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Form: 4
Examiner: M. Strachan
Moderator: N. Nell and L. Amaral

Date: 19 November 2020
Time: 180 Minutes
Total: 300 Marks

MICHAELMAS EXAMINATION

Please read these instructions carefully:

1. This paper consists of 35 pages. Please check that your question paper is complete.
2. Read the questions carefully and plan the length of your answers in relation to the marks allocated for each question.
3. All questions are compulsory
4. Please make sure to write your name in the space provided.
5. Use your own words and insight when answering questions.
6. It is in your own interest to write quickly and present your work neatly.
7. Refer to the case studies when required.
8. There is additional space at the end of the paper on page 34 and 35.

Student Name _____ Teachers Initials _____

	Question	Possible mark	Actual mark
Section A	Question 1	50	
	Question 2	24	
	Question 3	26	
Section B	Question 4	50	
	Question 5	50	
	Question 6	50	
Section C	Question 7	50	
TOTAL:		300	
			%

SECTION A

QUESTION 1

[50]

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 If there was a fire in the business; what management style would be the most effective in dealing with the situation. (2)

- A Democratic
- B Autocratic
- C Laissez faire
- D None of the above

1.2 Which of the following would be used to calculate the return on investment for Spar? (2)

- a) Trade and other receivables
- b) Bank
- c) Net profit.
- d) Shareholder's equity.
- e) Gross Profit

- A a and e
- B a and b
- C b and c
- D c and d

1.3 Which of the following is an example of a Primary Stakeholder at Spar? (2)

- A. The cashier at Spar
- B. The customers at spar
- C. The owners of the franchise
- D. all of the above

1.4 Attracting job applicants with the necessary skills refers to..... (2)

- A Placement
- B Selection
- C Recruitment
- D Induction

1.1	1.2	1.3	1.4

1.5 Bob is a manager at Spar and he subscribes to the principle-based theory. This means (2)

- A A person's character is judged, rather than his/her actions.
- B Bob will tell them about business-related incidents to help them to understand what ethical behaviour is.
- C Actions are measured against common values to determine if the actions are right or wrong.
- D Bob looks at what is best for the most number of people when making decisions.

1.6 Consumer tastes and habits that change over time could be regarded as a challenge in the..... environment. (2)

- A Market
- B Micro
- C Macro
- D A & B above

1.7 Each of these statements are either TRUE or FALSE. (2)

1. To reduce unemployment and encourage economic growth the government could spend more.
2. Online delivery is an example of a Social factor in the PESTLE analysis.

Which option best describes the two statements?

- A Statement 1 is **TRUE** and statement 2 is **TRUE**.
- B Statement 1 is **TRUE** and statement 2 is **FALSE**.
- C Statement 1 is **FALSE** and statement 2 is **TRUE**.
- D Statement 1 is **FALSE** and statement 2 is **FALSE**.

1.5	1.6	1.7

1.8 Each of these statements are either TRUE or FALSE. (2)

1. Retailing is part of the secondary sector.
2. Mining coal is an example of a business in the primary sector.

Which option best describes the two statements?

- A Statement 1 is **TRUE** and statement 2 is **TRUE**.
- B Statement 1 is **TRUE** and statement 2 is **FALSE**.
- C Statement 1 is **FALSE** and statement 2 is **TRUE**.
- D Statement 1 is **FALSE** and statement 2 is **FALSE**.

1.9 An advantage of being a Sole Trader is... (2)

- A Having unlimited liability.
- B Having limited liability.
- C Quick decision making.
- D None of the above.

1.10 Packaging of a product is important because it.... (2)

- A Helps to protect the product.
- B Helps to identify the brand.
- C Helps to target different segments of the market.
- D All of the above.

1.11 One danger of too many sales promotions could be: (2)

- A The consumer feels as if there really is no deal at all.
- B The consumer could begin to question the quality of the product.
- C The company could lose a lot of profit in the long run.
- D All of the above.

