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**ST BENEDICT'S COLLEGE: BUSINESS STUDIES**Grade 12Date:10/07/2024Examiner: Ms L. FrenchTime: 3 hoursModerators: Mr Q. GovenderTotal: 300 marks

Name and Surname: _____

Educator: Ms L. French / Mr Q. Govender _____

PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY

1. This question paper consists of 34 pages. Please check that your question paper is complete.
2. All questions are **COMPULSORY**.
3. Read the questions carefully.
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. **It would be best to refer to the clothing retail businesses you have studied this year.**
6. You are advised to pay particular attention to language and the **allocation of marks**.
7. It is in your own interest to write legibly and present your work neatly.
8. TWO blank pages (pages 31 and 32) are included at the end of the paper. If you run out of space for a question, use these pages. 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
/60	/20	/20	/50	/50	/50	/50	/300
						7A (LOT)	/30
						7B (HOT)	/20

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 Which one of the following would **not** be part of Growth strategies?

- A Product development
 - B Market penetration
 - C Diversification
 - D Differentiation
- (2)

1.2 When the CEO sells off some of its operations because its assets are under-utilized and hamper financial performance, he is implementing a ...

- A divestiture strategy.
 - B integration strategy.
 - C growth strategy.
 - D liquidation strategy.
- (2)

1.3 Including UNIQ at all major Checkers retail stores is an example of a ... strategy.

- A Forward integration
 - B Decline
 - C Differentiation
 - D Focus
- (3)

1.4 Which one of the following would **not** be part of a marketing plan?

- A Analyse strategies for handling customer complaints effectively.
 - B Picketing over a wage dispute.
 - C Developing recyclable packaging for products.
 - D Expanding the franchise network of Pick n Pay Clothing.
- (2)

1.5 An aggressive type of disagreement where workers refuse to work towards a solution and the task at hand is compromised, is referred to as ... conflict.

- A Functional
 - B Dysfunctional
 - C Role overload
 - D Synergetic
- (2)

1.1	1.2	1.3	1.4	1.5
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- 1.6 When Pick n Pay Clothing CEO gives a reason for dismissing the internal auditor of the company, he is displaying...
- A independence.
 - B transparency.
 - C social responsibility.
 - D a global awareness competency. (2)
- 1.7 The marketing communication mix consists of...
- A product, distribution and pricing policies.
 - B introduction, growth, maturity and decline phases.
 - C advertising, personal sales, sales promotion and publicity.
 - D manufacture, wholesaler, intermediary and retailer. (2)
- 1.8 The percentage of an insurance claim that Pick and Pay Clothing has to pay when they have a claim is called...
- A Indemnity
 - B Subrogation
 - C Average clause
 - D Excess (2)
- 1.9 A challenge that Pick n Pay can consider when determining its differentiation strategy.
- A effective after sale support
 - B superior quality
 - C variety of substitute products
 - D competitive pricing (3)
- 1.10 A neutral third party advises on conditions of service and grievances during negotiations regarding labour-relation issues.
- A Mediation
 - B Arbitration
 - C Conciliation
 - D Negotiation (2)

1.6	1.7	1.8	1.9	1.10
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1.11 Amount of profit was generated with the capital invested in the business.

- A LLA
 - B WPF
 - C ROI
 - D EEA
- (2)

1.12 The main management tasks are ...

- A planning, scanning and activating.
 - B organising, planning, delegating and communication.
 - C activating, communication, motivation and planning.
 - D organising, planning, controlling and leading.
- (3)

1.13 A Work Place Forum may only be established if the Pick n Pay Clothing has ... employees or more.

- A 50
 - B 100
 - C 90
 - D 150
- (2)

1.14 ... is a group activity where participants immediately share their ideas as they come to mind.

- A Nominal Group Technique
 - B Brainstorming
 - C SCAMPER
 - D Force Field Analysis
- (2)

1.15 Adidas extended its brand into lifestyle clothing with Adidas Originals, offering casual wear alongside its sports apparel.

