

**KZN – DEPT. OF EDUCATION**  
**GREENBURY SECONDARY SCHOOL**  
**2016 JUNE EXAMINATIONS**  
**BUSINESS STUDIES - GR. 11**

**EXAMINERS** : R NAIDOO/A RAJOO

**MODERATORS** : A R / RNa

**DURATION** : 3 hrs

**DATE** : 08/06/2016

**MARKS** : 300

**NAME** : \_\_\_\_\_

**GR./DIV.** : \_\_\_\_\_

**Instructions** :

1. This paper consists of **15** printed pages.
2. All answers should be clearly numbered.
3. Learners should write neatly and manage their time properly.
4. There are **3** sections :

**SECTION A** : Compulsory

**SECTION B** : Consists of 5 questions. **CHOOSE ANY THREE QUESTIONS.**

**SECTION C** : ESSAY question. Consists of 4 questions. **CHOOSE ANY TWO QUESTION.**

5. Use the SPECIAL ANSWER SHEET for Section A.

6. Use the table below as a guideline for marks and time allocation when answering each question and TICK the questions that you have chosen.

SECTION	QUESTION	MARKS	TIME
A. <b>COMPULSORY</b>	ONE	40	24 min.
B. Five direct Questions. <b>CHOOSE ANY THREE QUESTIONS</b>	TWO	60	36 min.
	THREE	60	36 min.
	FOUR	60	36 min.
	FIVE	60	36 min.
	SIX	60	36 min.
C. ESSAY Questions <b>CHOOSE ANY TWO QUESTIONS</b>	SEVEN	40	24 min.
	EIGHT	40	24 min.
	NINE	40	24 min.
	TEN	40	24 min.
<b>TOTAL</b>		300	180 min. (3hrs)

**SECTION A : COMPULSORY**

**QUESTION ONE : (40 marks)**

1.1 Select the appropriate term from Column B to match the description in Column A. Write only the correct letter.

COLUMN A	COLUMN B
1.1.1 Person who sells the franchise idea.	A) MINING INDUSTRY
1.1.2 An example of a secondary sector industry.	B) PSYCHOGRAPHICS
1.1.3 To negotiate on behalf of employees for better pay.	C) STRIKE
1.1.4 Statistical data relating to the population.	D) TRADE UNIONS
1.1.5 When workers protest by working inefficiently.	E) FRANCHISOR
	F) YOGHURT PRODUCTION
	G) FRANCHISEE
	H) GO – SLOW
	I) DEMOGRAPHICS

[5 x 2 = 10]

1.2 Select the correct word from within the brackets. Write only the correct answer on the special answer sheet.

- 1.2.1 People's buying power (**increases/decreases**) when government lowers interest rates.
- 1.2.2 Inadequate management skills is a challenge faced by the (**micro/macro**) environment.
- 1.2.3 (**Deflation/Hedging**) is when a business tries to invest capital in such a way that it grows at a faster rate than inflation.
- 1.2.4 Economic crimes can include (**shoplifting/money laundering**).
- 1.2.5 Interacting with others to exchange ideas and information is called (**networking/ lobbying**).
- 1.2.6 The Minister of Finance is (**Pravin Gordhan/Nhlanhla Nene**).
- 1.2.7 Payment made to the franchisor based on the sales of the franchisee is (**royalties/profit**).
- 1.2.8 The collective stoppage of work to force employers to accept demands is called (**strike/dumping**).
- 1.2.9 (**Demographics/Psychographics**) is the classification of people according to their attitudes and aspirations.
- 1.2.10 (**Ethics/Development**) is the moral principles that govern the behaviour of a person or group.

[10 x 2 = 20]

P.T.O/ ...1.3

1.3 **State whether the following statements are TRUE or FALSE. If False, correct the underlined portion so as to make it True.**

1.3.1 The business has full control over the **market** environment.

1.3.2 Partners in a partnership have **limited** liability.

1.3.3 It is **unethical** behaviour for a manager to maintain confidentiality about an employee's HIV/Aids status.

1.3.4 A **prospectus** is used as an invitation to buy shares in a public company.

1.3.5 The income received from investment in shares is called a **dividend**.

[5 x 2 = 10]