1.12 The portion of the market that the company sells to in relation to their competitors. (2)

- A Storage
- B Market segment
- C Online stores
- D Market share

1.8	1.9	1.10	1.11	1.12

- 1.13 A is automatically dissolved if one of the owners passes away. (2)
- A Close Corporation
 - B Private Company
 - C Partnership
 - D Public company
- 1.14 The most volatile stage in team processes, where team members are finding their roles. (2)
- A Forming
 - B Norming
 - C Storming
 - D Performing
- 1.15 An approach that looks at what is needed to close the gap between desired and actual team performance. (2)
- A Group Consensus
 - B Jungian theory
 - C Belbin Role theory
 - D MTR-I Approach
- 1.16 When a third person gets involved to facilitate discussion when resolving conflict. (2)
- A Negotiation
 - B Conciliation
 - C Mediation
 - D Arbitration
- 1.17 'Misappropriating funds' is an example of: (2)
- A Financial misconduct
 - B Misrepresentation
 - C Employee related issues
 - D Stealing

1.13	1.14	1.15	1.16	1.17

1.18 A change in exchange rates relates best to which Macro factor? (2)

- A Political
- B Social
- C Economic
- D Technological

1.19 A tool that is used to identify positive and negative factors. (2)

- A SCAMPER
- B Force Field Analysis
- C Delphi Technique
- D Indigenous Approach

1.20 Which is an example of a company's Broader Social Responsibility (2)

- A Owners
- B Employees
- C The Government
- D Suppliers

1.21 The form of market where there is only one seller and he/she can insist on their own price. (2)

- A Perfect competition
- B Monopolistic competition
- C Oligopoly
- D Monopoly

1.22 An example of a threat to a business could be: (2)

- A Hiring an unqualified accountant
- B A competitor has closed down
- C A competitor has just started producing a similar product as you
- D None of the above

1.18	1.19	1.20	1.21	1.22

1.23 Which of the following would be used to calculate the Acid Test Ratio? (3)

i	Current Assets	ii	Current Liabilities
iii	Current Assets – Trading Stock	iv	Total Liabilities
v	Total Assets - Trading Stock	vi	Trading Stock

Choose the right combination

- A ii and iii
- B i and ii
- C iii and iv
- D v and vi

1.24 Calculate the Acid Test Ratio with the following amounts: Stock R37 000, Total Assets: R240 000, Total liabilities: R70 000, Current Assets R60 00 and current liabilities R50 00 (3)

- A 1 : 1.66
- B 1 : 3.43
- C 0.46 : 1
- D 1.66 : 1

1.23	1.24

QUESTION 2

[24]

Choose the term from the table below that best match the statements that follow. Write only the correct term in the space provided after each statement. There is only one **correct answer** to each statement.

Principle Based Theory	Utilitarian Based Theory	Porter's 6 Forces
Product Life Cycle	Brand Recognition	The retailer
Contractual Capacity	Brand Insistence	Unlimited Liability
Internal Marketing	Moral Absolutism	Perceived Value pricing
Group Consensus	Solvency	Limited Liability
Moral relativism	Psychological Pricing	Autocratic Leadership

- 2.1 The last link in the distribution channel. He/she buys from the wholesaler and sells to the final consumer. (2)

- 2.2 Each employee represents the business and is involved in the PR side of it. (2)

- 2.3 Solution to the problem will depend on the situation and who is involved. (2)

- 2.4 The stage of brand acceptance where the consumer will not buy another brand if their chosen brand is not available. (2)

- 2.5 Owner can not be held liable for any debt of the business. (2)

- 2.6 Pricing a product at R199 instead of R200 to create the impression that it is better priced. (2)

- 2.7 If the outcome benefits the majority of the group, the actions are justifiable. (2)

- 2.8 A graph used to illustrate the different phases a product goes through. (2)