- A Brand awareness
 - B Brand extension
 - C Brand image
 - D Brand stretching
- (3)

1.11	1.12	1.13	1.14	1.15
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1.16 Examples of goods bought for own use by Pick n Pay Clothing ...

- A activewear, socks, sleepwear and jewellery.
- B cotton, caps, polyester and hangers.
- C mannequins, shelves, display cases and security tags.
- D none of the above. (3)

1.17 A ... plan inspects a few items from the batch to determine if the entire batch is accepted or rejected based on defects found in the sample.

- A scanning
- B inspection
- C sampling
- D All of the above. (2)

1.18 What is **not** the purpose of LSM grouping?

- A To gain an understanding of different market segments.
- B To assess how these groups spend money to satisfy their needs and wants.
- C To evaluate the business's market dominance.
- D To group the consumers with similar spending patterns. (2)

1.19 Which one of the following is **NOT** part of the criteria used to determine the most suitable investment option required at a particular point in time?

- A. Risk
- B. ROI
- C. Time frame
- D. Proficiency (2)

1.20 Which of the following are examples of Debentures?

- A. Irredeemable debenture
- B. Convertible debenture
- C. Redeemable debenture
- D. All of the above. (2)

1.16	1.17	1.18	1.19	1.20

1.21 Debentures are also sometimes called ...

- A. Equities
- B. Endowments
- C. Unit trust
- D.

Bond
(2)

1.22 Conservative Investments Strategy includes the following:

- (i) Maintain capital amount invested.
- (ii) Investment in shares on the JSE.
- (iii) Property investment to gain monthly income.
- (iv) An investor does not want the risk.

Choose the right combination:

- A. (i),(ii), (iii)
and (iv)
- B. (ii) and (iii)
- C. (i), (iii) and
(iv)
- D. (iv) and (ii)
(3)

1.23 A ... management style, is an approach where rewards and punishments are used by the manager, to motivate employees to perform their tasks.

- A. Participative
- B. Charismatic
- C. Transactional
- D. Situational

(2)

1.24 Insurance could be beneficial for the cash flow of a business, because ...

- A. Indemnification reduces the need for cash reserves.

- 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
- (3)

1.21	1.22	1.23	1.24

1.25 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 Assets: Total Liabilities
 - B. Net Profit/ Capital Contribution x 100/1
 - C. (Turnover – Cost of sales) + Operating Income – Operating Expenses
 - D. Current Assets: Current Liabilities
- (3)

1.26 The _____ Report (1994), recommended standards of conduct for companies listed on the JSE.

- A. Kings III
 - B. Kings IV
 - C. Kings I
 - D. Kings II
- (2)

1.25	1.26

[60]

QUESTION 2

Choose the most correct answer from the table below that best matches each of the statements that follow. Write down the **most correct answer** in the space provided.

NOTE: There is only one correct answer for each statement.

Nominal Group Technique	Delphi-Technique	Mediation
Mission Statement	Acid Test Ratio	Financial Perspective
Goals	Accommodating	Arbitration
Product Development	Differentiation	Liquidation
Conflict	Diversification	Joint Venture

2.1 In the Balance Scorecard, the ... focuses on maximising utilisation of assets and minimising costs to create shareholder value.

(2)

2.2 The ... ratio is a measure of Pick n Pay Clothing's liquidity.

(2)

2.3 A business agreement in which two or more businesses pool their resources to achieve a mutually beneficial goal.

(2)

2.4 The ... provides a description of what the business does or the purpose the business serves.

(2)

2.5 When a retail outlet uses a successful brand to launch a new product in the same broad market.

(2)

2.6 A clothing retail store that sells all assets to pay for the business' debt and the business no longer exists.

(2)

2.7 A method of obtaining the opinions of experts on a particular topic, without necessarily engaging with them face to face.

