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TOTAL MARKS

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**FORM 4 BUSINESS STUDIES:
MICHAELMAS EXAM**

Examiner	E Hall	Time	3 Hours
Moderators	N Nell, B Nkolobe	Marks	300 Marks

NAME:	TEACHER: EH / BN / NN
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PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY

1. This question paper consists of **38** pages including spare pages at the back. 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 name and surname in the space provided on the question paper.
5. Demonstrate insight, where applicable, when answering the questions. Please relate and apply your answers to the case study.
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 37 and 38) 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 (70)	Q 2 (30)	Q 3 (57)	Q 4 (50)	Q 5 (43)	Q 6 (50)	Total (300)

SECTION A		(100 MARKS)
Question 1	Multiple Choice	70 Marks

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 When systematically obtaining all the relevant information about the tasks related to a specific job, the human capital manager performs a ... (2)
- A work-load analysis.
B corporate social investment initiative.
C job analysis.
D SWOT analysis.
- 1.2 A low employee turnover could be the result of ... (2)
- A unrealistic expectations from employees.
B management offering below-inflation wage increases.
C an unethical organisational culture in the business.
D None of the above.
- 1.3 When the top management of Spar explain the reasons why they implement a corporate social responsibility program, they are displaying ... (2)
- A transparency.
B whistle blowing.
C delegation.
D brand positioning.
- 1.4 Which one of the following shows that Spar is acting strategically to improve the performance of the business? (2)
- A Supporting environmental awareness.
B Selling Proudly South African products at Spar.
C Supporting the government in prioritising the employment of the youth.
D All of the above.

1.1	1.2	1.3	1.4

- 1.5 The purpose of the FTSE/JSE Responsible Investment Index is to ... (2)
- A help businesses to show stakeholders that they act in a responsible manner when it comes to reporting on social, economic and governance issues.
 - B provide guidelines for conflict resolution in labour disputes.
 - C list areas where the government needs to increase capital expenditure.
 - D evaluate sociocultural challenges in the market.
- 1.6 An example of dysfunctional conflict could be ... (2)
- A suppliers leaking confidential information about Spar to one of their rivals.
 - B employees who smoke use 15 minutes of work time every two hours per day.
 - C customers boycotting a general retailer like Spar for their inhumane treatment of animals.
 - D All of the above.
- 1.7 Most products and services are insurable but there are non-insurable risks such as ... (2)
- A COIDA.
 - B The changes in fuel prices.
 - C Dishonest employees.
 - D Disability.
- 1.8 Identify the INCORRECT statement: (2)
- A COIDA protects the employer from claims made against them by the employee.
 - B The COIDA levy is paid by the employer and not the employee.
 - C COIDA compensates the dependents if the employee dies.
 - D COIDA does not apply to military staff, the police force but includes private-sector workers, truck drivers, domestic workers, etc.
- 1.9 The CPA makes provisions for certain rights but does not include ... (2)
- A the right to equality.
 - B the right to privacy.
 - C the right to education.
 - D none of the above.

1.5	1.6	1.7	1.8	1.9

- 1.10 As part of the Spar HR policy, a supervisor has to step in and facilitate the conversation when two forklift drivers argue about who will do the overtime. This step in the conflict resolution policy is known as ... (2)
- A negotiation.
B conciliation.
C mediation.
D arbitration.
- 1.11 Which one of the following sustainability factors is part of the "triple bottom line" (integrated) reporting measurement tool? (2)
- A Political sustainability.
B Environmental sustainability.
C Technical sustainability.
D Competitive sustainability.
- 1.12 Which of the following factor(s) is/are considered to be a method of achieving environmental sustainability? (2)
- A Recycling of waste products.
B Using resources optimally to minimise wastage.
C Adopting "green" technologies.
D All of the above.
- 1.13 Complete the missing information in the following paragraph: (3)

When the demand for Spar shares is high, the market price of the shares will most probably ____(1)____, because shareholders would expect a good annual ____(2)____ and ____(3)____ on his/her investment.

