

BUSINESS STUDIES

MARKS: 300

TIME: 3 HOURS

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions:

1. This question paper consists of THREE sections: SECTION A, SECTION B and SECTION C.
2. Consider the time allocation when answering the questions.
3. Read the instructions carefully for each question and answer only what is required.
4. Number the answers correctly according to the numbering system used in this question paper.
5. Unless other instructions are given, answers must be in full sentences.
6. The mark allocation of each question will determine the length of your answer.
7. It is in your own interest to write legibly and neatly. Neatness and systematic presentation of facts are essential.
8. **NOTE:** Start the answers to **EACH** question on a **NEW** page.

| QUESTION | SECTION | MARKS | TIME |
|----------|--|------------------|--------------------------|
| 1 | A: Multiple-choice questions, True/False items, Matching items COMPULSORY | 40 marks | 30 min |
| 2 | | | |
| 3 | | | |
| 4 | B: THREE questions COMPULSORY | 180 marks | 90 min |
| 5 | | | |
| 6 | | | |
| 7 | C: Essay questions Answer any TWO questions from this section | 80 marks | 60 min |
| 8 | | | |
| 9 | | | |
| 10 | | | |
| | TOTAL | 300 marks | 180 min (3 hours) |

SECTION A: COMPULSORY

QUESTION 1

Four possible options are provided as answers to the following questions. Choose the answer and write only the letter (A-D) next to the question number. (1.1-1.20) in the ANSWER SHEET provided, for example, 1.1 D.

- 1.1 The challenge of high turnover of staff within an organisation is part of the _____ environment.
- A macro
 - B micro
 - C SMME
 - D market
- 1.2 Which description below describes limited liability?
- A The shareholders are responsible only for their personal debts with the business.
 - B The shareholders are not responsible for the debts of the business, but lose the amount of money they have invested in the business.
 - C The shareholders are responsible for some of the debts of the business and also lose the amount they have invested in the business.
 - D The shareholders pay back the total dividends received to make money available to pay for the debts of the business.
- 1.3 Who is responsible for the selection process of new employees?
- A Executive management
 - B Board of Directors
 - C Human Resources Department
 - D Directors
- 1.4 This legislation was created to ensure that qualified people from designated groups have equal opportunities in the workplace.
- A Affirmative action
 - B Unemployment Insurance Act
 - C Skills Development Act
 - D Black Empowerment Act
- 1.5 The _____ to management believes that it is impossible to select one way of managing that works best in all situations.
- A Quantitative School
 - B Strategic Management Approach
 - C Systems Approach
 - D Contingency Approach

- 1.6 Which ONE of the following could be an example of how a business could implement its social responsibility programme?
- A Increasing manager's salary
 - B Sponsoring an HIV/AIDS orphanage
 - C Increasing profit
 - D Discounting the prices of its product
- 1.7 Which four aspects are dealt with in a SWOT analysis?
- A Strategy, weakness, output and threat
 - B Strategy, work, output, and testing
 - C Strengths, weaknesses, opportunities and threats
 - D Strengths, wealth, opportunity and threats
- 1.8 The combination of which four aspects is essential for the success of a business?
- A Entrepreneur, workers, machinery and material
 - B Entrepreneur, capital, labour and resources
 - C Manager, capital, loans and a warehouse
 - D Owner, resources, computers and raw materials
- 1.9 Once this has occurred, there exists an official relationship between the employer and employee.
- A The employee receives the first month's salary.
 - B The contract is signed by both parties.
 - C The employee accepts an offer of employment.
 - D The employer makes an offer of employment.
- 1.10 This problem-solving technique is useful in the following circumstances:
- Group consensus is required
 - Individuals are not all in the same room
 - Individuals may want their responses to remain anonymous
- A Delphi
 - B Force-field
 - C Win-win
 - D Creative response
- 1.11 An increase in the petrol price is an example of a threat emerging from this environment:
- A Market environment
 - B Micro environment
 - C Macro environment
 - D Home environment

