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**TOTAL MARKS**

GRADE 11 EXEMPLAR 2019

# BUSINESS STUDIES

**EXAMINATION NUMBER**

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | |

Time: 3 hours

300 marks

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**PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY**

1. This question paper consists of 32 pages. Please check that your question paper is complete.

2. Read the questions carefully.

3. All questions are **COMPULSORY**.

4. Answer ALL the questions on the question paper and hand this in at the end of the examination. Remember to write your examination number in the space provided on the question paper.

5. Demonstrate insight, where applicable, when answering the questions. You may refer to any petrol stations/garages (including food courts and retail outlets associated with petrol stations) that you have studied this year.

6. You are advised to pay particular attention to the use of language and the **allocation of marks**.

7. It is in your own interest to write legibly and to present your work neatly.

8. If you run out of space for a question, two extra, blank pages (pages 31 and 32) have been included at the end of the paper. Please clearly indicate the question number of your answer should you use this extra space.

---

**Allocation of marks**

| Q 1 | Q 2 | Q 3 | Q 4 | Q 5 | Q 6 | Q 7 | Total |
|---|---|---|---|---|---|---|---|
| | | | | | | | |

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## SECTION A

## QUESTION 1

Indicate the **most correct** answer by writing the letter of the alternative you have chosen in the space provided at the bottom of each page.

1.1 The … environment forms part of Engen South Africa's external environment and it includes, amongst others, consumers, suppliers and competitors.

A micro
B market
C macro
D international (2)

1.2 A group of Sasol employees formed a partnership to run a business in a fuel forecourt. Which statement is true?

A The owners have limited liability for the debts of the partnership.
B The partner's personal possessions can be claimed to pay for the debts of the partnership.
C There is unlimited continuity in the partnership.
D The partnership is a separate legal persona from the owners. (2)

1.3 If a Caltex garage owner installs solar panels he/she would be responding to challenges from …

A the economic environment.
B the socio-cultural sector.
C the environmental factors.
D All of the above sectors. (2)

1.4 … is the identification of a range of events in order to predict changes that present real or potential challenges to the business.

A Lobbying.
B Franchising.
C Environmental scanning.
D Leasing. (2)

1.5 Which one of the following scenarios could be considered unethical in a business such as Sasol?

A Strike action by petrol attendants.
B Appointing family members to senior management positions.
C Reporting cases of sexual harassment to the CCMA.
D Monitoring and tracking employee's access to Internet sites on Sasol computers. (2)

| 1.1 | 1.2 | 1.3 | 1.4 | 1.5 |
|---|---|---|---|---|
| | | | | |

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1.6 The continuous increase of prices accompanied by a decrease in the value of money, is known as …

A inflation.
B globalisation.
C the break-even point.
D import taxes. (2)

1.7 A risk profile of an Engen garage would refer to the …

A ability of the business to enter into contracts in their own name.
B extent to which a business is willing to accept uncertainty in order to achieve goals.
C manner in which the owner uses certain leadership styles.
D protection offered to an employee's work through legislation. (2)

1.8 … pricing is when the owner of a garage adds a mark-up to the wholesale price of diesel.

A Emotional
B Fuel based
C Cost-plus
D Penetration (2)

1.9 According to the Belbin theory of team dynamics, the plant …

A thinks strategically about the optimal use of opportunities.
B looks for mistakes to ensure the end product is delivered on time.
C solves problems in imaginative ways.
D converts ideas into practical actions. (2)

1.10 A … is management tool that sets out time frames of tasks, indicating the responsibility of team members and sub-sections of projects.

A Delphi technique
B PESTLE analysis
C Force field technique
D Gantt chart (2)

1.11 Dysfunctional conflict can be described as conflict that …

A prohibits the effective use of scarce resources.
B discourages creative problem solving.
C lowers levels of productivity.
D All of the above. (2)

| 1.6 | 1.7 | 1.8 | 1.9 | 1.10 | 1.11 |
|---|---|---|---|---|---|
| | | | | | |

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1.12 It is not possible for a garage owner to insure against …

A fire
B personal liability
C changes in technology
D bad debts (2)

1.13 A … leadership style would be used when the owner of a petrol station does not tell his managers how or when work schedules need to be completed.