Choose the correct combination:

	1	2	3
A	decrease	interest	gearing
B	increase	dividend	capital growth
C	remain constant	bonus	tax exemption
D	not be affected	return	liquidity

1.10	1.11	1.12	1.13 (3)

1.14 Which of the following factor(s) would Spar consider when setting the price of a product? (3)

- (i) Product demand
- (ii) Competition
- (iii) Objectives
- (iv) Managerial bonuses

Choose the correct combination:

- A (i)
- B (i) and (ii)
- C (i), (ii) and (iii)
- D (i), (ii), (iii) and (iv)

1.15 A customer has a high level of power when ... (3)

- (i) the business has limited suppliers.
- (ii) the business only has a few large customers.
- (iii) there are a large number of substitute products in the market.
- (iv) government regulates access to the market.

Choose the right combination:

- A (i), (ii), (iii) and (iv)
- B (ii)
- C (i) and (iii)
- D (iv)

1.16 Which one of the following is the best sequence of activities in the Human Capital Department of Spar? (3)

- A Recruitment; performance appraisal; selection; induction; manpower planning; placement.
- B Manpower planning; recruitment; selection; placement; induction; performance appraisal.
- C Manpower planning; placement; selection; recruitment, performance appraisal; induction.
- D Induction; selection; performance appraisal, manpower planning; recruitment; placement.

1.14 (3)	1.15 (3)	1.16 (3)

- 1.17 According to Porter's Forces Model, a complimentary product is best described as a product that ... (2)
- A Is paired with another product and the use is interrelated with another product.
 - B Replaces another product.
 - C Is unique and cannot be duplicated.
 - D Is a free sample.
- 1.18 The following is a socio-economic issue that creates the need for all businesses to be socially responsible. (2)
- A Poverty.
 - B Healthcare at a private hospital.
 - C The level of education at private schools.
 - D Underdeveloped residential areas.
- 1.19 Retention refers to ... (2)
- A the level of general retail rivalry in a shopping center.
 - B a change in the demographics of the South African population.
 - C having a plan of action to keep strategic workers within the business.
 - D the listing of requirements for the JSE SRI.
- 1.20 ... is not an example of an internal stakeholder of a general retailer. (2)
- A Customers
 - B Employees
 - C Shareholders
 - D Directors
- 1.21 The return offered to an investor who has invested funds in an offshore savings account would be ... (2)
- A interest.
 - B dividends.
 - C depreciation.
 - D premiums.

1.17	1.18	1.19	1.20	1.21

- 1.22 Directors show ... when they admit that an unethical business practice has taken place on their watch. (2)
- A accountability
 - B honesty
 - C integrity
 - D All of the above.
- 1.23 When a new stock manager at Spar is given a mentor to help him/her understand the business culture, this forms part of ... (2)
- A a feasibility study.
 - B induction.
 - C environmental scanning.
 - D succession planning.
- 1.24 Which one of the following could be regarded as a weakness for a Spar owner? (2)
- A An increase in the petrol price.
 - B A decrease in staff morale.
 - C An increase in national income.
 - D A decrease in the number of franchises in Gauteng.
- 1.25 Insurance could be beneficial for the cash flow of a business, because ... (2)
- A the need for the business to keep cash reserves is reduced since the principle of indemnification will apply.
 - B the duplication clause prevents losses that might interrupt business operations.
 - C security covers the business if it makes a trading loss.
 - D underwriting ensures the debts of the owners are written off.
- 1.26 An advantage of functional conflict in a Spar franchise could be that ... (2)
- A an awareness is created of a problem that has to be addressed.
 - B a wide range of solutions to the conflict are considered.
 - C employees have the opportunity to state their opinions to clarify misconceptions.
 - D All of the above.

