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Memo**SECTION A (SHORT QUESTION)****QUESTION 1 (MULTIPLE CHOICE)**

Indicate the most correct answer by drawing a cross (X) over the corresponding letter in the column on the provided Answer Sheet.

1.1				D
1.2				D
1.3			C	
1.4		B		
1.5			C	
1.6			C	
1.7				D
1.8		B		
1.9			C	
1.10		B		
1.11	A			
1.12			C	
1.13	A			
1.14		B		
1.15	A			

(15×2=30)

1.16 Forming (2)

1.17 Norming (2)

1.18 Conciliation (2)

1.19 Mediation (2)

1.20 Intuition (2)

1.21 utilitarian (2)

1.22 right (2)

1.23 justice (2)

1.24 Diagonal aka lateral (2)

1.25 Formal and Informal (2)

(10)

SECTION B**QUESTION 2**

2.1

2.1 The following table refers to a SWOT analysis performed in a fast food business. Complete the table to explain the different problems or challenges and to give a different strategy to overcome each problem or challenge.

Problems or challenges for fast food business.	Why is it s problem or challenge? (6)	Strategy to overcome the problem and challenge. (6)
Personal income taxes are increased.	Less disposal income√ means potentially fewer sales for the FF industry√. (any relevant answer)	Low cost strategy√ to reduce cost and limit price increases√. (any relevant answer)
Increase in crime where fast food business is situated.	Less of customer due to fear of safety√, thus the FF will make less profit√. (any relevant answer)	Increase customer safety by increasing security√ by employing security guards√. (any relevant answer)
Fast food restaurant is situated in an area vastly populated by one specific religion.	FF must cater for the specific religion√ if not will lose customer for specific target market√. (any relevant answer)	Get Halaal certified √or learn more of the religion and cater to their needs.√ (any relevant answer)

(12)

2.2 Discuss the power that a buyer has over a fast food business. Do you think a business is able o overcome this power and if so, how? Give practical strategies.

- The buyer has the power to demand a lower price, a higher level of quality, longer trading hours, delivery of products, a wider variety of goods, etc.

- If the buyer demands any of the above (and you can add some more demands to the list), the business will have to decide if it is worthwhile to meet these demands.
- Satisfying more consumer demands would lower prices; there would be a lower level of profits for the business. Buyer demands may mean less profit for the business. Not meeting the demands however, may mean no profits if consumers switch to competitors.

{Consider any other relevant points}

(Any 3 facts × 1 mark each = 3 marks)

(Min of 2 marks for the practical strategies)

(5)

2.3

2.3.1

- One of the most important characteristics of an entrepreneur is the ability to identify an opportunity with potential and to then pursue the opportunity, even if it may be risky. An entrepreneur needs to take risks to reap rewards.
- In order to identify an opportunity in a particular market, the entrepreneur has to understand the target market and he/she continuously needs to scan the internal and external environment to be proactive in identifying opportunities and/or threats.
- The entrepreneur has to know who the customers (LSM) are, their needs, and then be willing to develop or change the business plan to satisfy the customers' needs.
- An entrepreneur is an opportunist. The market/business environment may not always be favourable or fit in with his/her initial plan. The entrepreneur, therefore, must be able to anticipate market trends, identify the positives and use these to the advantage of the business.
- Starting a new business is hard work and takes commitment and perseverance.
- Creativity and innovation are often requirements to get a new business off the ground. Being different to that of a competitor (differentiation strategy) may lead to a successful business.

- The ability to prepare and to implement a plan to achieve goals is very important. But the entrepreneur must be realistic and proactive by developing a contingency plan to manage potential risks.
- In order to execute the plan, the entrepreneur must have the ability to obtain and coordinate the required resources in an optimal manner.
- Without leadership qualities, the entrepreneur is not likely to achieve success. He/she must have the ability to convince and motivate others to buy into the plan and follow him/her to achieve the desired goals.
- The ability to evaluate achievements and progress is crucial in order to initiate corrective measures if needed.
- The entrepreneur should be able to make quick decisions about opportunities as they arise.
- The ability to communicate clearly and accurately is critical in order to implement strategies to overcome challenges and thus capitalise on opportunities.
 - An entrepreneur is personally motivated and often prefers to work on his/her own or at the very least be in charge of what is going on. It is very important that an entrepreneur is insightful enough to know what his/her shortcomings are and wisely to surround him/her with a supportive team.

