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NATIONAL SENIOR CERTIFICATE EXAMINATION
SUPPLEMENTARY EXAMINATION MARCH 2016

BUSINESS STUDIES: PAPER I

Time: 2 hours

200 marks

PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY

1. This question paper consists of 11 pages and an Answer Booklet of 7 pages (i – vii). Please check that your question paper is complete.
 2. Detach the Answer Booklet from the centre of the question paper and ensure that it is handed in. Also ensure that your examination number is entered in the space provided on the Answer Booklet.
 3. Read the questions carefully.
 4. All questions are compulsory.
Section A (Questions 1 – 3) must be answered on the **supplied Answer Booklet**.
Section B (Questions 5 and 6) comprises TWO groups of shorter answer type questions to be answered in your Answer Book. **In this section Question 4 must be answered in the supplied Answer Booklet.** This is clearly indicated in the question.
 5. Refer to the case study when required.
 6. Demonstrate insight, where applicable, when answering questions.
 7. Answer each **new question** on a **new page**.
 8. Number your answers as the questions are numbered on the question paper.
 9. You are advised to pay particular attention to the use of language and the **allocation of marks**.
 10. It is in your own interest to write legibly and to present your work neatly.
-

SECTION A **Answer all questions in this section in the supplied Answer Booklet.**

QUESTION 1

Indicate the **most correct** answer by writing the letter of the alternative you have chosen in the supplied **Answer Booklet**.

- 1.1 When the management of Famous Brands would like to analyse the impact of inflation on the price of Debonairs pizzas, they would most probably use ... to analyse the challenge.
- A PESTLE
 - B Porter's Five Forces model
 - C Resource-based Approach
 - D All of the above
- 1.2 The ... Act is responsible for setting the minimum requirements with respect to working hours, leave and notice of termination of employment.
- A Basic Conditions of Employment
 - B Employment Equity
 - C Skills Development
 - D Occupational Health and Safety
- 1.3 The following leadership style would be appropriate when management at Famous Brands would like their employees to show initiative when implementing a recycling strategy.
- A Autocratic
 - B Laissez faire
 - C Transformational
 - D Transactional
- 1.4 The following activity shows a commitment of Famous Brands to the principles of Triple Bottom Line Reporting.
- A A manager giving preferential treatment to family members when there is an opportunity for promotion.
 - B Doing business with countries that have a track record of human rights violations.
 - C Retrenching staff on the basis of race.
 - D Using solar energy to power air-conditioners at Head Office.
- 1.5 ... is the insurance concept that applies when Keven Hedderwick's life insurance policy is used as security on a loan that he would like to take out.
- A Excess
 - B Average clause
 - C Cession
 - D Subrogation

- 1.6 The ... policy of Wimpy will determine forms of packaging and issues of labelling on their tomato sauce container.
- A product
 - B price
 - C distribution
 - D marketing communication
- 1.7 This is an advantage of internal recruitment for Steers ...
- A Workers will need to attend intensive induction programmes.
 - B Higher levels of staff morale and staff retention rates.
 - C Higher skills development costs.
 - D Fewer wage negotiations between Steers and trade unions.
- 1.8 Which one of the following actions could result in less conflict at Famous Brands?
- A Managers are given an annual below inflation increase in salaries.
 - B The confidentiality of whistle blowers is not guaranteed.
 - C Workers are encouraged to give input into management decisions.
 - D Management ignores issues of cultural diversity and inclusivity.
- 1.9 The ability of Famous Brands to measure the profit that it makes with the share capital that has been invested is referred to as ...
- A return on investment.
 - B liquidity.
 - C solvency.
 - D gearing.
- 1.10 The following investment will have a high risk in the short term:
- A equities
 - B money market accounts
 - C unit trusts
 - D collectibles

[20]

QUESTION 2

Choose the **most correct answer** from the possible terms/words below provided in the *Business Studies Dictionary* for the statements/explanations that follow. Write down the **most correct answer** next to the number in the **supplied Answer Booklet**. **Note: There is only one correct answer for each statement.**

Business Studies Dictionary

Misconduct	Indemnification	Job specification
Price	Benchmarking	Environmental Scanning
Tax avoidance	Value Chain Analysis	Workload analysis
Distribution	Proximate cause	RIMS

- 2.1 To determine how many people are required in terms of the amount of work that needs to be done.
- 2.2 A process where Famous Brands looks at its own methods to perform a task and then compares it to the methods used elsewhere.
- 2.3 The marketing policy that considers how much a customer is prepared to pay for a Debonairs pizza.
- 2.4 A transgression of a rule in the workplace.
- 2.5 A technique that can be applied to analyse challenges in the macro, market, and micro environment.
- 2.6 When the insured is placed in the same or similar position that he/she was in before a loss occurred.