- 2.9 A leader who does not listen to other people and only follows their own decisions. (2)

- 2.10 Members of a team to reach mutual consent. (2)

- 2.11 The insured person must be of legal age and sound mind. (2)

- 2.12 An environmental scanning tool used in the market environment. (2)

QUESTION 3

[26]

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

- 3.1 An employee breaks the (code of ethics/code of conduct) when they are dressed incorrectly. (2)
- 3.2 The main aim of (Public Relations/Marketing) is about selling products and services. (2)
- 3.3 Management will use (Performance appraisals/Performance evaluations) to check to see whether training goals have been met. (2)
- 3.4 Shares of listed companies that have consistently reported profits are known as (blue/green) chip shares. (2)
- 3.5 (Assurance/Insurance) is taken out by an individual for an event that will happen. (2)
- 3.6 The Pick 'n Pay "No name brand" found in BP garage is an example of a / an (individual/dealer's) trademark. (2)
- 3.7 The (Force Field Analysis/Delphi technique) requires the input from experts to find an objective solution to problems faced by the business. (2)
- 3.8 (Negotiation/Arbitration) is when a third person has to make a judgement call in order to resolve conflict. (2)
- 3.9 The illegal copying or selling of books which are registered is an example of piracy/plagiarism). (2)
- 3.10 The extraction of raw materials are economic activities that can be classified in the (Primary/secondary) sector. (2)
- 3.11 (Ltd/(Pty) Ltd) companies are listed on the JSE. (2)
- 3.12 (Fiduciary duty/Duty of care) is when a company acts within the terms of the law. (2)
- 3.13 A (Problem/Dilemma) is a situation where there is no satisfactory solution. (2)

SECTION B

QUESTION 4

(50 MARKS)

SPAR and Operation Hunger make sure 3 000 families have food on the table

Needy families received the comfort of food parcels last week.

June 2, 2020 Content provided 2 minutes read

During times of crisis, it is important to recognise common humanity and show compassion.

Thanks to a partnership between SPAR Inland and Operation Hunger's (OH) #FeedaFamily Campaign, 3 000 less fortunate families in Gauteng received much-needed food parcels.

The aim of the donation is to fight the increase in food insecurity and malnutrition brought on by the Covid-19 virus. <https://veemistoncitynews.co.za/258746/spar-and-operation-hunger-make-sure-3-000-families-have-food-on-the-table/> (Date accessed 10/10/2020)



4.1 Clarify the difference between a CSI and a CSR project.

(2)

CSI:

CSR:

4.2 Substantiate whether the above food parcel program is sustainable? (4)

4.3 Discuss Spar's Primary Social Responsibility. (8)

4.4 Layout four arguments **for** and **against** Spar's involvement in CSR (8)

For:
Against:

4.5 Study the following table and complete the questions below.

You own a Spar and are analysing how well your business has been doing in the last couple of years. See the latest figures below:

Figures for 2020

Current Assets = R 230 000	Gross Profit = R450 892
Current Liabilities = R111 111	Turnover = R 909 909
Trading Stock = R89 900	Net Profit = R 523 000
Capital = R550 000	Total Liabilities = R200 000
Total Assets = R310 000	

4.5.1 Calculate the ROI for Spar.

(4)

4.5.2 Comment on your answer in 4.5.1.

(5)

4.5.3 Calculate the Gross Profit Margin for Spar for 2020.

(4)

- 4.5.4 The Gross profit margin in 2019 was 60%. Comment on your findings in 4.5.3. What may have caused the difference in the yearly figures? (5)

- 4.6 Name any four rights of the Consumer Protection Act (4)

4.7 Below are characteristics of the different forms of ownership. Fill in the missing characteristics in the space below the table. (6)

Characteristic	Sole Trader	Partnership	Close Corp	Private Co	Public Co
Number of owners	1	Minimum of 2, no maximum	1-10	1- unlimited	a)
Who has limited / unlimited liability?	Owner has unlimited liability	b)	The members have limited liability	Shareholders have limited liability.	Shareholders have limited liability.
Who has a legal entity?	c)	No legal entity	d)	The business	The business
Continuity of existence	e)	No	Yes	Yes	Yes
Managed by?	Owner	Partners	Members	f)	Board of directors or CEO

a)
b)
c)
d)
e)
f)

QUESTION 5

[50 MARKS]

Ethical/Legal Reasons for keeping passwords secret?