(2)

2.8 Pick n Pay Clothing, which regularly develops its products and services to offer something unique, is using a ... strategy.

(2)

2.9 When a third party makes a recommendation on how a dispute should be settled, but the recommendation is final.

(2)

2.10 A strategy which entails a manager being cooperative and not assertive in order to solve conflict.

(2)

[20]

QUESTION 3

Match each item in Column A with its corresponding item in Column B. Please write your answers in the space provided below.

COLUMN A		COLUMN B	
3.1	Given the local community's emphasis on sustainability, clothing stores should prioritise offering a wide range of ethically produced garments.	A	Inflation
3.2	Each store location has a hierarchy that includes store managers, department managers and various staff members.	B	Social environment
3.3	3D body scanning, improving sizing and fit for both customers and manufacturers.	C	Natural environment
3.4	Protecting trademarks, copyrights, and patents for designs, logos and brand names.	D	Organogram
3.5	Using methods that save water in making clothes, and investing in technology to reduce how much water is used when dyeing fabric or making garments.	E	Supplier
3.6	Nike diversifies its product offerings, focusing on unique or exclusive items that set it apart from Addidas.	F	Consumer Protection Act
3.7	Adhering to regulations regarding product safety, labelling, advertising and fair trade practices to ensure consumer trust and satisfaction.	G	Legal environment
3.8	A textile manufacturer that provides fabrics and materials to a clothing retailer.	H	Consumer
3.9	Rising costs could compel Nike to raise sneaker prices to	I	Technological

	maintain profitability.		environment
3.10	The clothing retailer considers eco-friendly packaging options to align with the values of environmentally-conscious customers.	J	Competitor

3.1	3.2	3.3	3.4	3.5	3.6	3.7	3.8	3.9	3.10

[20]

SECTION B

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

QUESTION 4

4.1

A clothing retailer purchased comprehensive insurance for a new delivery vehicle valued at R800,000. However, the procurement department manager decided to insure the vehicle for R1,200,000. When the business's driver was involved in an accident, the business manager filed a claim but was informed that the vehicle had been over-insured.

4.1.1 Define over insurance.

(2)

4.1.2 What does fully comprehensive vehicle insurance cover?

(4)

4.1.3 Is the business expected to receive the full amount of its claim? Explain, considering the possibility of over-insurance.

(3)

4.1.4 How will the concept of indemnification impact the amount she receives?

(3)

