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GRADE 11
EXEMPLAR PAPER 2017

BUSINESS STUDIES: PAPER I

Time: 2 hours

200 marks

PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY

1. This question paper consists of 9 pages. Please check that your question paper is complete.
 2. Read the questions carefully.
 3. Number your answers as the questions are numbered on the question paper.
 4. It is in your own interest to write legibly and present your work neatly.
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SECTION A SHORT QUESTIONS**QUESTION 1 MULTIPLE CHOICE**

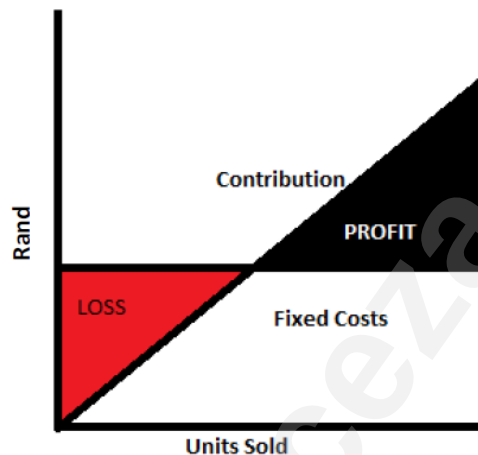
Indicate the most correct answer by drawing a cross (X) over the corresponding letter in the column on the provided Answer Sheet.

- 1.1 When an entrepreneur pays an amount of money to use the name, idea and processes of an existing business like McDonald's or Steers in a specific geographic area, it is known as ...
- A outsourcing.
 - B amalgamation.
 - C financial leasing.
 - D franchising.
- 1.2 Which one of the following scenarios is not a challenge from the external environment in which Spur operates?
- A An advertising campaign by Mugg and Bean promoting free Wi-Fi.
 - B Lack of communication between top-level management and lower-level management on a new salary structure.
 - C Reduced spending power of the target market due inflation.
 - D Unwillingness of suppliers to negotiate changes in the price of raw materials.
- 1.3 If Famous Brands' name ends in Ltd, it means that ...
- A there are a maximum of seven shareholders.
 - B there has to be a minimum of twenty shareholders.
 - C the shareholders will be limited by the number of shares available to sell to the public.
 - D the number of shareholders will change according to specifications determined by the CSR policy of the company.
- 1.4 Which of the following statements is incorrect?
- A Conflict is natural and most likely an inevitable part of the group dynamics.
 - B With the correct management strategies, it is possible to avoid all conflict.
 - C Conflict could be a positive force in a group and help the group or team to perform better.
 - D Conflict could be the result of role overload.
- 1.5 ... is often described as the 6th element of Porter's model:
- A Substitute products
 - B Globalisation
 - C Complementary products
 - D The product life cycle

1.6 The Human Capital department at KFC has identified the need for a tactical plan to address the high rate of absenteeism. This problem is part of the ... environment.

- A micro
- B market
- C macro
- D SMME

1.7 The graph depicts a ... graph of the operations at Chicken Licken.



- A solvency
- B liquidity
- C break-even
- D cost per unit

1.8 Which of the following statements is INCORECT?

- A A patent is often registered when it offers a new way of doing something or if it solves a particular problem in a unique way.
- B A patent gives a business the sole right to a particular product or a manufacturing process.
- C Patents are often only granted for a particular period of time.
- D Patents allow competitors the opportunity to copy the product, as long as they change the name of the product.

1.9 Which one of the following business practices would be regarded as unethical?

- A A business using a portion of its profits to train employees for promotion opportunities.
- B A franchise selling two pizzas for the price of one.
- C A manager at a fast food outlet discussing the HIV status of employees with a customer.
- D The CEO disclosing that his wife is tendering for a contract with the business.

- 1.10 Instead of providing disposable containers for Chinese takeaway, the business encourages customers to bring their own containers. What could be the purpose of this action?
- A To enhance ecological sustainability
 - B To improve quality of working life
 - C To reduce fixed costs
 - D To comply with government regulations
- 1.11 Which one is an example of a current asset?
- A Bank overdraft
 - B Packing material
 - C Trade and other receivables
 - D Capital
- 1.12 Pizza Hut introduces a zero-defects policy. The main reason for this would be to ...
- A increase profits by improving staff morale through a safer work environment.
 - B reduce waste, and improve their public image by being ecologically responsible.
 - C eliminate the chances of having legal action by dissatisfied customers.
 - D minimise the costs of wastage in production and thus increasing profits.
- 1.13 The main objective of the Public Relations function is ...
- A sponsorship of events and publicity.
 - B publicity and event management.
 - C exhibitions and sponsorships.
 - D event management and exhibitions.
- 1.14 According to the Belbin theory, the ... is a natural leader that is prepared to delegate to subordinates.
- A Thinker
 - B Plant
 - C Shaper
 - D Co-ordinator
- 1.15 The main advantage to Debonairs of leasing delivery vehicles rather than purchasing them is to ...
- A maximise the durability of current assets.
 - B ensure that only new vehicles are used.
 - C avoid the insurance costs of vehicle ownership.
 - D limit the initial capital requirements.

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QUESTION 2 TRUE/FALSE

The underlined word(s) in each of the following makes the statements **FALSE**. Correct the statement by replacing the underlined word(s) with the correct word/phrase.