August 6, 2008 12:49 PM

I work in IT for a small company (re: I AM the IT department). A supervisor recently requested all of his employees' login information under the guise that some employees leave certain programs logged in. Now, obviously this is not the true issue at hand. I informed this person that I could not, in good conscious, divulge that information (all new accounts are forced password changes at first login, and every X days afterwards) even if I had it.

I'm in an equal position as this person, so anything serious (firing, etc.) is extremely unlikely, but knowing this person, they will make my life difficult if they possibly can.

I've been in IT for over 10 years, and every employer has handled it the same way: if you have a specific need for something, we'll retrieve that data if it's work related, but we're not giving up passwords.

<http://ask.metafilter.com/98502/EthicalLegal-Reasons-for-keeping-passwords-secret> (Date accessed: 24/10/10)

5.1 Name 3 advantages of business ethics. (3)

5.2 If a manager uses the passwords to do random checks on the employee's computers is it right or wrong? Use ethical theories to justify how the case above can be both ethical and unethical. (6)

- 5.3 A retail store that decides to expand to another country, will have to consider how ethics on an international level could impact on the activities of the business. Explain this statement and use an example to illustrate your answer. (3)

Chinese import season of Australian and South African oranges is almost over

Most of the imported oranges on the Chinese market come from Australia and South Africa, and the latter dominates.

Looking back on the import orange season, one trend is clear. Australian oranges and South African oranges are targeted at consumer audiences. The import volume of Australian oranges is relatively small, but the product quality is higher and the flavor more delicious. The cost price and the retail price are therefore higher too. The supply volume of South African oranges is larger, but the flavor is not as good. However, the cost price is low. Market demand for these oranges mostly comes from the food and drinks industry.



<https://www.freshplaza.com/article/9262774/chinese-import-season-of-australian-and-south-african-oranges-is-almost-over/>. Date accessed: 30/10/20

- 5.4 Differentiate between the private and public sectors by using examples. (4)

- 5.5 Using any three Porter's 6 forces, analyse the challenges that a retail store like Spar faces in the market environment and provide strategies. (12)

Porter's 6 force	Challenge Identified	Possible Strategy
(1)	(2)	(1)
(1)	(2)	(1)
(1)	(2)	(1)

- 5.6 Evaluate the impact of the Covid 19 Pandemic on the Retail industry. (3)

- 5.7 Perform a SWOT analysis of the internal environment of a retail store. Specify how the identified strengths and weaknesses could lead to opportunities and threats which could increase/decrease their competitive advantage. (8)

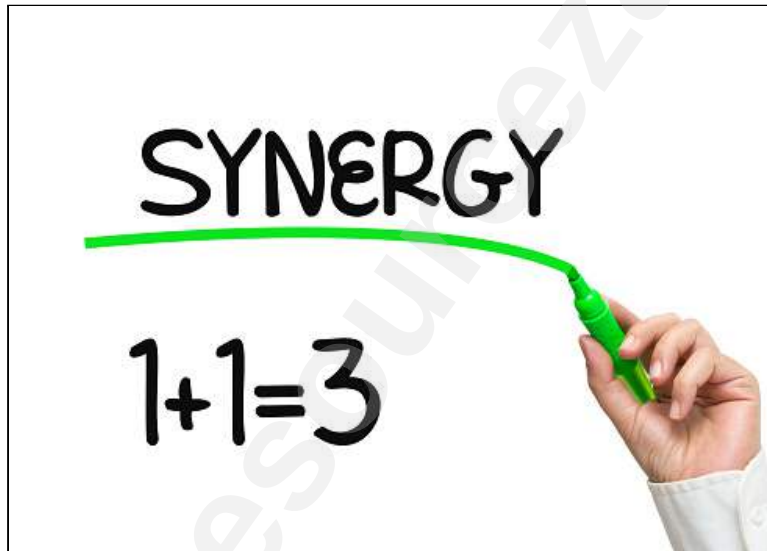
Strengths	Weaknesses
How can the above-mentioned strengths lead to opportunities.	How can the above-mentioned weaknesses lead to threats.