1.22	1.23	1.24	1.25	1.26

- 1.27 Which of the following outcomes represent a functional conflict situation? (2)
- A Higher levels of stress and anxiety contributing to lower job satisfaction.
 - B Increased staff turnover caused by low staff morale.
 - C Perceptions that may not be accurate are discussed and cleared.
 - D A climate of mistrust within the team.
- 1.28 A form of remuneration used to motivate the employee to deliver more, which is often in the form of a percentage of sales. (2)
- A Allowance
 - B Wages
 - C Salary
 - D Commission
- 1.29 Which of the following is known as internal recruitment? (2)
- A Advertising via the intranet.
 - B Advertising via an employment agency.
 - C Advertising in trade journals or at trade shows.
 - D Head hunting of employees from other companies.
- 1.30 A shelf packer at Pick n Pay has kept sales promotions signs up for an extra day despite being informed to remove it. This could be due to ... (2)
- A role overload.
 - B role conflict.
 - C role ambiguity.
 - D role initiative.
- 1.31 Spar HR policy states, that if an employee is caught having stolen stock out of the warehouse, the department has to use a labour lawyer to determine the final outcome of the transgression. This step in conflict resolution is known as... (2)
- A negotiation.
 - B conciliation.
 - C mediation.
 - D arbitration.

1.27	1.28	1.29	1.30	1.31

- 1.32 An employee in a large business such as Pick n Pay who is highly innovative, is called a/an ... (2)
- A entrepreneur.
 - B leader.
 - C intrapreneur.
 - D platform developer.
- 1.33 The level of management that is concerned with making tactical decisions in the business is ... (2)
- A Lower level management
 - B Middle level management
 - C Top level management
 - D All of the above.

1.32	1.33

Question 2

30 Marks

Choose the term in brackets that makes the statement TRUE. **Underline or circle the correct answer.**

- 2.1 Leaders that believe that they should not interfere in the process of carrying out tasks make use of the (autocratic / laissez-faire) leadership style. (2)
- 2.2 When a third party makes a recommendation on how she/he thinks a labour dispute should be settled, but it is not legally binding, the parties have made use of (conciliation / mediation). (2)
- 2.3 The threat of new entrants into the market is a challenge from the (internal / external) environment. (2)
- 2.4 A SWOT analysis can be used to consider factors in both the internal and external environments. In the market environment, only the (opportunities and threats / strengths and weaknesses) will be considered. (2)
- 2.5 A (succession plan / performance appraisal) is a tool used by a manager to identify skills gaps. (2)
- 2.6 The lower the risk associated with an investment, the (higher / lower) the return that the investor will expect on the investment. (2)
- 2.7 A business focusing on all three aspects of the triple bottom line follows a (stakeholder / shareholder) approach. (2)
- 2.8 Woolworths management could use (Porter's six forces model / PESTLE) to analyse the macro environment of the business. (2)

- 2.9 The (JSE SRI / GRI) is an institution that develop(ed) acceptable guidelines on sustainable feedback with a focus on the triple bottom line. It is a holistic framework that addresses the broad performance of the company. (2)
- 2.10 Newly appointed employees at Woolworths are usually subject to (work sample test / probation) to establish if the employee would be able to do the job satisfactorily. (2)
- 2.11 (Workplace forums / Trade Unions) provide a mechanism whereby employees and employers can consult and make joint decisions on certain issues. (2)
- 2.12 The correct (induction / placement) ensures the employees of Woolworths are optimally used in the best interest of the business. (2)
- 2.13 A (WBS / Gantt Chart) is used to break down the elements of work in such a way that resource allocation and costing can be done for each specific element. (2)
- 2.14 The King Committee and the King Code in South Africa have a (“comply or else” / “apply or explain”) approach regarding the practices in businesses. (2)
- 2.15 The (public / private) sector business has the aim to provide the necessary infrastructure and is not primarily profit-driven. (2)

SECTION B

(150 MARKS)

