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ST BENEDICT'S COLLEGE



Date:	2018/02/12
Duration:	45 min
Total:	50 marks
Examiner:	Ms. L. French
Moderator:	Mr. S. Burger

Business Paper One (Class Test)

PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY

1. This question paper consists of nine pages. Please check that your question paper is complete.
2. Read the questions carefully.
3. All questions are compulsory.

Section A: Short questions

Section B: Comprises TWO shorter answer type questions.

4. Demonstrate insight, where applicable, when answering questions.
 5. **Please note that no answer is allowed to be written on the sides or under the given space to answer the relevant question.**
 6. You are advised to pay particular attention to the use of language and the **allocation of marks**.
 8. It is in your own interest to write legibly and to present your work neatly.
 9. All questions must be answered in **BLUE or BLACK pen**, no answers given in pencil will be accepted.
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Section A

Question 1

Choose only the correct answer for each of the following questions and write down the letter of the answer next to the question number.

1.1 The environment over which the business has complete control is known as the _____.

a. Micro environment

1.2 The environment that immediately surrounds the business is the _____.

a. Market environment

1.3 Which of the following is not an example of the internal environment of a business?

a. Interest

1.4 The rand is trading at R 13,56 to the US\$. This is an example of the _____ environment.

a. Macro

1.5 Which of the following is an example of the market environment?

a. Suppliers

1.6 The fiscal policy of the government is an example of the market environment.

a. Macro

1.7 The right potential buyers of a product is an example of the _____ environment.

a. Market

1.8 Special offer: "Buy the Car of the year at 2% below prime" refers to the _____ environment.

a. Macro

1.9 Inflation is an element found in the environment:

a. Economical

1.10 Increase in the Repo rate by the National Reserve bank will have a direct impact on the _____.

a. Interest rate

(20)

Section B**Question 2**

2.1 Identify any FIVE factors in the macro-environment. List ONE challenge for each and give a strategy for that challenge. IMPORTANT: You are not allowed to repeat any of the factors you have chosen.

(15)

Factor	Challenge	Strategy
Economic	Taxation and fraudulent Declarations Inflation Exchange rate Interest rate	• Employees should report any tax evasion or tax avoidance in a business. • Consumers, suppliers and buyers should ensure that all products are correctly invoiced and recorded. • The public should report any suspicion of tax fraud to SARS. • Businesses should be aware and up to date with the latest SARS regulations and tax laws.
Social	HIV and Aids Crime Poverty Unemployment Inequality	• Clear guidelines and policies on HIV and Aids should be in place that everyone is made aware of. • Businesses should offer education and training programmes to keep people informed and up to date on the facts. • Management should give

		constant support to those with HIV or Aids, and to those affected by it in and outside the Workplace. • Businesses should constantly be training and developing their employees. • Businesses should carry out corporate social responsibility programmes that impact on the community. • Entrepreneurship should be promoted to provide more opportunities for employment.
Physical / Environmental	Pollution	Businesses need to work with the natural environment by putting measures into place to prevent environmental damage. A business can be sustainable and environmentally aware. Environmental awareness is very good for marketing and public relations since people have become very sensitive to environmental issues and businesses that are environmentally aware are viewed in a positive light by customers and investors. Many new businesses have become very

		successful due to the move towards more environmentally friendly products and services.
Technology	Constantly develops and improves and businesses need to keep up with the latest technologies.	The latest, most efficient methods of production should be used to ensure that a business stays ahead of its competitors in terms of technology. Products and services should also be promoted using the latest technology so that the largest possible market can be reached.
Legal	Information is necessary for businesses to prosper. New Act. or amendments	Businesses need to ensure that they know what policies, laws and regulations exist to govern business and particular industries. They need to work within all the laws and regulations set up by government.

Examples of the kinds of things that might affect a business in each of the six areas include:

- Political – taxation, local government by-laws, or international trade laws
- Economic – interest rates, inflation, levels of remuneration
- Social – income distribution, attitude to the business and products, demographics of the population

- Technological – new technology and the rate at which it will become outdated
- Legal – foreign trade laws, competition laws, labour laws
- Environmental – impact on the environment, environmental laws, cost of Electricity.

Factor ONE MARK	Challenge ONE MARK	Strategy ONE MARK
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Use own discretion

2.2 Discuss the extent to which Engine Petrol Station is able to minimize the influence of the element if Porter's Six Forces model. Use practical examples to illustrate your answer.

(12)

Level of Rivalry - Because there are many competitors in the market,  needs to know everything about the competition. Because there is limited potential for the

market to grow and all competitors have to compete for the same market share -  must ensure their customer service and menu offerings are much better than

competition to gain a greater market share.  must ensure that their restaurants offer option that can easily be substituted for example if you don't get takeaways there is the

option of sitting down at a restaurant.  must ensure a high level of customer loyalty so they can be assured of repeat buying and that their customers won't easily move to competition.

Threat of New Entrants -  needs to understand who makes up their market share and then know exactly what it is that this market requires. If there is any additional need from the consumers they need to know by doing comprehensive market research.

Ideally,  must know what the consumer needs BEFORE they know it themselves, in this way they are able to foresee a gap in the market and if necessary try close the gap.

Availability of substitute products -  needs to establish what substitute products there are for their product range and then consider how these substitutes can be

provided for within their stores or it may even open up a new business opportunity. 

also needs to know exactly how much other businesses are selling the substitute products for. Power of the supplier -  must create open communication channels with their suppliers in order to ensure delivery on time.  must ensure they are paid on time and in this way the supplier will not hesitate to give them the appropriate service.  must do what is necessary to ensure they get the best possible price and service from their suppliers.

Power of the buyer -  must know the customers' needs very well. They must engage in continuous market research in order to establish the change in needs.  must ensure that customers are treated like 'Kings', the customer always comes first and all employees must treat them like this. In this way they will be satisfied with the products and services of  and will not need to look at competitors.

ONE MARK FOR HEADING
ONE MARK FOR DISCUSSION

2.3

Micro env –No control (1)

Market env – No control, but influence (1)

Macro env – No control (1)

Learner must indicate the correct Business environment and aspect of control.

Total 50