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KINGFISHER PRIVATE SCHOOL

PRELIMINARY EXAMINATION

Subject: Business Studies

Date: 26 August 2024

Grade: 12

Time: 3 Hours

Examiner: Mrs F Vundla

Total: 300

Moderators:

Pages: 29

Internal: Ms Mlahleki; Mr Ntlhe

External: Mr I Manamike

Name : _____

PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY

1. This question paper consists of 29 pages. Please check that your question paper is complete.
2. Read each question carefully.
3. All questions are COMPULSORY.
4. Answer ALL the questions on the question paper and hand this at the end of the examination. Remember to write your name and examination number on the spaces provided above. Only QUESTION 7 will be answered on attached writing paper.
5. Demonstrate insight, where applicable, when answering the questions. You may refer to any retail shop that you have studied as part of the Theme of the 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. Extra space (pages 23) has been provided. If you run out of space for a question, use these pages. Clearly indicate the question number of your answer should you use this extra space.

Allocation of marks

	SECTION A			SECTION B			SECTION C	
Question	1	2	3	4	5	6	7	TOTAL
Actual Mark Achieved								
Maximum Possible Mark	50	30	20	50	50	50	50	300

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

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 techniques would management use to analyse the micro-environment of Truworth? (2)
- A Porter's Five Forces Model
 - B PESTLE
 - C Resource Based Approach
 - D Delphi technique
- 1.2 Which of the following statements is false with regard to the economic environment? (2)
- A The income of consumers is directly influenced by a country's economic growth rate
 - B The higher the economic growth rate, the lower the living standard of the population
 - C A weak economic growth rate leads to poverty of the consumer.
 - D A high growth rate of South Africa's population and a weak economic growth rate both weaken the income of potential consumers.
- 1.3 The first Pick n Pay Express store was opened in 2008 and since then, the partnership between BP and Pick n Pay has been going strong.
https://www.bp.com/en_za/south-africa/home/products-and-services/convenience-offers/pnp-express.html
This combination can be referred to as ... (2)
- A. an acquisition.
 - B. a takeover.
 - C. a joint venture.
 - D. a merger
- 1.4 Massmart board of directors making decisions according to a set of rules that are familiar and understood by all stakeholders is a clear sign of ... in this public company. (2)
- A. independence
 - B. transparency
 - C. arbitration
 - D. synergy
- 1.5 A document that describes expected behaviour for Makro employees would be a/an: (2)
- A. code of conduct
 - B. endowment policy
 - C. prospectus
 - D. debenture

1.1	1.2	1.3	1.4	1.5
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- 1.6** The unethical act of a company spying on Edgar's new marketing campaign is known as ... (2)
- A** industrial espionage.
 - B** competitive advantage.
 - C** public relations.
 - D** excess.
- 1.7** A sustainable corporation is one that creates profit for its shareholders while protecting the environment and improving the lives of those with whom it interacts. (2)
This shows that the corporation complies to ...
- A** the Balanced Scorecard.
 - B** the Triple Bottom Line Reporting.
 - C** the narrative based theory.
 - D** good quality of performance.
- 1.8** Which one of the following would be regarded as an unethical action if done by the Customer Service Department at Fashion World? (2)
- A** Supplying personal information of customers to an insurance company
 - B** After service calls in order to get feedback on a customer's experience
 - C** Sending promotional messages to customers through emails
 - D** Giving information to customers on the safety of internet banking
- 1.9** When a local newspaper publishes Fashion World's clean-up campaign in the media and it is not paid for, it is called ... (2)
- A** advertising.
 - B** personal selling.
 - C** picketing.
 - D** publicity.
- 1.10** Which one of the following will be regarded as a negative implication of the BBBEE Act? (2)
- A** A large portion of the black middle class has experienced dramatically improved standards of living, owing to promotion by businesses to meet BBBEE targets.
 - B** Real opportunities have occurred for black people to become part of the economy, either through ownership or in management positions.
 - C** Some employees are selected for employment based on BEE ratings rather than on their qualifications or proficiency.
 - D** BBBEE score can be used as a tool for marketing the business to other businesses looking for a BBBEE compliant supplier.