A autocratic
B democratic
C transformational
D laissez-faire (2)

1.14 Sasol has a / an … responsibility to build a brand associated with acceptable values and to ensure that these values are implemented by all employees.

A ethical
B economic
C legal
D All of the above (2)

1.15 Caltex Head Office develops contingency plans as a … crisis management tool.

A re-active
B developmental
C re-structuring
D pro-active (2)

1.16 A concept that defines the morals, principles and values under which Sasol operates would be considered a …

A Code of Simplicity.
B Memorandum of Association.
C Code of Ethics.
D Founding Statement. (2)

1.17 The … policy of marketing considers all the intermediaries involved in getting the product from the manufacturer to the final consumer.

A product
B physical evidence
C people
D distribution (2)

| 1.12 | 1.13 | 1.14 | 1.15 | 1.16 | 1.17 |
|---|---|---|---|---|---|
| | | | | | |

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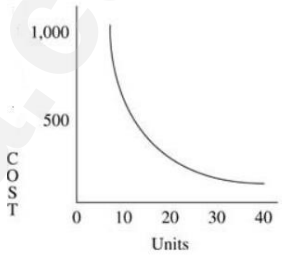
1.18 Which one of the following is NOT an obligation of the directors of a public company?

A To have the accounting records audited.
B To reserve the name of the company.
C To ensure that the shareholders are jointly and severally liable for the debts of the company.
D To act in good faith when executing their duties. (2)

1.19 Which one of the following is a current asset?

A Stationery
B Bank overdraft
C Creditors control
D Trading inventory (2)

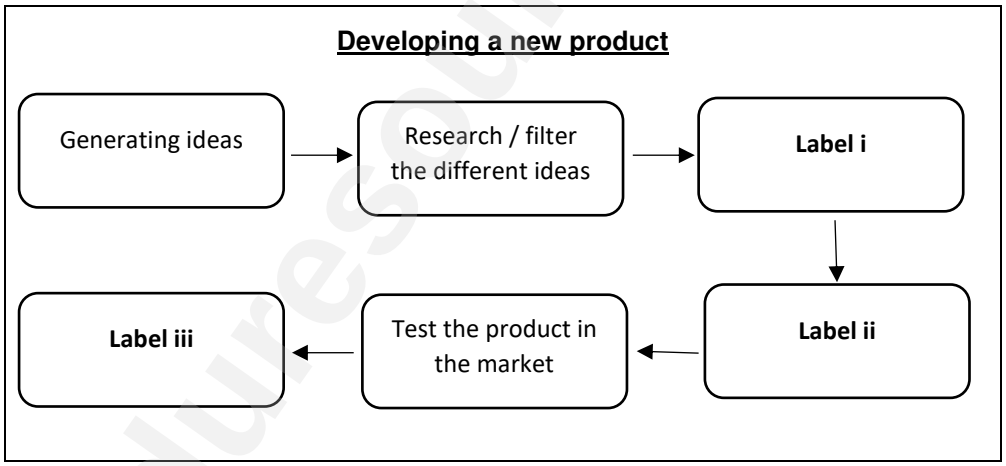
1.20 Which one of the following would be an appropriate heading for the graph?




A Fixed costs
B Fixed costs per unit
C Variable costs per unit
D Total costs of production

(3)

1.21 Which one of the following would be appropriate for the missing details in the following schematic diagram?




| | Label i | Label ii | Label iii |
|---|---|---|---|
| A | Build a prototype | Perform feasibility and viability tests | Launch the product |
| B | Perform feasibility and viability tests | Launch the product | Build a prototype |
| C | Launch the product | Perform feasibility and viability tests | Build a prototype |
| D | Perform feasibility and viability tests | Build a prototype | Launch the product |

(3)

| 1.18 | 1.19 | 1.20 | 1.21 |
|---|---|---|---|
| | | | |

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1.22 Which one of the following would the garage owner use to measure whether he has obtained the maximum growth with his initial investment?