**TOTAL : SECTION A**

**40 marks**

**P.T.O/...SECTION B**

## **SECTION B**

This section consists of **FIVE QUESTIONS**. Answer **ANY THREE QUESTIONS** from this section

### **QUESTION TWO : BUSINESS ENVIRONMENTS**

**2.1 The following is a list of identified challenges facing Superfast Deliveries, an enterprise that provides transport services to small business:**

- a) The mission of Superfast Deliveries is to provide a reliable and fast delivery service to its clients.
- b) Superfast Deliveries have not maintained their vehicles regularly.
- c) The increase in fuel prices has forced them to increase prices.
- d) Lightning Deliveries, a new delivery business, has opened in the same area as Superfast Deliveries.
- e) Two of Superfast Deliveries vans with all its contents have been hijacked in the past three months.

2.1.1 Identify to which business environment (micro; market; macro) each of the challenges above belong to? (10)

### **2.2 Read the following case study and answer the questions**

Thumi owns his own window cleaning company. He currently employs fifteen workers who work in three different teams. After surfing the Internet, Thumi has discovered a "power spray machine" that cleans the windows in half the time. He needs to change his cleaning agent, from his current biodegradable one, to a new type. The new one is not biodegradable. Thumi will only be able to buy one machine, as the exchange rate is very poor and the product comes from the USA.

2.2.1 Which macro environment factor/component has had an impact on Thumi's business? (2)

2.2.2 According to the case study, identify TWO(2) reasons why Thumi can only Purchase one machine (2)

2.2.3 Which macro environment factor/component has caused the impact in (2.2.2)? (2)

2.2.4 Identify the macro environment factor/component that Thumi's business will have an impact on when he buys his new cleaner? Explain your answer. (4)

**P.T.O/....2.3**

**2.3 Read the scenario below and answer the questions based on it**

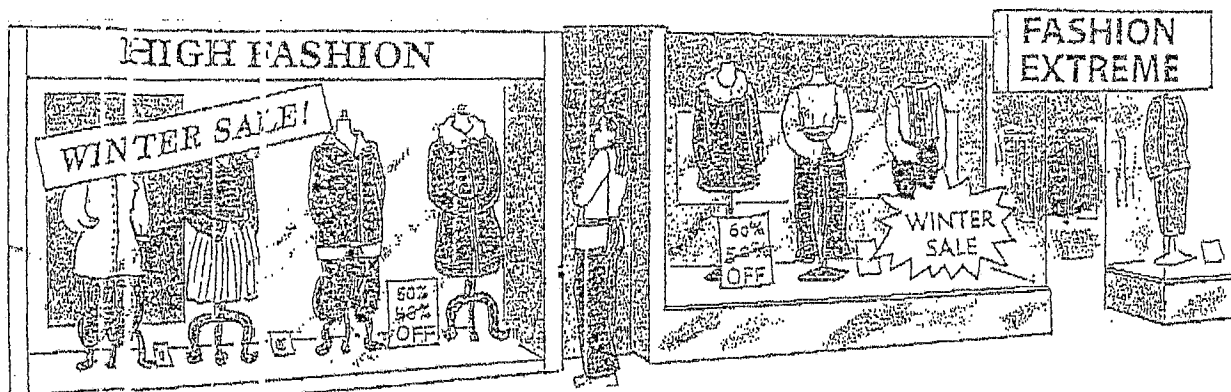
Hilton Ranch is a cattle farm near Magaliesberg. Hilton Ranch recently opened the Fresh Meat Butchery which is popular for manufacturing delicious homemade biltong and sausages. Ringo Stores sells a wide range of veterinary products for use on Hilton Ranch, as well as on other cattle farms across the country.

2.3.1 Identify the business sectors which the various business enterprises mentioned above belong to. Motivate your answer.  
 COPY AND COMPLETE THE TABLE BELOW (6)

	BUSINESS SECTOR	REASON
HILTON RANCH		
FRESH MEAT BUTCHERY		
RINGO STORES		

2.3.2 Ringo stores has come up with a new idea with regards to caring for the health of the animals. They are afraid that someone will steal their idea. List and explain THREE(3) solutions to PIRACY. (6)

**2.4 Study the two pictures below and answer the questions**



2.4.1 HIGH FASHION and FASHION EXTREME are in competition with each other. Explain the term "COMPETITION". (2)

2.4.2 In order for High Fashion to succeed, they will need to overcome the Porter's Competitive Forces. List Porter's Five Forces. (10)