1.6	1.7	1.8	1.9	1.10

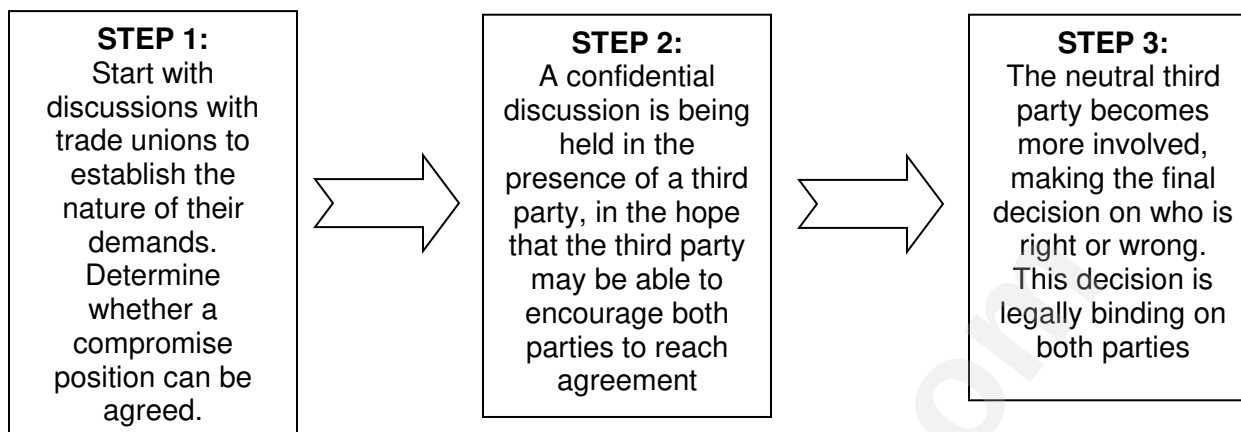
- 1.11** The refusal on the part of an employer to allow employees to continue to work unless they accept certain conditions of the employer is known as a ... (2)
- A** protected strike.
 - B** probation period.
 - C** lockout.
 - D** workplace forum.
- 1.12** Julian and Thom supply trading stock to school uniform shops on a thirty day account. Which one of the financial indicators can be applied to determine credit-worthiness of these businesses buying on credit? (2)
- A** Mark-up
 - B** Liquidity
 - C** Return on investment (ROI)
 - D** Margin
- 1.13** The excess clause in an insurance contract refers to ... (2)
- A** the potential cause of loss.
 - B** peril as a factor that increases the risk suffered.
 - C** the amount on each claim that is not covered by the contract.
 - D** the right that the insured has to transfer the policy to another party.
- 1.14** A financial loss resulting from is regarded as a non- insurable risk for Mr Price stores. (2)
- A** price increase between the time of order and the time of delivery
 - B** fire destroying trading stock
 - C** an accountant dishonestly transfer money into her personal account
 - D** a lawsuit from a customer claiming the business exposed her to food poisoning
- 1.15** The price of a GUCCI bag at a GUCCI Outlet is advertised as follows: WAS R12 100, now only R11 750. This is an example of ... pricing. (2)
- A** odd-even
 - B** prestige
 - C** superficial discounting
 - D** perceived value