- 1.12 Which of these is a significant advantage for an organisation of work teams?
- A Greater output is achieved through collaboration.
 - B Teamwork is time-consuming.
 - C Teamwork encourages individualism.
 - D Teamwork requires technology to succeed.
- 1.13 1% of the wage bill of every business must go towards _____.
- A the Skills Development Act
 - B employment equity
 - C Seta
 - D BEE
- 1.14 The macro environment poses challenges to a business over which they have _____ control.
- A complete
 - B little
 - C some
 - D no
- 1.15 Liability refers to _____.
- A the responsibility you have to settle your debts
 - B whether your personal belongings can be used to settle business debts
 - C the fact that the business will carry on after you have died
 - D the person or entity responsible for settling debts
- 1.16 This Act was introduced in 2003 with the following objectives:
- To grow the country's economy
 - To eradicate poverty
 - To create jobs
 - To enforce transformation in the workplace
- A Industry Charter
 - B Broad-Based Black Economic Empowerment (BBBEE)
 - C National Credit Act
 - D BBBEE Codes of Good Practice
- 1.17 This organisation is responsible for developing standards and qualifications criteria for the National Qualifications Framework (NQF).
- A SETAs
 - B FET colleges
 - C Learnerships
 - D SAQA

- 1.18 The focus of a fidelity insurance policy is _____.
- A fraud by employees
 - B storm damage
 - C loss of cash before it is banked
 - D fire damage
- 1.19 Of the four listed, this form of investment carries the highest risk:
- A Shares
 - B Property
 - C Unit trusts
 - D Fixed deposit
- 1.20 This form of company ownership requires a minimum of seven members:
- A Close corporation
 - B Partnership
 - C Public company
 - D Private company

TOTAL: 20

QUESTION 2

Indicate whether the following statements are **TRUE** or **FALSE**. Choose the answer and write only 'true' or 'false' next to the question number (2.1-2.10) in the ANSWER BOOK.

- 2.1 Another name for the internal environment is the macro-environment.
- 2.2 A method companies use to raise capital is to issue shares.
- 2.3 Incompatible motives, demands or events are always the starting points of conflict.
- 2.4 When two organisations in the same industry amalgamate, it is called a horizontal merger.
- 2.5 When creating a professional presentation involving slides, it is appropriate to use slides with only two main colours.
- 2.6 Getting people outside an organisation to complete phases of a job is called subcontracting.
- 2.7 External recruitment is the appointment of staff into new positions from within the organisation.
- 2.8 According to the Black Economic Empowerment (BEE) policy, if 25,1% of an organisation is owned and managed by black women, the organisation is considered to be black women-owned.

- 2.9 The primary reason for a job interview is to check the applicant's background.
- 2.10 Increasing production within a business organisation gives the competitors an advantage.

TOTAL: 10

QUESTION 3

Choose a term from COLUMN B that matches a description in COLUMN A. Write only the letter (A-J) next to the question number (3.1-3.10) in the ANSWER BOOK, for example,

3.1 E

| | COLUMN A | | COLUMN B |
|------|--|---|---------------------------|
| 3.1 | Ensuring that suitable people from designated groups have equal employment opportunities in the workplace through the design and implementation of specific measures | A | Management |
| 3.2 | Black people participating meaningfully in the ownership and management of existing and new businesses | B | Workplace forum |
| 3.3 | Dispute resolution through the meeting of the involved parties | C | Dispute resolution |
| 3.4 | Claiming personal expenses as business expenses as a way to avoid paying tax | D | Arbitration |
| 3.5 | Taking pictures of people in the office with your cell phone, without permission, and sending them to other people at work | E | BBBEE |
| 3.6 | A judge offers a traffic officer a bribe to avoid getting a fine | F | Tax evasion |
| 3.7 | Borrowing money without permission from the petty cash with the intention of repaying it and the end of the month | G | Human Resource Management |
| 3.8 | The working together of trade unions and employer organisations to resolve conflicts | H | Sexual harassment |
| 3.9 | A process of attempting to reach the goals of an organisation through the planning, organising, leading and controlling of the resources available | I | Unethical behaviour |
| 3.10 | The process used to end conflict when the mediation process is unsuccessful | J | Theft |