Question 3

57 Marks



Retrieved from <https://www.pnp.co.za/pnpstorefront/peoplenplanet/sustainability> on 26 October 2022

- 3.1 Discuss the concept of sustainability in community projects for Pick n Pay. (3)

- 3.2 Explain the negative impact that a CSR project could have on communities. (5)

- 3.3 Name and explain the elements of the triple bottom line. Discuss how Pick n Pay should comply with these requirements. (9)

- 3.4 Refer to the following extract where applicable when answering the questions that follows:

Pick n Pay Governance
"The Board and the Pick n Pay Stores Group are committed to upholding the highest standards of ethics, transparency and good corporate governance, while pursuing continuous and profitable growth."
Retrieved from <https://www.picknpayinvestor.co.za/governance.php> on 24 October 2022

- 3.4.1 Identify the corporate governance principle in the extract above. Explain the

principle and how a business like Pick n Pay can use this principle to meet the expectations of stakeholders. Use examples to support your answer. (4)

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3.4.2 Name any other FIVE corporate governance principles. (5)

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3.5 Explain what is meant by the term 'greenwashing'. (3)

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3.6 Complete the diagram below on the **management tasks** for Pick n Pay managers.

Management Tasks for Pick n Pay Managers	
Name the Management Task	Illustrate how Pick n Pay managers would make use of each leadership style in their daily operations.
1. (1)	
	(2)
2. (1)	
	(2)
3. (1)	
	(2)

4.	
	(1)
	(2)

- 3.7 As a Pick n Pay manager you have to be mindful of what motivates employees. Discuss any TWO factors that could motivate employees. (4)

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- 3.8 Refer to the following image and answer the questions that follow:



Retrieved from <https://www.vectorstock.com/royalty-free-vector/conflict-cartoon-vector-23990800> on 24 October 2022

- 3.8.1 Discuss the importance of the CCMA for Pick n Pay management. (4)

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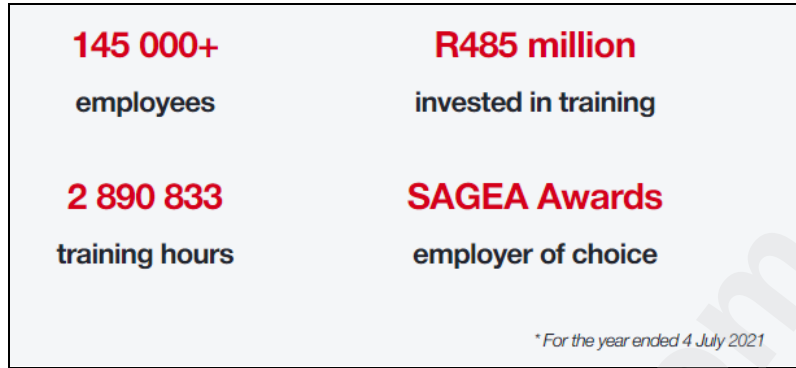
- 3.8.2 Suggest how management could resolve conflict situations in a business. Use examples to illustrate your suggestions. (8)

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Question 4

50 Marks

Careers at the Shoprite Group



Retrieved from <https://www.shopriteholdings.co.za/careers.html> on 26 October 2022

- 4.1 State the purpose of manpower planning. (3)

- 4.2 Define the aim of an induction process and discuss typical topics that a Human Resource manager could include in this process at a Checkers branch. (5)

- 4.3 Discuss possible reasons why Checkers would make use of external recruitment. (3)

- 4.4 Discuss the potential consequences of a high staff turnover for Checkers. (4)

- 4.5 Evaluate the importance of evaluation as a tool for the human resource department. (6)

- 4.6 Read the extract below and complete the table that follows.