1.11	1.12	1.13	1.14	1.15

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- 1.16** Which one of the following strategies would best resolve labour disputes ethically and timeously in a retail clothing shop? (2)
- A** Establishing an effective collective bargaining and grievance handling procedure
 - B** Setting up flextime schedules for workers
 - C** Adopting an innovative induction programme.
 - D** Applying a democratic leadership style and effective communication channel
- 1.17** Which one of the following strategies would be considered to be a growth strategy? (2)
- A** Differentiation
 - B** Market development
 - C** Focus strategy
 - D** Liquidation
- 1.18** If The Fix secures an insurance policy against fire, the insurance company will not compensate them for losses incurred due to an armed robbery. Which insurance principle will be appropriate to justify the position of the insurance company? (2)
- A** average clause
 - B** excess
 - C** subrogation
 - D** proximate cause
- 1.19** A director at Woolworth, who fully understands the strategic direction of the business (vision and mission) as well as impact of different environmental factors, is showing ... competency. (2)
- A** strategic-action
 - B** organisational awareness
 - C** global awareness
 - D** visionary

1.16	1.17	1.18	1.19

- 1.20** The following dispute resolution process has been proposed by a workplace forum at a Woolies branch in relation to a wage dispute. (3)



Which of the following dispute resolution processes has been described above?

	Step 1	Step 2	Step 3
A	grievance procedure	mediation	common law action
B	Negotiation	conciliation	arbitration
C	Conciliation	negotiation	division closure
D	Negotiation	conciliation	picketing

- 1.21** Which of the following are advantages of franchising from the point of view of the franchisee? (3)
- (i) It is easier to pay back borrowed capital because you are assured of an already existing target market.
 - (ii) Legal protection is offered through the franchise agreement.
 - (iii) The franchisee has access to advice from the franchisor.
 - (iv) The franchisee receives royalties from the franchisor.
 - (v) The franchisee can work together with other franchisees to solve problem of common interest.

Choose the right combination:

- A** (i) ; (ii) and (v) only
- B** (ii) ; (iii) ; (iv) and (v) only
- C** (i) ; (ii) ; (iii) and (v) only
- D** (iii) and (v) only

1.20	1.21

- 1.22** Retail shops must be careful to observe and apply the Consumer Protection Act (CPA) No. 68 of 2008 as it applies to all transactions occurring within the Republic of South Africa.

Identify **FOUR** fundamental rights of the consumer under the Consumer Protection Act (CPA).
(3)

A	Right to disclosure of information	Right to fair and responsible marketing	Right to fair value, good quality and safety	Right to choose
B	Right to fair and honest dealings	Right to hold suppliers accountable	Right to strike	Right to choose
C	Right to be heard	Right to equality in the market place	Right to choose	Right to privacy
D	Right to equality in the market place	Right to fair value, good quality and safety	Right to picketing	Right to privacy

- 1.23** A ... inspires, motivates and influences employees while a ... focuses on achieving the operational objectives of a business.
(3)

- A** leader, manager
- B** leader, employee
- C** director, leader
- D** manager, leader

1.22	1.23

[50]

QUESTION 2

Choose the most correct term /word provided in the *Business Studies Dictionary* to complete the statements below. Write down the most correct answer in the spaces provided.

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

Business Studies Dictionary

insider trading	bonus benefits	work to rule
economic principle	profitability	trademark
brand extension	commission	harvest strategy
fringe benefits	price gouging	go slow
retention	diversification	transparency
brand stretching	takeover	focus strategy
constructive dismissal	liquidation	forward integration
Debt : Equity ratio	Backward integration	

- 2.1 A form of remuneration used to motivate the employee to deliver more, which is often in the form of a percentage of sales.
- 2.2 Checkers Sea Food section targeting customers who enjoy fish instead of beef.
- 2.3 A business plan that aims to reduce expenditure in a particular market, thereby resorting to withdrawing large amounts of cash or assets from that market.
- 2.4 Individuals buying and selling shares on the stock exchange while they have the privilege of access to confidential information.
- 2.5 Contributions to pension, medical aid, housing and travel allowance by the employer.
- 2.6 A business sells all assets to settle the business debts and thereafter the business ceases to exist.
- 2.7 A form of industrial action whereby workers do 'no more or no less' than the minimum requirements described by the rules of the business.
- 2.8 An employee resigns from a retail shop after the employer made the workplace hostile and intolerable.
- 2.9 A strategy in which a business acquires or merges with a supplier of raw materials needed in the production of its finished product.
- 2.10 The ratio measuring business debt to shareholders' equity .
- 2.11 Keeping the purchase price and stock holding costs as low as possible in order to maximise profits.
- 2.12 A logo or design used to identify the product offering of a retail shop and distinguish it from the competitors' products.
- 2.13 The practice of spreading your investment risk between various asset classes.
- 2.14 Retail shops charging customers too high a price for goods or services, especially when demand is high and supplies are limited.
- 2.15 PicknPay using their established brand to launch more products in unrelated markets such as sale of building material.