TOTAL: 10

TOTAL SECTION A: 40

SECTION B (COMPULSORY): ANSWER ALL THREE QUESTIONS

QUESTION 4

- 4.1 The micro environment contains unique challenges. List and briefly explain four challenges from the micro environment that a goldmine may face as a business. (8)
- 4.2 List the environmental factors of the macro environment. (5)
- 4.3 Discuss the Skills Development Act (SDA) in terms of its purpose. (10)
- 4.4 Select three of the following concepts in a business and explain briefly what they are:
- a) Vision
 - b) Mission
 - c) Objective
 - d) Strategies
 - e) Policies (6)
- 4.5 The South African economy needs successful entrepreneurship. Give the definition of an entrepreneur and describe the skills required for an entrepreneur to be successful. (22)
- 4.6 Define the term 'socio-economic issues'. Offer three examples relevant to South Africa. (3)
- 4.7 Unemployment is an issue South Africa faces. List and briefly expand on three possible solutions to unemployment. (6)

TOTAL: 60

QUESTION 5

Study the following advertisement and answer the questions below.

Tax Advisor: KwaZulu-Natal

Career enrichment and job fulfilment for a qualified employment equity tax professional

Job includes the following areas of responsibility:

- Managing and developing a team of tax advisers to provide advice to professional sportsmen and women
- Investment planning
- Drawing up professional sports contracts
- Drawing up sponsorship contracts
- Assisting with marketing to professional sportspeople
- Conducting marketing presentations to clients

The following requirements must be met by the candidate:

- An undergraduate BCom degree
- Experience in the financial services industry
- Certified financial planning essential
- Minimum one year suitable management experience

Competency in the following areas is also required:

Computer literacy in all Office programs; excellent verbal and written communications skills; sound judgment and problem-solving abilities; strong client service orientation; confidentiality essential; ability to work both in a team and alone when required.

This position will be remunerated according to experience and abilities offered by the candidate, but a market related package is on offer.

- 5.1 Is this an affirmative action placement? How do you know? (2)
- 5.2 What qualifications are the minimum required for this position? (2)
- 5.3 What additional skills are required or desired? Briefly explain what each is and why it is required. (6)
- 5.4 Before a candidate can be employed, a process must be followed. Briefly outline this process. (16)
- 5.5 Briefly explain how the Employment Equity Act affects businesses with regard to the employment of new staff members. (8)
- 5.6 Jack Mamela was appointed to this position. He had been working there for two years when the following complaints resulted in a disciplinary hearing:
- A client complained that Jack had given confidential information about him to a friend, who is also a client of the company.
 - Other staff members complained that Jack forwarded racist emails to them at work.
- Discuss the professional and ethical requirements Jack has not honoured and how and why this might affect the business. (12)
- 5.7 Inclusivity is a word often used in relation to employment. What does it actually mean? (4)
- 5.8 Businesses must take out compulsory insurance for employees. What is this insurance called and what benefits does it offer the employees? (10)

TOTAL: 60

QUESTION 6

- 6.1 Kim Krafts is a small business which sells both new and second-hand books to the trade. It is owned and managed by Kim. The following staff is employed by the business:
- **Administration and finance:** A manager and a debtors clerk, a creditors clerk and a receptionist.
 - **Sales manager (Second-hand books):** Five salespeople. All the salespeople are able to both buy and sell second-hand books in bulk.
 - **Sales manager (New books):** Five salespeople. All the salespeople are able to buy and sell new books in bulk.
 - **Warehouse and deliveries:** There is a warehouse and deliveries manager.
 - **Warehouse:** Four packers who make up the orders for delivery.
 - **Deliveries:** There are three driver teams.