A Total asset : Total Liabilities

B $\frac{\text{Net profit}}{\text{Capital contribution}} \times \frac{100}{1}$

C (Turnover – Cost of sales) + Operating Income – Operating Expenses

D Current Assets : Current Liabilities (3)

1.23 Which one of the comparisons between the information in Column A and Column B, is correct?

| | Column A | Column B |
|---|---|---|
| A | The Constitution of South Africa is the highest legal authority of the land. | The Consumer Protection Act is independent from the requirements of the Constitution as it applies exclusively to marketing activities. |
| B | PESTLE is a technique applicable to identifying external challenges. | Porters Six Forces is a technique applicable to identifying internal challenges. |
| C | A manager is involved with the execution of plans. | An entrepreneur is innovative through creative thinking and problem solving. |
| D | Primary research involves the analysis of resources to support claims made by customers. | Secondary research is the collection of data through techniques like interviews. |

(3)

| 1.22 | 1.23 |
|---|---|
| | |

**[50]**

[Source: <https://www.international-synergies.com>]

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## QUESTION 2

Match the concepts in Column B to the descriptions in Column A. Write only the correct letter from Column B below the appropriate question number in the grid at the end of the question.

| Column A | Column B |
|---|---|
| 2.1 The shared attitudes and practices in the business. | A. Fidelity |
| 2.2 Employees, customers and investors who are affected by the management decisions of the business. | B. Memorandum of Incorporation |
| 2.3 The ability to produce several different ideas, through the use of creative thinking within teams. | C. Transactional |
| 2.4 Employees follow a course of action in return for a reward. | D. Copyright |
| 2.5 Action that is taken to prevent events that will lead to a loss. | E. Fluency |
| 2.6 The legal protection of a person's work. | F. Stakeholder |
| 2.7 The ability of the business to carry on functioning without depending on the well-being of the owners. | G. Narrative |
| 2.8 The founding statement of a company. | H. Utilitarian |
| 2.9 Solving problems using knowledge that is unique to a particular culture. | I. Prospectus |
| 2.10 Management follows a course of action that benefits the majority of stakeholders. | J. Indigenous |
| 2.11 The combined effort of two or more strategies is greater than if the two strategies were considered in isolation. | K. Synergy |
| 2.12 A tax paid on international goods or services that are brought into our country. | L. Import Duties |
| 2.13 To insure against dishonest acts of employees. | M. Continuity of existence |
| | N. Business Culture |
| | O. Leasing |
| | P. PAYE |
| | Q. Risk avoidance |

| 2.1 | 2.2 | 2.3 | 2.4 | 2.5 | 2.6 | 2.7 | 2.8 | 2.9 | 2.10 | 2.11 | 2.12 | 2.13 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | |

**[26]**

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## QUESTION 3

Choose the correct term in brackets that will make the statement **TRUE**.
Underline your choice.

3.1 The owner(s) of a (**Private Company** / **Sole Trader**) is the legal entity.

3.2 A shareholder of a company has (**unlimited** / **limited**) liability for the debts of the business.

3.3 The owner of a (**Public Company** / **Sole Trader**) make quick decisions and this affords him/her flexibility to capitalise on possible opportunities.

3.4 The minimum number of shareholders for both Private and Public Companies is (**one** / **two**).

3.5 The prospectus is a written invitation to the public to (**sell** / **buy**) shares in the company.

3.6 The company has to always meet the (**solvency and liquidity** / **equity and security**) tests before dividends may be declared.

3.7 A (**autocratic** / **democratic**) leader tells subordinates what to do, without allowing input from them.

3.8 Management on (**all levels** / **top level)** in the business has to do planning.

3.9 (**Feasibility** / **Viability**) is the study of the proposed business' profitability.

3.10 A (**business plan** / **marketing plan**) is a document setting out a business' future objectives and the strategies for achieving them.

3.11 An (**ultrapreneur** / **intrapreneur**) is found in a business working as an employee who creates new ideas for the business.