Question	
2.1	
2.2	
2.3	
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2.7	
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2.10	
2.11	
2.12	
2.13	
2.14	
2.15	

(15 x 2) = [30]

QUESTION 3

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Each of the following statements below is **FALSE**.

Change the **underlined word(s)** in each statement so as to make the statement **TRUE**.

Write only the correct word/term in the spaces provided.

Example:

Desk research refers to the practice of taking someone else's work or ideas and passing them off as one's own.... (--)

Answer:

Plagiarism

- 3.1 Shoprite selling one of their buildings making a profit of R800 000 means they will be liable to pay **sin tax**. (2)
- 3.2 **Job evaluation** refers to the difference between the actual performance of an organisation and the desired performance (2)
- 3.3 In South Africa investors buy and sell shares listed on the **South African Reserve Bank**. (2)
- 3.4 A worker who is no longer able to perform his/her duties due to ill health may be dismissed for **operational reasons** (2)
- 3.5 **Benchmarking** involve a group of workers who do the same or similar work, who meet regularly to identify, analyse and solve work-related problems (2)
- 3.6 A manager that follows **an autocratic** leadership style believes that he/she should not interfere in the process of carrying out a task. (2)
- 3.7 **Rational Interaction for Moral Sensitivity (RIMS)** is a complex tool that is used by management to graphically compare the different options available when making decisions. (2)
- 3.8 **Porter's Five Forces** was introduced to enhance corporate governance because of the prevalence of corruption and unethical business practices in South Africa. (2)
- 3.9 Management and control of the public company is delegated to the **shareholders**. (2)
- 3.10 The availability of substitute products is a challenge from the **micro** environment. (2)

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[20]

Total Section A (50 + 30 + 20): 100 marks

Answer all questions in the spaces provided.

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

QUESTION 4

- 4.1 The Shoprite Group is the largest private sector employer in South Africa and a leading employer in Africa. We believe our employees are key to our success. We focus on attracting, developing and retaining a loyal and committed workforce, dedicated to the Group's culture and organisational objectives. <https://www.shopriteholdings.co.za/careers.html>

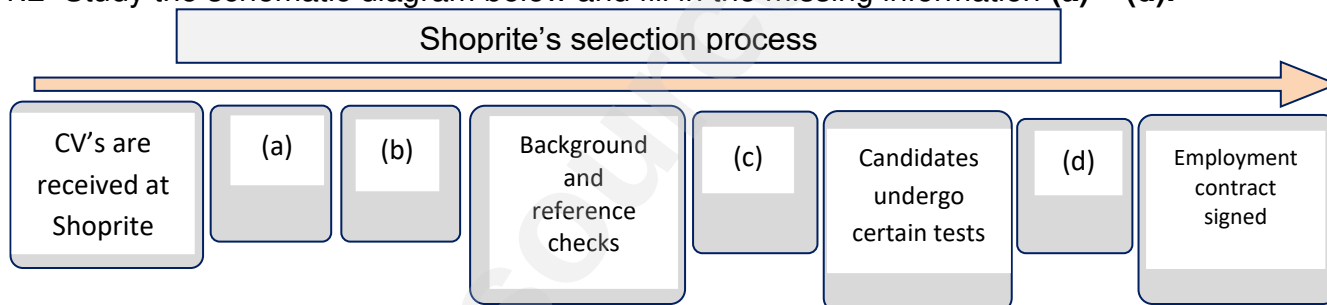
4.1.1 Manpower planning is an on-going task of the human resources department.