{Consider any other relevant point in their argument}

(Any 2 valid characteristics. 1 mark for name and 1 mark for explanation of why it is important)

(4)

4.3.2 Informal

4.3.3

- Activities by people unable to find jobs (known as the survivalist sector)
- Fall outside the mainstream (so also referred to as the second or marginalised economy.)
- People are self employed; it is labour intensive with adapted technology.
- Not registered to pay tax.

- Not used in the calculation of the GDP.

(2)

2.3.4

Advantages

Web Site

Large amount of information

Large audience is reached

It is easy to update

Flyers

- Quick and easy to produce
- Can be given directly your people
- Does not need long term planning
- Very cost effective to produce

2.3.5 Cost based pricing√, Demand based pricing√, Competition based pricing√ and Market-based pricing√

(4)

2.3.6

Cost based pricing

- Set basic price aligned to the cost of the product, Covers real price of product, Distribution, Sales cost' √

Or

- Cost-plus pricing prices are determined by adding a predetermined profit to cost. The higher the cost the lower the rate of production.√

Example: Any relevant example√

Mark-up pricing

Business sets prices by calculating per unit merchandise cost and then determines the mark-up percentage that are needed to cover selling cost and profit.

Target pricing

Prices are set to provide a specific rate of return on investment for a predetermined volume of production. (more capital intensive the project and the lower the return, the higher the prices.)

Demand based pricing

Requires consumer research regarding to quantities that will be purchased at various prices. (Each price charge will lead to a different level demanded.)

Competition based pricing

- Marketer uses competitor's prices rather than demand or cost considerations as primary guideline.
- (Consumers will only change their supplier and pay more for a product if they think that the product offers more value.)
- The marketer might set prices above or below the market, depending on the consumer loyalty.

Market-based pricing

- The number of sellers and buyers in a particular market situation will determine the price.

(1mark for definition and one mark for example)

(4)

2.4 *Body language of staff, graphs, tables, diagrams and illustrations*

(2 tools × 1 mark each = 2 marks) (2)

2.5 Personal sales or tailor-made customer service is often used when there are variations of the product/service that are being sold to the customer. Being able to interact with the waiter will help the customer to discuss his/her needs or specifications before the food/drink items are bought. The interaction between the staff member can either add value or irritate the customer. For example, a friendly and helpful waiter that attends to customers by asking if they want something else, creates the opportunity for more sales.

{Consider any other relevant point in their argument}

(Explanation of concept = max of 4 marks. Min of 2 marks for example.) (6)

2.6 Contain: The packaging is needed to contain the item or product. An example of this is olive oil in a bottle.

Information: The packaging indicates the brand and trademark of the company and product and could have information about the product, including any harmful warnings or dosage requirements.

Protection: Packaging protects many products from germs, breakage, moisture and spoilage.

Transportation: Some packaging is designed to make the transportation easier or safer.

Display: Some products are packaged especially to look attractive and to show value as a marketing tool.

- Packaging protects the product against breakage or from becoming damaged.
- Packaging may in some cases make it easier to handle the product, e.g. a handle on the happy meal box for kids.
- Packaging assists with the transportation, e.g. a pizza box that keeps the pizza hot during delivery.
- Packaging can be used as part of the advertising campaign to promote the product by ensuring the product looks appealing to the customer.
- Packaging assists in ensuring that the brand image is reinforced.
- Labels on the packaging contain important information about the product, such as ingredients and warnings. This is especially important in the fast food industry, because these items are considered to be very unhealthy. There is more and more pressure on fast food businesses to put health warnings on their products (similar to those in cigarette boxes).