Delivery detail	Woolies Dash	PnP Asap!	Checkers Sixty60
Delivery slots	All week: 10:00 – 20:00	Mon to Fri: 09:00 – 19:00 Saturday: 09:00 – 17:00	Store dependent. Time slot selected on checkout.
Est. delivery time	Subject to time slot	60 minute same-day	60 minute same-day
Delivery distance	Within 5km of store	Subject to location	Subject to location
Locations	31 areas in 3 provinces	392 stores in 7 provinces	158 areas in 9 provinces
Item limit	30 items	35 items	35 items
Rewards integration	No	Yes	Yes
Price	R35.00	R35.00	R35.00

Retrieved from <https://businesstech.co.za/news/finance/594056/online-shopping-shootout-woolworths-vs-pick-n-pay-vs-checkers/> on 24 October 2022

4.6.1	Challenge: Attracting and hiring the right employee
A	Identify the business environment to which the challenge belongs.
	(1)
B	Explain the effect of the challenge on <u>Checkers</u> .
	(2)
C	Devise a strategy on how <u>Checkers</u> could respond to the challenge.
	(2)
4.6.2	Challenge: The high level of rivalry in the online shopping market.

A	Identify the business environment to which the challenge belongs.	
		(1)
B	Explain the effect of the challenge on <u>Checkers</u> .	
		(2)
C	Devise a strategy on how <u>Checkers</u> could respond to the challenge.	
		(2)
4.6.3	Challenge: The transport infrastructure in South Africa.	
A	Identify the business environment to which the challenge belongs.	
		(1)
B	Explain the effect of the challenge on <u>Checkers</u> .	
		(2)
C	Devise a strategy on how <u>Checkers</u> could respond to the challenge.	
		(2)
4.6.4	Challenge: The impact of <u>legal</u> factors on the <u>online shopping</u> section.	

A	Explain the effect of the challenge on <u>Checkers</u> .
	(2)
B	Devise a strategy on how <u>Checkers</u> could respond to the challenge.
	(2)
4.6.5	Challenge: The impact of <u>environmental</u> factors on the online shopping section.
A	Explain the effect of the challenge on <u>Checkers</u> online shopping section.
	(2)
B	Devise a strategy on how <u>Checkers</u> could respond to the challenge.
	(2)

4.7 Differentiate between organisational culture and organisational structure. Discuss

the possible challenges the organisational culture and the organisational structure could experience when outsourcing the online shopping section. (6)



Retrieved from <https://www.alamy.com/stock-photo-medical-cartoon-about-the-fact-that-the-health-insurance-does-not-140662631.html> on 26 October 2022

Question 5

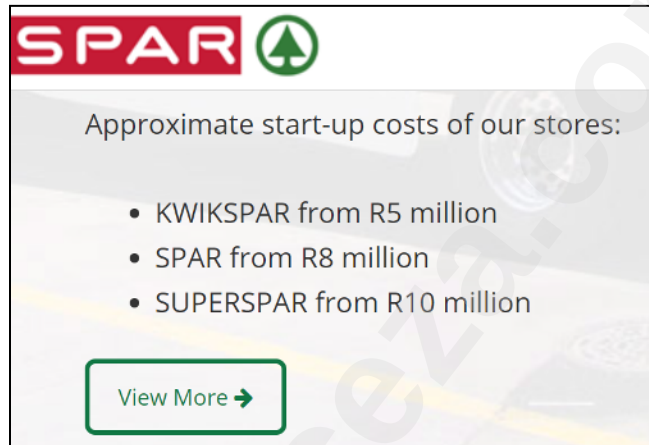
43 Marks

5.1 Name and explain different types of compulsory insurances. (6)

5.2 Describe the requirements for a valid insurance contract. (6)

5.3 **"Insurance is the answer to risk management"**
Comment on whether it is a good policy for Spar to have insurance. (5)

5.4 Discuss any TWO insurances (insurable risk) for a Spar franchisee. (4)



Retrieved from <https://www.spar.co.za/About-SPAR/OwnSPAR/Overview#Invest> 25 October 2022

5.5 Evaluate the effectiveness of Spar having the following asset classes as part of their investment portfolio:

5.5.1 Property (5)

5.5.2 Shares (5)

5.6 List the other TWO asset classes not mentioned in 5.5.1 and 5.5.2 (2)

5.7 As part of Spar's investment portfolio, discuss the link between diversification and risk profiling. (6)

5.8 Discuss the advantages of assurance for a Spar franchisee. (4)

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SECTION C

SECTION C	(50 MARKS)
QUESTION 6	50 MARKS

- Format:
 - The **correct** 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 must 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 sequencing.