3.12 An entrepreneur assumes (**all the risk** / **no risk**) involved in the start-up of a business.

**[24]**

**100 marks**

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## SECTION B

**Use the mark allocation as a guide to the length of your answers.**

## QUESTION 4

4.1 Refer to the following extract where applicable when answering the questions that follow:

| | |
|---|---|
| ENGEN | As a company, we are conscious of our need to be a responsible corporate citizen. That is why we are committed to conducting business in a manner that is compatible with the economic, social and environmental needs of the communities in which we operate. |

[Source: <http://www.engen.co.za/engen-cares/csi/overview 4/04/2019>]

4.1.1 Explain what is meant by the concept of CSR.

(2)

4.1.2 Engen has both Primary and Secondary responsibilities. Make use of relevant examples to explain the Primary and Secondary responsibilities Engen has towards its community.

(6)

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4.1.3 Stakeholders demand responsible behaviour from businesses.

(a) Discuss the Economic, Social and Environmental demands that a community could place on a fuel supplier such as Engen.

(b) Also suggest possible strategies that Engen could use to meet each of these demands.

| Community Needs: | Demand placed on Engen: | Strategy to meet the demand: |
|---|---|---|
| **Economic** | (2) | (2) |
| **Social** | (2) | (2) |
| **Environmental** | (2) | (2) |

(12)

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4.1.4 Discuss any **three** principles, Engen should take into account when designing their CSR programmes.

(6)

4.2 Why would Sasol SA prefer a "company" as a form of ownership to a partnership?

(12)

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4.3 Describe why functional conflict in a business could lead to a positive outcome. Use examples to illustrate your answer.

(6)

4.4 Suggest how management at a Sasol garage could deal with the following conflict situations. You have to provide a different strategy for each situation.

4.4.1 Petrol attendants feel that management is too autocratic when it comes to employee concerns about wage increases.

(3)

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4.4.2 Customers complain about poor service delivery.

(3)
**[50]**

[Source:<https://www.sahistory.org.za>]

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## QUESTION 5

5.1 Refer to the following extract where applicable when answering the questions that follow:

Engen are proud partners and the headline sponsor of Pitch & Polish, an annual entrepreneurial competition and workshop.

The programme is designed to give smaller, local communities access to expert guidance and input on how to polish their business pitches.

[**Source:** <http://www.engen.co.za/press/engen-pitch-polish-continues-to-advance-entrepreneurs 4/04/2019>]

As Engen works to foster entrepreneurs through their Pitch & Polish programme, they have come across a number of different types of entrepreneurs. Assist Engen to understand the differences between the following types of entrepreneurs:

5.1.1 Sociopreneur

_____

_____

_____

_____

(2)

5.1.2 Ecopreneur

_____

_____

_____

_____

(2)

5.1.3 Tenderpreneur

_____

_____

_____

_____

(2)

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5.1.4 Technopreneur

(2)

5.2 Suggest entrepreneurial characteristics that you believe Engen should be developing through its Pitch & Polish programme. Explain the importance of each characteristic suggested.

(10)

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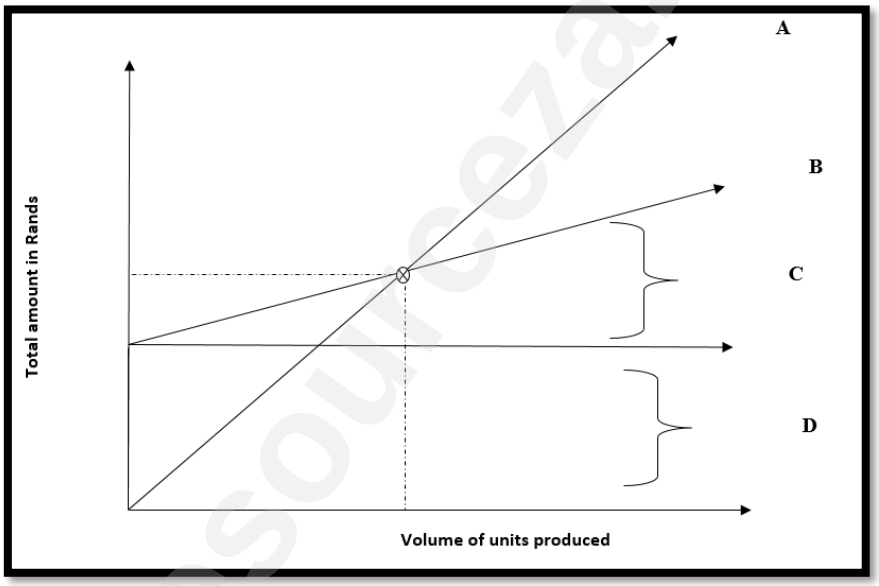
5.3 If you were the person in charge of the Engen Pitch & Polish programme, how would you measure the success of your programme?