{Consider any other relevant point in their argument}

(Any 5 valid facts × 1 mark each = 5 marks)

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QUESTION 3

3.1 Discuss how the following elements of teamwork can lead to improved success of a team in a fast food franchise:

3.1.1 Communication (4)

Communication can make or break a team. Clear instructions and constant feedback to other team members keep everybody informed regarding what has been accomplished and what still needs to be achieved by a certain deadline. It becomes much easier to understand the different roles people play to make the team successful, if they know and understand one another. It is important to appreciate the different skills, experiences and talents which each team member contributes to the joint effort to enable the team to succeed.

{Consider any other relevant points}

(Any 4 facts × 1 mark each = 4 marks)

3.1.2 Synergy (4)

Synergy within the team, but between the team and other role players, will contribute to the success of the team. Synergy is often defined as $1+1 = 3$. This simply means that the combined output of the team members is more than their individual efforts added together.

{Consider any other relevant points}

(Any 4 facts × 1 mark each = 4 marks)

3.2

Continuous innovation to improve existing systems is crucial to any business.

√Customers expect improvements and better service delivery and if the business does not improve/develop, while competitors do, the competitive advantage could be lost. √Coffee on the go is a fast growing market in South Africa and elsewhere in the world√, and this increased competition means that there are more options for customers to go where they believe they get the best value for money and the best service levels. √

{Consider any other relevant point in their argument}

(Any 4 valid facts × 1 mark each = 4 marks)

(4)

3.3

Professionalism	Ethics
is about knowledge and skills of the profession and using them for the good of the client and the good of society✓	is about standards of conduct that are acceptable to society✓
is applying a code of conduct set by a business or profession✓	forms part of a code of conduct✓
focuses on upholding the reputation of the profession or business.	focuses on developing a moral compass that can be used in decision making.

3.4 Complete the table by using an example to explain the following unethical or unprofessional issues and provide strategies that can be used in the workplace by the employer to reduce the negative impact on the business.

Unethical issue	Explanation of example	Strategies used to address these issues in the working environment.
Sexual harassment	Violation of basic human rights when someone (usually in a position of power) abuses his / her power by gestures or remarks of a sexual nature or unwelcome sexual approach which may victimise the employee. ✓	Employees should be familiar with the company's code of ethics. ✓ The consequences of this action must be clearly stipulated in the code of ethics and being communicated all employees. ✓Provide a

	Include pressure on individuals to receive benefits or a deal in exchange for sexual favours. √ Sexual harassment in any form, showing disrespects to the other person and is contrary to law. Businesses try to avoid the problem by appointing fewer female staff but it is against the regulations of the Employment Equity Act. Victims are often afraid to report sexual harassment, because they are afraid for further intimidation or even dismissal. Victims who do disclose, is not always subjected to sufficient protection during sexual harassment cases.	framework of remedial measures. Educating employees in this regard. (2)
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	Businesses may not allow this practice and must immediately take action against offenders through disciplinary actions. Sometimes unhappy / disgruntled workers accuse the person who reprimands them about insufficient work, falsely of sexual harassment. These false charges are just as sexual harassment, an offense under the company's ethical and professional codes of conduct. Businesses should educate employees in this regard and it should be included in the business' ethical conduct and professional codes of conduct. (2)	
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Making personal calls on company line and during working hours	The time the worker spent at work, is not productive and effective to the benefit of the business. ✓ It can take many forms and refers to activities that are not focused on the work that the worker is supposed to do, excluding tea and lunch breaks. ✓ <u>Examples:</u> Taking longer tea and lunch breaks as determined in the employment contract. Arrive late for work and going home early. Go shopping in working time. Make private telephone calls during working hours. Sending private e-mails, while the company's work to be done.	It should be stipulated in the ethical- and professional codes of conduct of the business, and should be communicated to employees. ✓ The company's interests should come first, above the worker's personal affairs. Make the workers aware that through the abuse of work time and the business's assets, the profit of the business can be reduced and this can lead to dismissal of employees because there are insufficient funds available. ✓ (2)
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	Spend time on social networks like Facebook and Twitter. Read newspapers, magazines, novels and chatting with colleagues. Working time lost through these activities, reduce business productivity and can cause that deadlines are not met, etc. (2)	
Price-fixing	The Consumer Protection Act prohibits this business practice. Yet there are still businesses guilty of this. ✓ It involves an agreement between different businesses (cartels) which ask the same price for a particular stock item. ✓ The consumer is exploited and businesses make a lot more profit than usual. Such practices can be	Adhere to the regulations of the law. ✓ Do not use price-fixing to gain unfairly high profit. Adhere to ethical business practices. ✓ (2)