4.2 Differentiate between insurance and assurance.

Insurance	Assurance

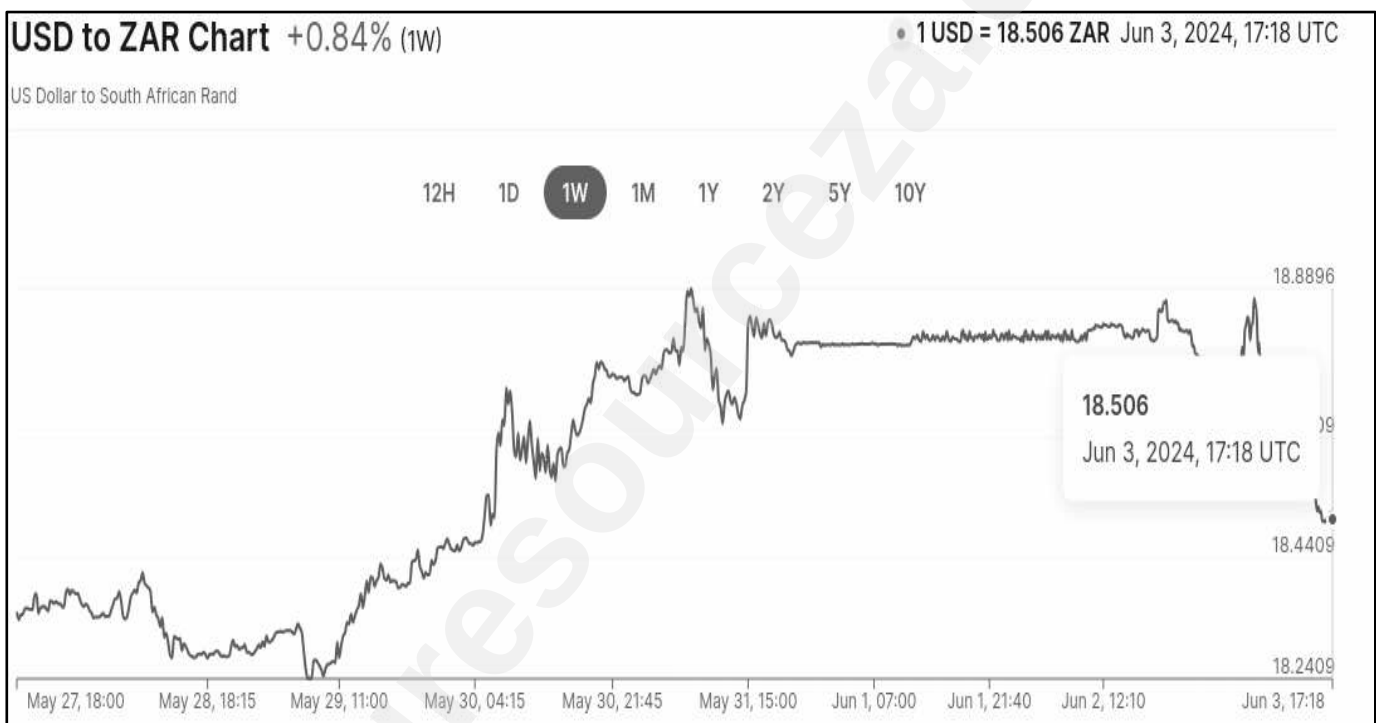
(4)

4.3 Name **two** compulsory insurance.

- _____
- _____

(2)

4.4 Refer to the US Dollar and South African Rand exchange data, then answer the



questions that follow.

(Source: <https://wise.com/gb/currency-converter/usd-to-zar-rate/history> ; Date accessed 03/06/2024)

4.4.1 What is the Rand value on 3 June 2024?

(1)