[12]

[Downloaded from source: <<https://www.famousbrands.co.za>>]

QUESTION 3

Indicate whether the following statements are **TRUE** or **FALSE** by making a cross (X) over the appropriate option in the supplied **Answer Booklet**. If **FALSE**, correct the statement.

- 3.1 When Famous Brands borrows money from Nedbank, they will need to pay dividends to the bank.
- 3.2 To measure the success of an advertising campaign, Famous Brands may decide to evaluate the degree of market penetration.
- 3.3 Broad-based Black Economic Empowerment encourages funding for training programmes in a specific sector.
- 3.4 The CCMA is responsible for developing acceptable guidelines on sustainable reporting.
- 3.5 Suppliers could have an impact on the ability of Famous Brands to deliver their goods on time to customers.
- 3.6 The Advertising Standards Authority monitors the ethical practices of companies when communicating their marketing objectives to the public.
- 3.7 Mediation is a process where a dispute is referred to a third neutral party who makes a binding decision to resolve the matter.

[18]

50 marks

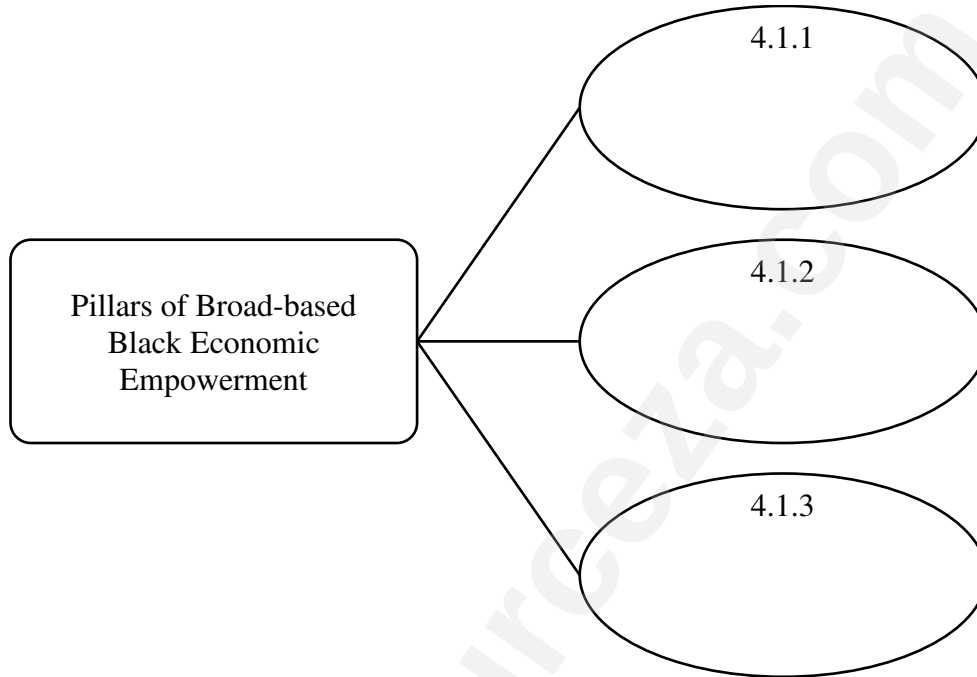


[Downloaded from source: <<https://www.famousbrands.co.za>>]

SECTION B**QUESTION 4**

Answer this question in the supplied Answer Booklet.

4.1 Identify and discuss the missing information in the following diagram:



(6)

4.2 List FOUR topics that could be included in an induction programme at Wimpy. (4)

4.3 Use the PESTLE technique to analyse challenges that Wimpy could face from the macro environment.

You need to identify **one challenge** for each macro component given and then formulate **one separate strategy** to address each challenge.

Answer this question in the table provided in the supplied **Answer Booklet** with the following headings:

Macro Issues	Possible Challenge	Possible Strategy
4.3.1 Environmental		
4.3.2 Social		
4.3.3 Technological		

(12)

- 4.4 Refer to the following potential reasons for conflict at Wimpy. In each case give an example of a conflict that could fit the reason and suggest a separate strategy on how Wimpy could deal with the conflict.

