of your employees, who is well qualified and experienced, has an alcohol problem. Describe measures that you, as manager, will take to ensure the wellbeing of the employee. (8)
- 4.6 Analyse FOUR types of conflict which may occur in the workplace. (12)
- [60]**
- TOTAL SECTION B: 180**

SECTION C

Answer any TWO questions from this section.

NOTE: Write down the QUESTION NUMBER only. The answer to EACH question must begin on a NEW page, for example QUESTION 5 on a NEW page, QUESTION 6 on a new page, et cetera.

QUESTION 5

South Africa has many social problems or socio-economic issues that affect all its citizens. Many businesses help to solve these problems by investing their time, money and skills in social programmes.

Evaluate the nature, purpose and implementation of corporate social investment (CSI). Examine its impact on South African businesses and their communities.

[40]

QUESTION 6

James and Nontokozo run a successful partnership at Empangeni known as JN Partners. They want to increase their wealth and capital by investing some of the business income they have generated over the past five years.

As a financial advisor of JN Partners, evaluate the different factors that must be considered when making informed investment decisions. Also explain FIVE types of formal investment opportunities and elaborate on the risk factors for each.

[40]

QUESTION 7

Some of Shoprite's largest suppliers of food and beverage products include Pioneer Foods, Tiger Brands and Premier Foods. These suppliers are often in the news for price fixing and consumer exploitation.

With reference to the above statement, explain the term *ethics* and give reasons why price fixing is unethical. Also evaluate taxation, the unauthorised use of funds and the abuse of work time as issues that challenge the ethical behaviour of businesses and make recommendations for the improvement of each issue.

[40]

QUESTION 8

Zander Fourie has been appointed as financial manager. You are the human resources manager. Discuss Zander's induction process and analyse the main provisions of the Basic Conditions of Employment Act, 1997 (Act 75 of 1997) that will apply to Zander's appointment.

[40]**TOTAL SECTION C:****80****GRAND TOTAL:****300**