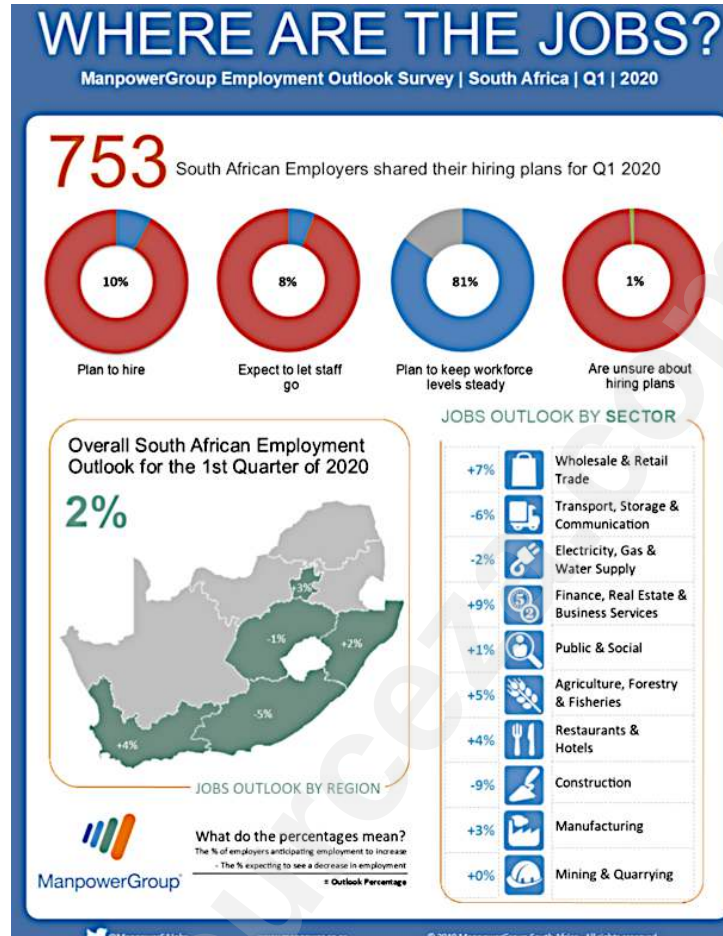
Study the following sources before answering the question that follows:

SOURCE A



Retrieved from https://www.123rf.com/photo_38910232_cartoon-on-conflict-management-the-business-cat-and-dog-have-been-sent-to-hr.html at 24 October 2022

SOURCE B



Retrieved from <https://www.news24.com/fin24/Economy/South-Africa/sa-jobs-outlook-weakest-in-5-years-heres-where-youre-most-and-least-likely-to-get-hired-20200106> on 24 October 2022

SOURCE C



SHOPRITE HOLDINGS LTD Integrated Report 2022

The remuneration policy applies to all our permanent employees and in this part, in line with King IV, we have provided the remuneration elements and design principles applicable to the Executive Directors and on a high level, to other employees.

Retrieved from <https://www.shopriteholdings.co.za/content/dam/shp/docs/shp-ir-2022.pdf> on 24 October 2022

Required

You have been asked to write a business report by the senior management of Shoprite Holdings Ltd to look at the employment policy of the company and comment on important aspects.

You have to provide feedback regarding the possible reasons for conflict at different branches, what skills managers need to deal with the inevitable conflict and the importance of the selection process to reduce the conflict.

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