	reported to the Commission for Competitiveness. If businesses are found guilty, they can be heavily fined. (2)	
Unfair advertising	The Advertising Standards Authority (ASO) regulates advertising in South Africa. ✓ This institution protects consumers and competitors against unfair advertising. ✓ Biased advertising is unethical. No discriminatory conditions may be proposed e.g. advertisements for vacancies. Consumers have the right to all information about the product they are buying. Misleading advertising should be avoided, but it is difficult to take	The business must familiarize themselves with the requirements of the ASO. ✓ Adhere to the requirements of the ASO. ✓ Act as such when goods are advertised, that it is not unethical, unfair or misleading. (2)

	action against the guilty party as it is usually done very subtly. E.g. prices are manipulated by 'free gifts' that accompanies the product when the consumers purchase it, larger packaging but the quantity of the content is still the same as in the smaller packaging (e.g. chips), deceptive illustrations, etc. (2)	
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(12)

3.5

3.5.1

- Higher income of residents✓
- Potential for growth✓
- Lower crime rate✓
- Developing area✓
- The possibility of less competitors✓

(5)

(Any relevant answer)

3.5.2

Variable	Example	Strategy
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Social/welfare✓	Crime and unemployment	CSI that focus on skills development / crime prevention
International✓	Export regulations / more competitors	Make sure that you have knowledge of export regulations.
Technological✓	Application	Training in the usage of these new technological advancement.
Economical✓	Exchange rate / Economic recession	Be aware of the exchange rate movements.
Legal✓	Labour laws	Use a legal consultant

Variable must be correct, if not example and strategy may not be marked.

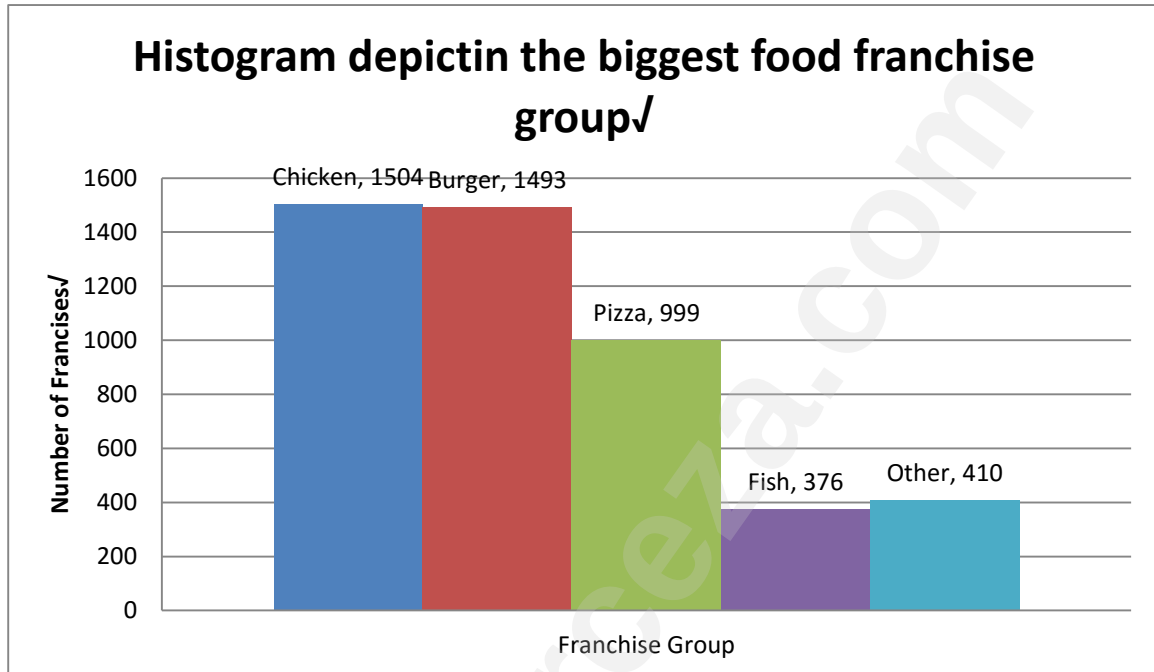
Example must be from case study.