What is the purpose of manpower planning?

(2)

4.1.2 Study the schematic diagram below and fill in the missing information (a) – (d).

(4)



(a)	
(b)	
(c)	
(d)	

4.1.3 Discuss TWO advantages of external recruitment.

(2)

4.1.4 New employees embark on an induction programme.

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Explain the benefits of an effective induction program for employees in a retail shop

(4)

4.1.5 Explain the difference between selection and placement.

(4)

4.1.6 Evaluate the importance of employee performance appraisal with reference to clothing shops in particular.

(4)



<https://www.shopriteholdings.co.za/articles/Newsroom/2019/shoprite-creates-more-than-400-jobs-in-just-two-weeks.html>

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4.2 Consider the following cartoon and write the questions that follow.



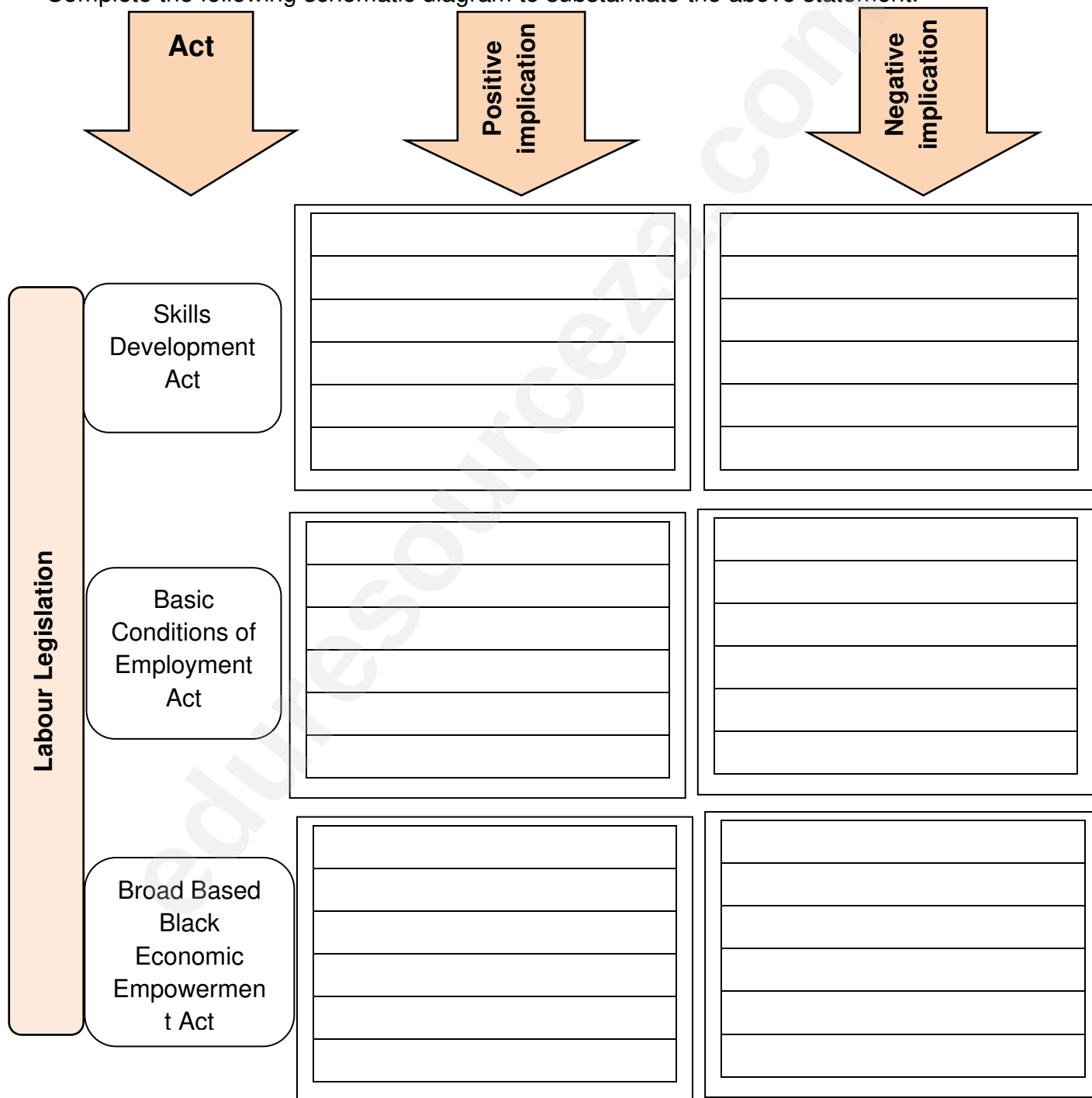
4.2.1 Explain why the process of collective bargaining is important for Edcon? (2)