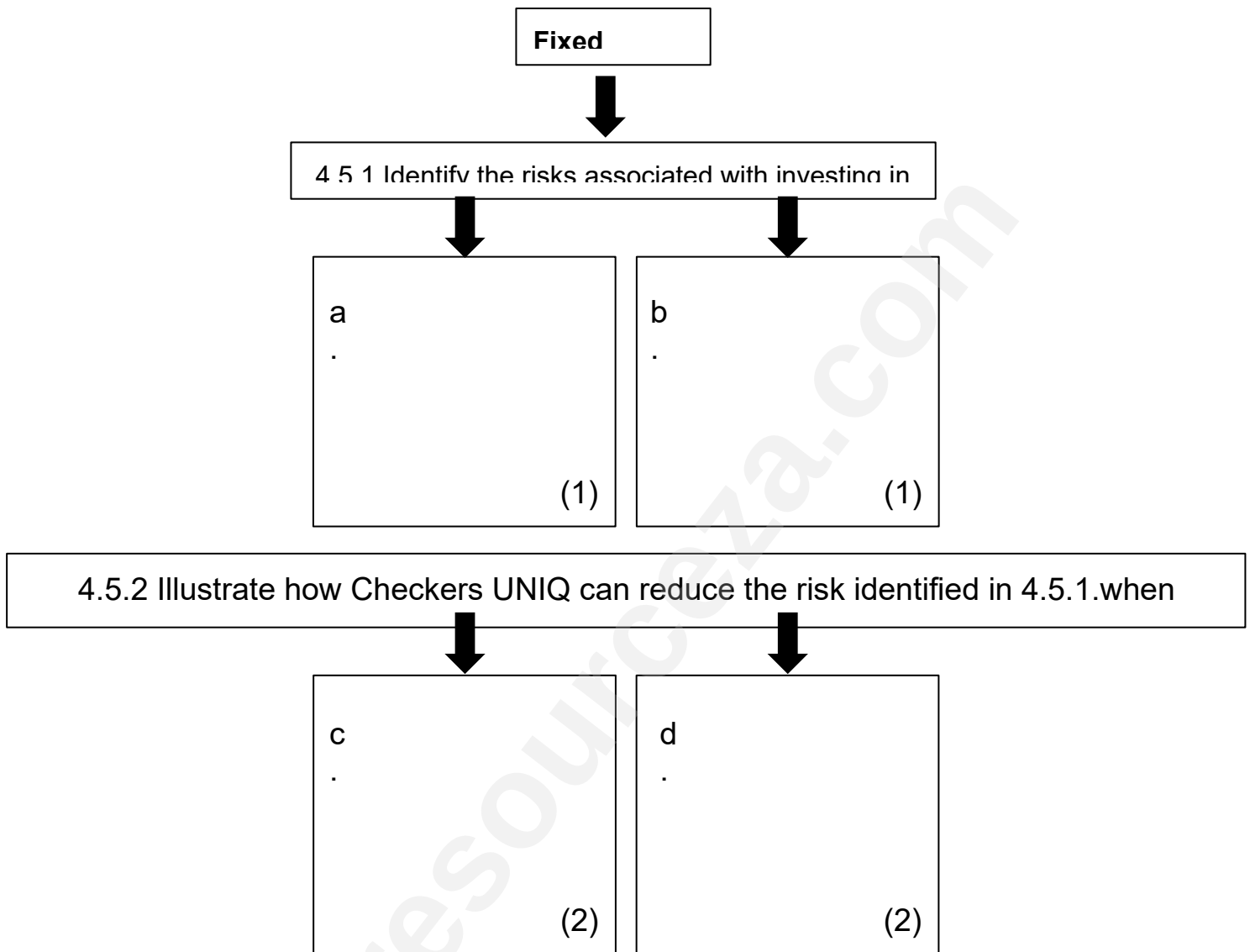
4.4.2 How did the Rand value change over the past 9 days?

(1)

4.4.3 Using the above information, describe the investors' reaction before and after the South African Elections were held on the 29th of June.

4.4.4 Discuss how the value of the Rand impacts clothing retailers when they import goods from the United States of America. (4)

4.5 Complete the diagram below on **Investments**. (4)



4.6 Refer to the following extract and then answer the questions that follow.

Pepkor Holdings Ltd is engaged in the diversified retail business. The company operates in four segments namely Clothing and General Merchandise, Furniture, Appliances and Electronics, Building Materials and FinTech.

Pepkor Holdings Ltd is listed on the Johannesburg Stock Exchange (JSE). Pepkor

Holdings Ltd is currently the 38th most valuable stock on the JSE with a market capitalisation of ZAR 64.1 billion, which makes up about 0.319% of the Johannesburg Stock Exchange equity market.

(Source adapted: https://afx.kwayisi.org/jse/pph.html#google_vignette; Date accessed 04/06/2024)

4.6.1 When an investor purchases equities (shares) they expect a Return on the Investment (ROI). Name **two** ways you can earn a return as a shareholder.

(2)

4.6.2 Why do investors generally consider blue-chip company stocks to be among the most secure stock investments?

(2)

4.7 Michael Porter's Six Force model is used to analyse the market environment.

Name **three forces** and identify an event under each force that could threaten the business's success. Develop a strategy to deal with each challenge.

(12)

QUESTION 5

5.1 Define the term marketing.

(3)

5.2 Complete the market map below by plotting where Woolworths Clothing, Shein and Pep can be found.



5.3 With the aid of a separate example for each, justify how the marketing mix can lead to a competitive advantage:

Physical Environment / Evidence	

	(3)
Process	
	(3)
Price	
	(3)
Promotion	
	(3)

5.4 Analyse the following statements and provide Pick n Pay's management with a strategy to ensure compliance with the Consumer Protection Act.