Answer this question in the table provided in the supplied **Answer Booklet** with the following headings:

Reason for conflict	Example linked to Wimpy	Possible strategy to deal with conflict
4.4.1 Resource Allocation		
4.4.2 Inner Conflict		

(8)

- 4.5 Explain, by means of a separate example for each, how the following characteristics of good governance could apply to Famous Brands:

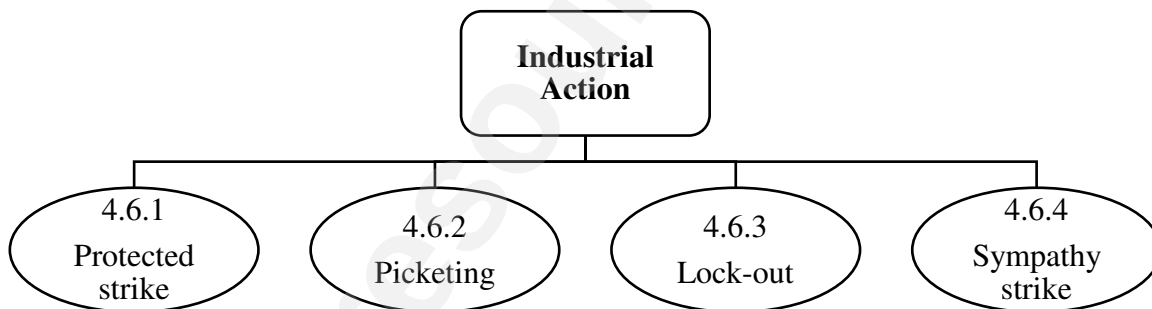
4.5.1 transparency

4.5.2 integrity

4.5.3 fairness

(6)

- 4.6 Explain each of the following activities that could occur during industrial action at Wimpy.



(8)

- 4.7 Refer to the following factors that influence a customer's buying decision. In each case give an example of how Wimpy uses the factor to ensure a successful sale with the customer.

Answer this question in the table provided in the supplied **Answer Booklet** with the following headings:

Factor influencing a buying decision	Example linked to Wimpy
4.7.1 Psychological	
4.7.2 Socio-cultural	
4.7.3 Economic	

(6)

[50]

Answer Questions 5 and 6 in your Answer Book.

Remember to use the mark allocation as a guide to the length of your answers.

QUESTION 5

5.1 Refer to the following extract and then answer the questions that follow:

Vision of Famous Brands

To become one of the leading branded leisure and consumer product businesses in Africa and selected international markets by 2020.

Our Growth Agenda

We are Africa's largest branded foodservice franchise with superior revenue and profit growth.

We have a leading brand portfolio supported via strong logistics and manufacturing capabilities.

We are building and broadening the food service category and our position within the convenience space.

We are driven by strategic partnerships with a strong franchise network.

[Adapted from a PowerPoint® by Kevin Hedderwick, IEB User Group Conference, 7 February 2015]

- 5.1.1 Explain why it is important for Famous Brands to have a vision statement. (2)
- 5.1.2 Describe one drawback of Famous Brands's vision statement. (2)
- 5.1.3 Discuss **THREE** advantages associated with Famous Brands having franchised brands. (6)
- 5.1.4 The level of competitive rivalry will increase as Famous Brands expands into Africa and selected international markets. Describe **TWO other challenges** that Famous Brands will face as a result of the expansion. In each case suggest a suitable strategy that Famous Brands could implement to overcome the challenge. (8)

- 5.2 5.2.1 List FOUR non-insurable risks that Steers could face in its daily operations. (4)
- 5.2.2 Discuss the impact of the Compensation for Occupational Injuries and Disease Act on Steers. (4)
- 5.2.3 Describe THREE advantages of life assurance. (6)
- 5.3 Refer to the following extract and then answer the questions that follow:

Profile of a Famous Brands Director

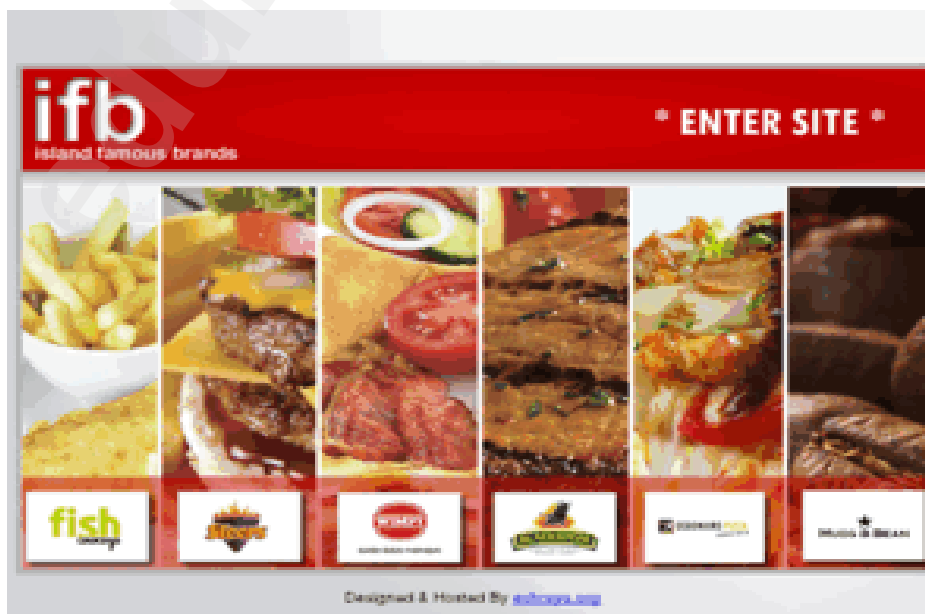


Kevin Hedderwick (Group Chief Executive Officer) joined the group in February 2000 as Managing Director of the Steers brand.