4.2.2 Discuss the correct procedure for a strike action to be considered as protected. (4)

4.2.3 Explain the role played by the CCMA in the time leading up to industrial action. (6)

4.3 The laws enshrined in our South African constitution have both positive and negative impact on businesses.

Complete the following schematic diagram to substantiate the above statement.



- 4.4 Workplace conflict is inevitable when employees of various backgrounds and different work styles are brought together for a shared business purpose.
<https://www.shrm.org/resourcesandtools/tools-and-managingworkplaceconflict.aspx>

Suggest TWO skills that managers need in order to effectively manage change in the workplace.

Give a brief explanation of how each of these skills can be applied at Studio 88. (4)

[50]

QUESTION 5

5.1 Explain why a code of ethics is important at PicknPay Clothing retail outlets. (2)

5.2 Evaluate the benefits of good corporate governance for companies in the clothing sector. (4)

5.3 Explain, with examples, the difference between Foschini Group's primary social responsibility and broader social responsibility. (2)

5.4 On Thursday 31 May, PicknPay formally announced its partnership with Nkomamonta Organic Farmers' Cooperative in Tzaneen in Limpopo, which will see the cooperative supplying 217 tons of organic vegetables to PicknPay stores countrywide. <https://www.nefcorp.co.za/nef-in-the-media/pick-n-pay-increases-support-of-small-farmers-supermarket-co-za/>

Evaluate whether PicknPay's assistance of small black farmers is appropriate within the South African socio-economic context. (6)

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5.5 Give **THREE** criteria that the Global Reporting Initiative (GRI) measures companies against.

Justify the importance of these criteria for investors when they gauge the attractiveness of investments.

(6)

Criteria	Importance of criteria

5.6 Discuss how the following laws apply to the clothing shops operating in South Africa:

5.6 (a) the Compensation for Occupational Injuries and Diseases Act (COIDA)

(3)

5.6 (b) The Road Accident Fund (RAF)

(3)

5.7 Explain what it means when a retail shop manager uses a transformational leadership style. (2)

- 5.8 Discuss how developments in information technology have impacted the quality of performance in the clothing sector. (4)

- 5.9 Describe, with the aid of an example, how the following managerial competencies can be applied at Woolworths:

- (a) Teamwork competency (4)

- (b) Customer service orientation (4)

- 5.10 A conflict of interest could be an ethical challenge to day-to-day operations of the business. Give an example of such a situation and suggest how it should be dealt with. (4)

- 5.11 Explain how retail shops could deal with the ethical challenge of a cashier taking funds for personal use without authorisation. (4)

- 5.12 State TWO other business unethical practices that can be experienced in a retail shop besides conflict of interest and stealing of money. (2)

[50]