(15)

QUESTION 4

4.1.1 Pie chart/Pie graph✓

4.1.2



4.2

4.2.1 Bar graph/Bar chart✓

4.2.2

- Even though the speciality is beef (Steers) they include a variety of products to the consumers that includes chicken option. ✓
- Pizza has a number of different combinations. ✓
- They focus on the customers preferences and take into consideration the diverse culture of South Africa and provide fast Food options accordingly.
- Good marketing strategy's
- Possible customer loyalty

(Please use discretion when marking this question)

4.2.3

- Intense strategic marketing✓

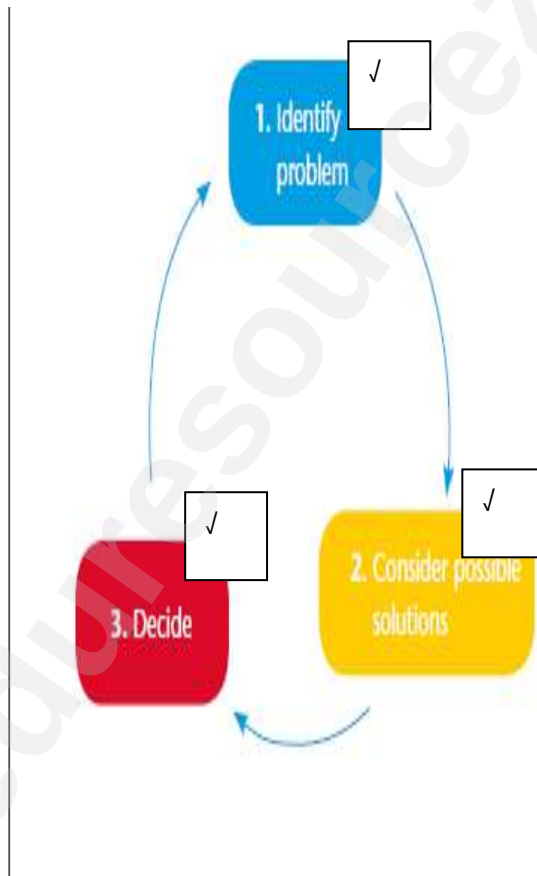
- Better value for money (Quality product)✓

(Use own discretion when marking question)

4.3

Decision Making	Problem Solving
person/senior management✓	Group of people✓
Authoritarian✓	Inclusive✓
Consider number EXISTING alternatives✓	Creative thinking to generate new solutions✓
Routine decisions	Problems never seen before

4.4



4.5

Step 1: identify the problem✓

Step 2 Define the problem✓

Step 3 Formulate a strategy✓

Step 4 Implement the strategy✓

Step 5 Allocate resources✓

Step 6 Monitoring problem solving✓

Step 7 Evaluate the problem solving process✓

Must be in the correct order

- 4.6 An initial questionnaire is developed and distributed to a carefully selected, expert panel.✓
- The panellists answer their questionnaire independently and return it.✓
- A moderator summarises the responses to the questionnaire and then develops a feedback report and a second questionnaire for the panellists to complete.✓
- The panellists read the feedback report, evaluate the responses and then complete the second questionnaire.✓
- The moderator develops a final summary and feedback report for management.✓
- Sometimes more than two rounds are carried out, particularly if closer consensus is desired. The panel can be made up of four or up to a few ✓

4.7

Primary✓ – Farmer grows wheat and sells it to a supplier in the secondary sector. ✓

Secondary✓ – Supplier in the secondary (mill) transform it into flour. The bakery transforms the flour into buns ✓

Tertiary✓ – McDonalds buys the buns and makes hamburgers. ✓ (6)

Explanation must be for the fast food Industry

4.8

- To stay ahead of their competitors. ✓
- To gain customer loyalty if technology is incorporated. ✓ (2)

(Use your own discretion when marking this question)