He has an excellent business record, combining food, beverage and franchising. Mr Hedderwick has held senior executive positions in a number of blue-chip companies including SA Breweries, Distell and Foodcorp. He has excellent managerial competencies that, together with his situational leadership style, will help Famous Brands to embrace any challenge it may face.

[Adapted from <http://www.famousbrands.co.za/board_of_directors.php>, downloaded 24 November 2014]

- 5.3.1 List and discuss, with the use of relevant examples, TWO management competencies that Mr Hedderwick should have in order to continue the success of Famous Brands. (6)
- 5.3.2 Mr Hedderwick is also a successful intrapreneur. Describe FOUR intrapreneurial characteristics that Mr Hedderwick has that have added to the success of Famous Brands. (8)
- 5.3.3 Explain, with the use of relevant examples, when it is appropriate for management to use a situational leadership style. (4)
- [50]



QUESTION 6

6.1 Read the following extract and then answer the questions that follow:

The SMART Debonairs Pizza Market

Debonairs Pizza was founded on an innovative relationship marketing strategy which has become one of the cornerstones of the restaurant's success. We pride ourselves in building long-term relationships with our valued customers. This strategy has been supported by innovative and creative advertising campaigns. The Debonairs Pizza business strategy is aligned with the requirements of the Consumer Protection Act.

[Adapted from <<https://www.debonairspizza.co.za/Home/Franchising>>, downloaded 24 November 2014]

- 6.1.1 List and discuss THREE factors that could have contributed to Debonairs building a strong brand. (12)
- 6.1.2 Explain why it is important for Debonairs to have an innovative, creative advertising campaign. (3)
- 6.1.3 Describe THREE of the aims of the Consumer Protection Act. (6)
- 6.1.4 Describe how 'Processes' as one of the elements of Debonairs's service marketing strategy could contribute to the success of the business. (6)

6.2 Read the following extract and then answer the question that follows:

Comments from a Debonairs Pizza Cashier (former employee), Cape Town, WC – November 11, 2014

Working at a place like Debonairs Pizza is good because when one is inexperienced, the place provides an environment to learn. A lot of different skills can be acquired from Debonairs since a cashier works with the till, computer and the phone. Employees are also responsible for stock counting and box packing. You even have the opportunity to attend approved SETA courses. These skills can later be used to gain employment at call centres, retail stores and even big logistical companies.

I enjoyed my time working at Debonairs, but one cannot say it is career-orientated. Overall, it is a great place to work for.

[Adapted from <<http://www.indeed.co.za/cmp/Debonairs/reviews>> downloaded 24 November 2014]

- Evaluate how Debonairs complies with the Skills Development Act from an employee point of view. (5)
- 6.3 Suppose Famous Brands has R2 million surplus funds to invest. Suggest TWO investment opportunities that management could consider and give reasons for your suggestions. (8)

6.4 Read the following extract and then answer the question that follows:

A word of warning from the experts

During the past couple of years a number of employees at various companies have been dismissed as a result of bad-mouthing the company on Facebook.

In Sedick & another/Krisray (Pty) Ltd [2011] 8 BALR 879 (CCMA), both the operations manager and bookkeeper were dismissed for bringing the company's name in a bad light by publishing derogatory comments about the owner of the company on Facebook.

[Adapted from <<http://www.labourguide.co.za/most-recent/1358-social-media-guidelines-on-the-policy-for-employees-using-social-media-for-non-business-purposes>>, downloaded 24 November 2014]

Famous Brands could encounter a similar problem in its organisation. Suggest, with the use of a problem-solving technique, how Famous Brands could effectively deal with the potential problem. (5)

6.5 Read the following extract and then answer the question that follows:

"There is a dilemma facing businesses in the 21st century, i.e. the mindset that we're not at the top of a little hill called 'Corporate Social Responsibility', we're at the bottom of this big mountain called 'sustainability'."

[Extract from *Screw Business as Usual* by Richard Branson 2011]

Do you agree with this statement? Motivate your answer by discussing the impact of sustainability on Famous Brands's Corporate Social Responsibility programmes. (5)

[50]

150 marks

Total: 200 marks



ENJOY EVERY MOMENT.

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