QUESTION 6

- 6.1 Explain what is meant by the term total quality management. (2)

- 6.2 Evaluate how the purchasing department of Mr Price can assist in improving business' quality of performance. (4)

- 6.3 The balance score card is a strategic management tool which can be used to assess the quality of performance in a retail business.
Discuss how Edgar Stores can apply the following elements of the balance score card to improve on their quality of performance:

- (a) Internal business perspective (4)

(b) Learning and growth perspective (4)

6.4 Evaluate the effectiveness of quality circles as a technique to improve performance management in a clothing shop. (6)

6.5 Investors consider a number of factors before committing to investing in property. Discuss property as an investment option using the criteria given on the table below.

P R O P E R T Y	Risk		(4)
	Reward		(4)
	Effects of inflation and taxation		(4)

- 6.6 Explain the purpose and intent of the FTSE / JSE Responsible Investment Index which was launched on 12 October 2015. (6)

*FTSE- Financial Times Stock Market

*JSE - Johannesburg Stock Exchange

- 6.7 Discuss the benefits of an employee pension fund both in the present and future. (4)

- 6.8 One of Studio 88's employees is considering opening a fixed deposit account in an attempt to save money in preparation for retirement. Evaluate why this will not be a viable option. (4)

- 6.9 Explain how each of the following terms would apply to an insurance contract:

(a) Insurable interest

(2)

(b) Indemnification

(2)

[50]

EXTRA SPACE (Please specify the question number if the space below is used.)

SECTION C

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

- Format: **Downloaded from eduresourceza.com**
 - The CORRECT format must be used, i.e. business report.
 - Where applicable, include an introduction and conclusion.
 - Use headings and subheadings where appropriate.
- Terminology: correct business terminology must be used.
- Content: must be sufficient to cover all aspects of the question.
- Substantiation: Justification of 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

SPAR

OUR BUSINESS

A culture of caring

We are a part of the community and community is like family. We strive to give you the highest quality produce, the freshest meats, and granny-approved baked goods. all at the right price. every day.



Corporate

Our 6 distribution centres, servicing almost 2,000 stores in South Africa under the SUPERSPAR, SPAR, KWIKSPAR, SPAR EXPRESS, TOPS at SPAR and SAVEMOR brands. These brands allow us to offer our communities exactly what they need at just the right price. From our fresh produce to our meat and baked goods, we constantly strive to source the best quality products at affordable prices. After all, you're a part of our SPAR family and family deserve the best.

Our Values & Culture

There's something different about shopping at SPAR, that's because we've created a culture of caring and community to ensure our customers have a consistently enjoyable shopping experience in a uniquely friendly and family orientated store. Nothing means more to us than our valued customers and we believe in going the extra mile to give them the best. From sourcing the finest products to providing willing and efficient staff who take a personal interest in our customers' needs.

<https://www.spar.co.za/About-SPAR/Company>

SOURCE B

One of the world's top ten franchises, SPAR is a supermarket chain focusing on providing customers with value-for-money products and good, friendly service. Whilst still emphasising the qualities of the SPAR brand, each SPAR franchise has its own unique character. Owners are encouraged to make use of SPAR's buying power, but are also empowered to source products from local suppliers. In addition to selling South Africa's favourite brands, SPAR markets its own range of high quality, competitively priced SPAR Brand Products.

<https://businessowl.co.za/opportunities/spar/>



REQUIRED

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Write a business report to the CEO, SAP in which you assist the management in developing a comprehensive marketing strategy. The marketing strategy should focus on the use of the marketing mix and the factors that are important in building a strong brand identity and achieving a competitive advantage for the business.

Using Porter's six forces model, assess and discuss challenges that the business can face from the market environment.

Suggest strategies on how the business can respond to these challenges to ensure sustainability and achieve competitive advantage.

[50]

Total marks - Section A [100] + Section B [150] + Section C [50] = 300 marks

-----Stay blessed-----

-----THE END-----

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