Draw an organogram of this business showing different management levels. (10)

- 6.2 Complete the table below: (14)

| Characteristic | Partnership | Close corporation |
|------------------------|--------------------|--------------------------|
| Ownership | | |
| Legal personality | | |
| Autonomy | | |
| Continuity | | |
| Formation | | |
| Taxation | | |
| Adaptability to change | | |

- 6.3 An act has been passed to specifically address each of the following. Name each act.
- a) The need for increased investment in education and training
 - b) A need and desire to reduce income differentiation based on race or any other discriminatory bias
 - c) The need for employees from previously disadvantaged groups to have improved skill levels (3)
- 6.4 Discuss what professionalism is and how each aspect is employed in the running of a business. (12)
- 6.5 Discuss the management of a strike. Include the two phases of management. (11)
- 6.6 Describe FIVE causes of conflict. (10)

TOTAL: 60

TOTAL SECTION B: 180

SECTION C: ANSWER ANY TWO QUESTIONS

QUESTION 7

Indigenous Wood Incorporated

You are the operations manager of a factory that manufactures wooden products. You run a large factory in a rural area in South Africa. A number of very modern and potentially dangerous machines are used in this process. The staff required to safely operate these machines must be specially trained. This training takes weeks and it is months before trained staff members have accumulated enough experience to be left unsupervised.

From a recent report you have learned that:

- 40% of the community in your area is HIV positive or dealing with an HIV positive family member
- 30% of the community is unemployed

A severe fire recently tore across a large number of tree farms. This is going to result in an increase in the cost of your raw materials.

You have decided to address the challenge of HIV/AIDS and the effect this is having on your factory workers. If 40% of the population of the local community is directly affected by HIV and AIDS, it stands to reason that close to that percentage of your staff must be affected too. This kind of situation will affect your staff's attendance, morale and productivity. The result of this may well be that your factory will face a shortage of skilled and unskilled labour within the next five years.

As a first step, you commissioned a comprehensive SWOT analysis. The following information was gathered through that process:

- The staff is motivated and enthusiastic.
- The products the business manufactures are of excellent quality.
- The Human Resources Department is proportionately small and does not have the capacity to offer counselling or support services.
- Very few staff members of any level have any HIV/AIDS awareness training.

A decision is made that it is time to change the weak points highlighted through the SWOT analysis. To this end, a strategic plan is to be created which will address the lack of HIV/AIDS awareness and knowledge throughout the business. Also included in this plan is the improvement of the Human Resources Department's ability to offer counselling to employees. This counselling will include the opportunity for employees to be voluntarily tested for HIV infection, and a company commitment to contribute to the provision of ARVs if necessary. A third aspect of the strategic plan addresses the need to offer training opportunities to employees to increase their skills levels.

Create the strategy and the action plan this factory could implement to reduce the effect of the HIV epidemic on both employees and the business. (40)

QUESTION 8

Design a flyer which would be useful to young entrepreneurs thinking of starting their own business. The flyer must outline the entrepreneurial qualities and skills needed to start a business; how a new business owner would present his budding business to others to raise funds; and the best legal options available if three people want to start a business together.

(40)

QUESTION 9

The Skills Development Act and the implementation thereof are of great importance to South Africa. We have a large unskilled workforce which would benefit from up-skilling. In addition, the economy will benefit from having more skilled workers in the workforce.

Write an essay in which you discuss the purpose and planned methods of achievement of the goals of this Act as well as the purpose and roles of the SETAs

(40)

QUESTION 10

Corporate Social Responsibility (CSR) is a permanent and important aspect of business nowadays. It has an effect on and implications for both businesses and communities. Critically examine the concept of Corporate Social Responsibility and its effect and implication on business and communities in conjunction with the following:

- Internal and external social responsibility
- Elements/areas of social responsibility
- Challenges faced by businesses
- Implications of social responsibility for businesses
- Implications of social responsibility for communities

(40)

TOTAL SECTION C: 80