(4)

5.4 Study the following graph and then answer the questions that follow:




5.4.1 Describe the purpose of an Engen franchisor drawing up this graph.

(4)

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5.4.2 Identify each of the labels on the graph:

A = _____

B = _____

C = _____

D = _____

(4)

5.4.3 Describe how the "safety margin" fits into the analysis of the graph.

_____

_____

_____

_____

(2)

5.5 5.5.1 Discuss some of the challenges that garage owners encounter as a result of the bargaining power of buyers.

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

(6)

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5.5.2 List **FOUR** possible barriers that could make it difficult for business to enter the fuel-forecourt business.

- _____
- _____
- _____
- _____

(4)

5.5.3 Describe the technological challenges that garage owners may encounter in the daily management of the business.

_____
_____
_____
_____
_____
_____
_____
_____

(4)

5.5.4 Use an example to explain how a challenge that originates in the macro environment could have an impact on the micro environment of a petrol station.

_____
_____
_____
_____
_____
_____
_____
_____

(4)

**[50]**

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## QUESTION 6

6.1 Refer to the graph below where applicable when answering the questions that follow:

[Source: <https://www.entrepreneur.com/article/307724/04/04/2019>]

6.1.1 Study the graph above and identify the top two reasons for business failure? In addition, also suggest what an entrepreneur could do to avoid these two top business failures?

_____

_____

_____

_____

_____

_____

_____

_____

_____

(6)

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6.1.2 Discuss activities that an Engen garage should perform as part of its operations to deliver a good quality product and / or service to customers.

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

(8)

6.2 Describe a challenge that the public relations officer of Engen could encounter and suggest how he /she could overcome the challenge.

**Challenge:** _____

_____

**Suggestion to overcome challenge:** _____

_____

(4)

ENGEN

With us you are Number One

[Source: <https://www.brandsoftheworld.com>]

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6.3 Engen has **three** different management levels. Complete the table below where you:

- Name each of the **three** management levels;
- Explain the type of decisions managers make at each level;
- Provide a relevant example to illustrate the type of decisions made at each level.

**Name of Management Level**: _____

**Explain the type of decision**: _____

_____

_____

**Example**: _____

_____

_____

(5)

**Name of Management Level**: _____

**Explain the type of decision**: _____

_____

_____

**Example**: _____

_____

_____

(5)

**Name of Management Level**: _____

**Explain the type of decision**: _____

_____

_____

**Example**: _____

_____

_____

(5)

(15)

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6.4 Describe the different types of products and services that could be on offer at an Engen garage. Use examples to illustrate your answer.

(12)

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6.5 Refer to the following cartoon and quote and then answer the question that follows:

"Consumers are having to be more careful in the way they spend their hard-earned salaries"

[Source <https://www.engineeringnews.co.za/page/cartoon> Downloaded /06/2019]

Comment on the validity of the statement and suggest how petrol garages should manage this risk.

(5)
**[50]**

**150 marks**

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## SECTION C

**The following aspects will be considered when marks are allocated in this section:**

- Format:
  - The **CORRECT** format must be used, i.e. business report.
  - Where applicable, include an introduction and conclusion.
  - Use headings and sub-headings where appropriate.
- Terminology: Correct Business terminology should be used.
- Content: Must be sufficient to cover all aspects of the question.
- Substantiation: Justification for statements made.
- Application to case study / context.
- Creative problem solving rather than just giving theoretical facts.
- Synthesis and appropriate sequencing.