- 5.8 List 3 reasons for conflict. (3)

- 5.9 Name the conflict resolution steps in the correct order. (4)

1.
2.
3.
4.

- 5.8 "The whole is greater than the sum of its parts." Hence, $1 + 1 = 3$.
Explain how the above statement relates to synergy and use an appropriate example in the retail sector to support your answer. (4)



<https://www.istockphoto.com/photo/hand-writing-synergy-gm503804282-82774713>

QUESTION 6

(50 MARKS)



SOURCE 1

<https://www.news24.com/news24/partnercontent/spar-joins-the-fight-to-help-end-gender-based-violence-20200727>

SOURCE 2

Sunshine brought back to Mpumalanga through the SPAR Women's Virtual Challenge

Women across Mpumalanga and South Africa took part in the SPAR Women's Virtual Challenge this past weekend bringing some much needed sunshine back into our lives, proving that no matter what was cancelled this year, the resilience, optimism and unity of our nation cannot be cancelled!

Social media posts of women and their families dressed up in official event t-shirts and bright yellow buffs dominated our timelines this weekend as 30 000 women shared their Spar Women's Virtual Challenge experience online.

<https://business.co.za/16421/sunshine-brought-back-to-mpumalanga-through-the-spar-womens-virtual-challenge/> (accessed on 201808)

6.1 Justify which policy instrument (4Ps, marketing mix) source 1 represents. (2)

6.2 Do the campaigns in source 1 and 2 enhance Spar's brand image? Explain your answer. (2)

- 6.3 Explain the importance of branding to the consumer and to the marketing division. (7)

CONSUMER:
MARKETING DIVISION:

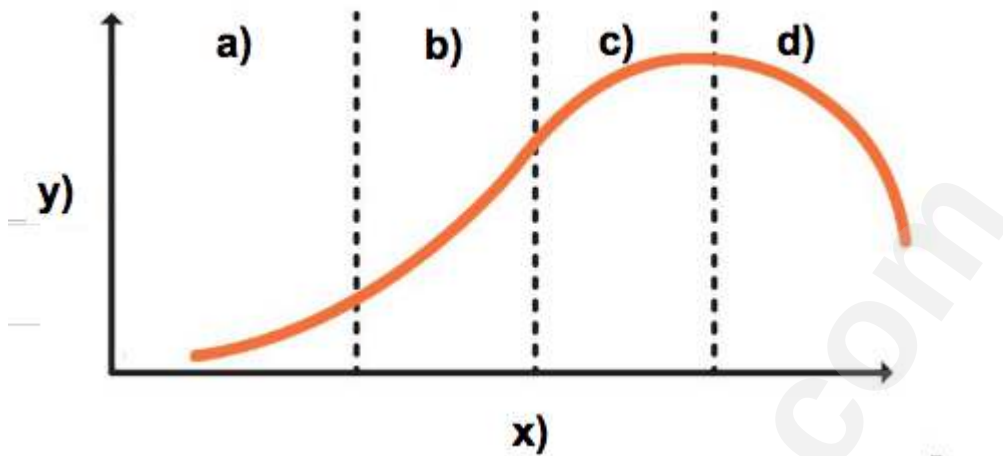
- 6.4 Formulate the message that is being portrayed in source 1. (1)

- 6.5 Refer to source 2. Social media could either improve or hamper the performance of the business. Discuss this statement. Use examples to illustrate your answer. (6)

- 6.6 Use the four policy instruments(4Ps) of the marketing mix to explain how a retail store like Spar can improve their sales. (16)

1.	2.
3.	4.