- 2.1 SCAMPER is a problem-solving and decision-making tool that helps the business weigh up the pros and cons of implementing a new idea or project.
- 2.2 Training involves the actions of an organised group or representatives of particular interests trying to persuade groups with decision-making powers to support a specific cause.
- 2.3 An external audit looks at the preferences of the target market.
- 2.4 The goals, management philosophy and style of management at Ocean Basket forms part of the market environment.
- 2.5 The South African Broadcasting Corporation (SABC) is responsible for the monitoring of ethical advertising in the media.
- 2.6 The values and ethics that Famous Brands adhere to is detailed in the Income Statement of the company.
- 2.7 If Wimpy undertakes research to determine if people are enjoying a new item on the menu, it is secondary research.
- 2.8 A manager coordinating a task tells employees what to do and by when it has to be done.
- 2.9 A laissez-faire leadership style is used when a crisis occurs and there is insufficient time for discussions.
- 2.10 Exchange rate is the increase in prices and the decrease in the purchasing power of money.

[20]

50 marks

SECTION B

All questions in this section are compulsory. Question 3 has to be answered on the Answer Sheet and Question 4 and 5 in the Answer Book provided.

QUESTION 3

- 3.1 *Corporate Social Responsibility is about the relationship between the business (corporate) and society (social) and the degree to which the business impacts on society.*

Corporate Social Responsibility			
3.1.1 Differentiate between Primary Social Responsibility and Broad Social Responsibility. (4)	3.1.2 Describe TWO arguments why a fast food outlet such as Pizza Perfect has to become involved in CSR. Give a practical example to illustrate each argument. (6)	3.1.3 Explain how Pizza Perfect can make its own operations environmentally friendly. (4)	3.1.4 Name the three Ps of integrated reporting. (3)

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

Problems/challenges for a fast food business	Why is it a problem/challenge? (6)	Strategy to overcome the problem/challenge (6)
An increase in the rate at which salary earners are taxed.		
A supplier consistently delivers goods late.		
Outdated technology to receive customer orders.		

(12)

3.3 Complete the following diagram that relates to the principles of leading:

Principles	Explanation
Harmony of objectives	• 3.3.1 (2)
3.3.2 (1)	• The manager of each department has the responsibility to ensure all employees understand the plan, policies, and procedures including their respective responsibilities.
Unity of Direction	• 3.3.3 (2)
Direct supervision	• 3.3.3 (2)
3.3.5 (1)	• The manager has to be aware of challenges and difficulties which employees face and make adjustments where needed. (8)

3.4 Look at the following table that has been partially completed for you. Complete the missing elements and explain if each element will contribute to the success or failure of the business. Ensure you motivate your answers where applicable.

(13)

Characteristic:	Sole trader	Partnership	Private co.	Public co.
Number of owners	3.4.1 (2)	2 – 20		
Who has limited/unlimited liability?	Owners have unlimited liability	Partners have unlimited liability AND are jointly and severally liable		3.4.2 (3)
Continuity of existence?	No	No	3.4.3 (3)	
Who pays tax?		3.4.4 (2)	Company pays tax	Company pays tax
Managed by?	Usually the owner	One or more of the partners	3.4.5 (3)	

(13)

Question 4 and 5 are answered in the Answer Book provided:

QUESTION 4

- 4.1 Fast food businesses such as McDonald's are often criticised for advertising unhealthy food to children. Use an ethics theory of your choice to discuss if this is ethical or not. Motivate your answer. (6)



[<<https://guermj64.wordpress.com/2013/11/17/how-do-fast-food-restaurants-advertise-towards-children/>>]



[<<https://foodcomplications.wordpress.com/>>]

- 4.2 Discuss how the following elements of teamwork can lead to improved success of a team in a fast food franchise:
- 4.2.1 Communication (4)
- 4.2.2 Synergy (4)
- 4.3 Discuss the power that a buyer has over a fast food business. Do you think a business is able to overcome this power and if so, how? Give practical strategies. (5)
- 4.4 Henry Ford is quoted as saying, "Businesses that grow by development and improvement do not die." Discuss how this quote could be used in a business selling coffee on the go, such as Seattle Coffee or Star Bucks. (4)
- 4.5 How can a fast food business use Adams' Equity Theory to improve its performance? Illustrate your answer by using an example(s). (9)
- 4.6 Choose any two entrepreneurial characteristics and explain why you consider these characteristics important. (4)
- 4.7 Name two types of non-verbal communication tools that are used on a daily basis in a QSR (quick service restaurant). (2)
- 4.8 Why are personal sales an important component of marketing communication in a fast food franchise? Illustrate your answer by using practical real-life examples.
- 4.9 Why is packaging an important component of selling fast food products? Illustrate your answer by using relevant examples. (6)

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QUESTION 5

- 5.1 Explain the rights that consumers have according to the CPA. (8)
- 5.2 Why is it important that a fast food franchise that does deliveries, takes out fully comprehensive insurance and not just third party, fire and theft insurance on their delivery vehicles? (5)
- 5.3 Why is it important that all team members understand their roles in a fast food franchise? Use a practical example(s) to illustrate your answer. (5)
- 5.4 Use an example to explain the following unethical issues and how they should be addressed in a business environment:
- 5.4.1 Conflict of interest (4)
 - 5.4.2 Insider trading (4)
 - 5.4.3 Lack of respect for a business's intellectual property (4)
 - 5.4.4 Abuse of company resources and the issue of privacy (4)
- 5.5 A fast food franchise is often limited regarding creativity, because prices, menus and even staff uniforms are prescribed by the franchisor. Discuss the advantages and disadvantages of limiting the franchisee's creativity. (8)
- 5.6 What is the difference between a shareholder and a director? (2)
- 5.7 Look at the advertisement below and discuss the importance of accurate communication in a business context. (6)



[<<https://za.pinterest.com/obama4me2/wal-mart-walmart-low-wages-crazy-crack-shots-lewed/?lp=true>>]

[50]

150 marks

Total: 200 marks