## QUESTION 7

Study the following sources before answering the question that follows:

### SOURCE A:

While the prevalence of ethical consumerism has pressured Petrol Service Stations to embrace ethical behaviour, in current economic business conditions the relentless pursuit for profit by Petrol Service Stations may compel them to compromise their moral values. As such, a tacit struggle may persist between such businesses' strategic orientations (e.g. profitability, improved performance) and demands of ethically conscious consumers.

A survey was conducted on 1160 customers in fast-food outlets. Findings suggest that customers considered ethical conduct of business ventures when making their purchase decisions.

[Source Adapted from: Journal of Economics and Behavioral Studies (ISSN: 2220-6140) Vol. 8, No. 5, pp. 169-183, April 2018]

### SOURCE B:

[Source: <https://mayrsom.com/2015/03/04/business-issues-and-ethical-resolution-part-1/> 07/04/2019]

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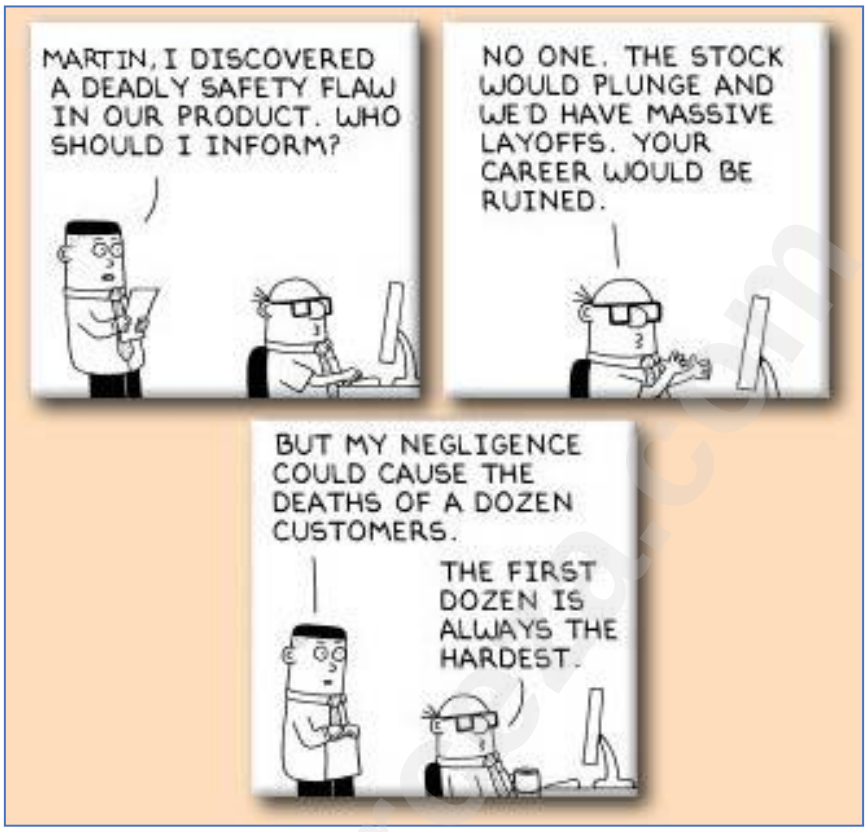
**SOURCE C:**




[Source: <https://za.pinterest.com/pin/370702613048196913/ 07/04/2019>]

Ethical business practice is an important aspect of business. Both internal and external stakeholders are demanding businesses to operate ethically.

**Required:**

You have been asked to assist a business in the Petrol Service Station sector to re-inforce its ethical and corporate governance frameworks.

Write a business report, where you evaluate how ethical / unethical behaviours could affect the value of a Petrol Service Station. Explain how different management tasks could be used to ensure ethical business practice.

**[50]**

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**50 marks**

**Total: 300 marks**

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**ADDITIONAL SPACE TO ANSWER QUESTIONS. REMEMBER TO CLEARLY INDICATE AT THE QUESTION THAT YOU USED THE ADDITIONAL SPACE TO ENSURE ALL ANSWERS ARE MARKED.**

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