- 6.7 Name and describe each phase of the product life cycle below. Also label the X and Y axis. (10)



a)	
b)	
c)	
d)	
x)	
y)	

- 6.8 Walmart is considering opening stores in South Africa. By using an example, explain how they could use the Indigenous approach to successfully infiltrate the South african market. (4)

- 6.9 Differentiate between a professional and auxiliary service. (2)

Professional service:
Auxiliary service:

SECTION C

QUESTION 7

(50 MARKS)

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

• **Format:**

- The CORRECT format for each question 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.

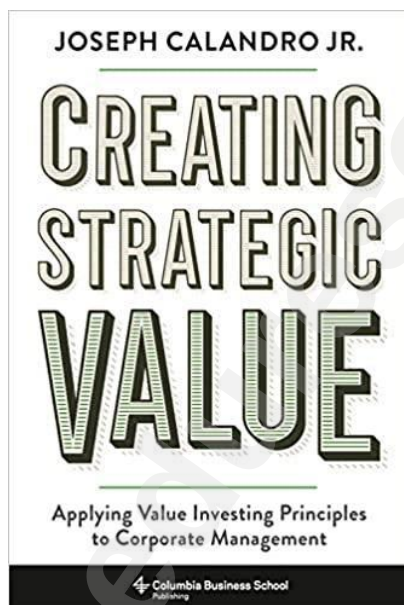
• **Substantiation:** justification for statements made.

• **Application** to case study/context/theme.

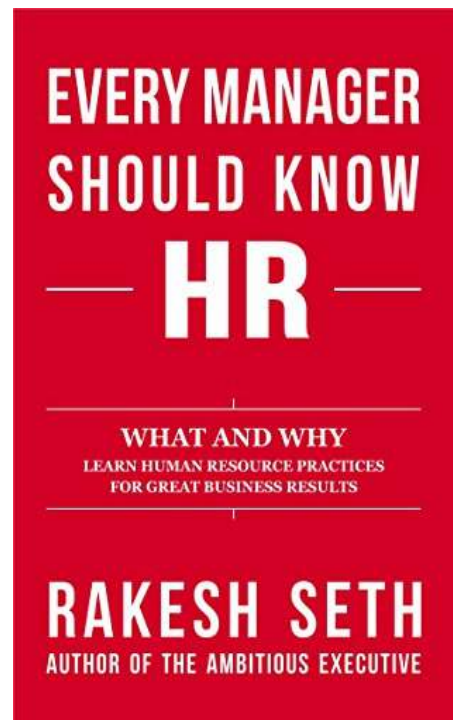
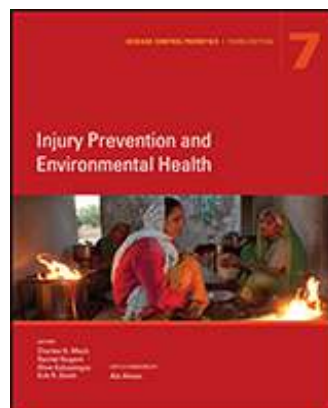
• **Creative problem-solving** rather than just giving theoretical facts.

• **Synthesis** and sequencing.

Study the following sources before answering the question that follows:



<https://www.ncbi.nlm.nih.gov/books/NBK525209/>



Source: HYPERLINK
"https://www.amazon.com/Assessment-Potential-Hazards-Station-Attendants/dp/6202096268"
<https://www.amazon.com/Assessment-Potential-Hazards-Station-Attendants/dp/6202096268>

<http://reeocsys.com/category/my-books/>

[illegible]