5.4.1 The Right to Disclosure of Information

a) **Statement Analysis:**

(2)

b) **Strategy of compliance:**

(2)

5.4.2 The Right to Fair Value, Good Quality and Safety

a) **Statement Analysis:**

(2)

b) **Strategy of compliance:**

(2)

5.5 Discuss the importance of a Code of Ethics

(6)

5. 6 Complete the table below:

Example Description	Indicate the nature of behaviour - ethical or unethical	Name the type of ethical or unethical behaviour.	Discuss the managerial response.
A clothing retailer's procurement manager faces pressure from family to accept a tender from a cousin's textile manufacturing company for supplying fabric, despite concerns about the quality.	(1)	(1)	(3)
A financial manager at a clothing company discovers that reducing taxable income is possible through a CSR program, like promoting sustainable fashion initiatives.	(1)	(1)	(3)
A quality control manager at a clothing manufacturer discovers evidence of unethical labour practices in overseas factories and reports violations to authorities and advocacy groups despite risks.	(1)	(1)	(3)

[50]

QUESTION 6

6.1 Name the four factors of production. In each case discuss the remuneration associated with the factor and provide an example of each. Complete the table below.

Factor of Production	Remuneration	Example
(a) (1)	 (1)	 (1)
(b) (1)	 (1)	 (1)
(c) (1)	 (1)	 (1)
(d) (1)	 (1)	 (1)

6.2 Discuss **three** objectives of a Human Capital department.

(6)

6.3 Analyse the following statements and provide Nike's management with a strategy for dealing with internal risk factors.

6.3.1 Nike faces a critical shortage of skilled designers.

(2)

6.3.2 Poor staff motivation poses a significant challenge for Nike.

(2)

6.3.3 The Nike marketing team sometimes exceeds their budgets.

(2)

6.4 Define the term competitive advantage.

(3)

6.5 Discuss how management competencies can help mitigate (reduce) risks.

[illegible]

(10)

6.6 Explain how the following King II principles can lead to ethical business practice for Nike:

Accountability	
	(3)
Transparency	
	(3)
Independence	
	(3)

6.7 Identify **four** broad outcomes the board of directors are accountable for according to King IV.

(4)

[50]

SECTION C

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

- **Format:**
 - The CORRECT format for each question must be used, i.e. business report.
 - Where applicable, include an introduction and conclusion.
 - Use headings and subheadings 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.**
- **Problem-solving** rather than just giving theoretical facts.
- **Synthesis and sequencing.**

QUESTION 7

Study the following sources and answer the question that follows.

Source A:

The notion of global fashion industry is a product of the modern age as clothing is often designed in one country, manufactured in another, and sold worldwide. The global fashion industry is dependent on ever-changing trends that keep consumers, driven by the need to wear the latest.

(Source: <https://lupinepublishers.com/fashion-technology-textile-engineering/fulltext/analysis-of-fash>, Date accessed 02/05/2024)

CONFLICT MANAGEMENT

ASSERTIVE

HIGH

COMPETING

COLLABORATING

COMPROMISING

AVOIDING

ACCOMMODATING

LOW

COOPERATIVE

LOW

HIGH

Managing conflict in the micro environment is crucial for a clothing retailer as it ensures smooth operations, maintains positive relationships with suppliers, competitors and customers, and safeguards the retailer's reputation and profitability.

Write a business report examining various causes of conflict and how management addresses them to ensure optimal operations.

Incorporate how improving quality across the eight business functions can contribute to achieving the clothing retailer's vision.

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. A faint, light gray watermark is visible diagonally across the center, containing the word "edures". There are no other markings or text on the page.

eduresourceza.com

eduresource2.com

Lined area for writing, featuring horizontal lines and a diagonal watermark reading "eduresourceza.com".

eduresourceza.com

Total: 300 marks

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

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