**P.T.O/..2.5**

**2.5 Identify the PESTLE elements illustrated in each scenario below:**

2.5.1 The South African Reserve Bank decided to keep the repo rate unchanged.

2.5.2 The government introduced the affirmative action policy to address past imbalances.

2.5.3 Governmental incentives given to companies that sponsor nature conservation programmes.

2.5.4 Businesses are promoting online trading to reduce paperwork.

2.5.5. The introduction of the Consumer Protection Act eliminates consumer exploitation by businesses. (10)

2.6 List any THREE(3) Purposes of the Labour Relations Act (LRA) (6)

**TOTAL = 60**

**P.T.O/...QUESTION THREE**

**QUESTION THREE : BUSINESS VENTURES**

3.1 The following action plan was designed for Blitz Services

**BLITZ SERVICES**

ACTIVITIES	STARTING DATE	FINISHING DATE	MEMBER RESPONSIBLE
Open Bank Account	01/06/2015	30/06/2015	JOSH
Apply for loan	01/06/2015	30/06/2015	BRAD
Find premises	01/07/2015	30/07/2015	SAM
Buy stock	01/08/2015	31/08/2015	DAN
Appoint staff	01/08/2015	31/08/2015	MARY
Train staff	01/09/2015	31/10/2015	MARY

Use the information given above and copy and re-draw the Gantt Chart for Blitz Services.

**GANTT CHART FOR BLITZ SERVICES**

ACTIVITIES	JUNE	JULY	AUG	SEPT	OCT	MEMBER RESPONSIBLE
OPEN BANK ACCOUNT						
APPLY FOR LOAN						
FIND PREMISES						
BUY STOCK						
APPOINT STAFF						
TRAIN STAFF						

(18)

3.2 **EAT N SLEEP WELL** Hotel is situated close to the Kruger National Park.

The table below shows information about the number of guests who booked into this hotel from November 2015 to March 2016.

<b>TOURISTS/VISITORS</b>	NOV '15	DEC '15	JAN.'16	FEB '16	MAR '16
Families	80	90	85	50	32
Single males	40	85	70	40	20
Single females	30	75	60	35	10
Tour groups	134	176	140	88	80
Total	284	426	355	213	142
Percentages (%)	20%	30%	25%	15%	10%

**P.T.O/...3.2.1**

- 3.2.1 Which person involved in the Hotel would require the above-mentioned information (2)
- 3.2.2 For what purpose, do you think they may need this information (3)
- 3.2.3 Which month, according to the table, recorded the highest number of visitors at the Hotel? Give a reason for your answer. (2)
- 3.2.4 Use the percentages from the table above and draw a BAR GRAPH, showing the (%) over the month (13)
- 3.3 "Visual aids enhance verbal and non-verbal presentations."**
- 3.3.1 List any FIVE(5) forms of visual aids (10)
- 3.3.2 List 3 aspects that SHOULD NOT be done when doing an oral presentation (6)
- 3.3.3 Identify THREE(3) aspects to consider when dealing with questions. (6)

**TOTAL = 60**

**P.T.O/.... QUESTION FOUR**

**QUESTION FOUR : BUSINESS ROLES**

**4.1 State whether the following scenarios are ETHICAL OR UNETHICAL**

- 4.1.1 Awarding a contract without evaluating all the parties against set criteria, but rather choosing a company belonging to a friend.
- 4.1.2 A debt collecting company that pays more than the minimum wage to employees who use violence and threats to collect outstanding debts from clients.
- 4.1.3 Not employing any waiters/waitresses under the age of 18 to serve customers in a Restaurant. (6)

**4.2 "The King Code III has made huge strides in guiding businesses in SA to enforce Good Corporate Governance."**

- 4.2.1 List any FIVE(5) characteristics of the code. (10)
- 4.2.2 Identify the FIVE(5) ways to conduct professional and ethical business practice (10)

**4.3 Read the case study below and answer the questions based on it**

Companies try all sorts of tactics to get our attention and money. Sometimes these attempts involves illegal and underhanded practices. Recently a restaurant offered all their meals on their menu at half price. On the evening of the half price sale, patrons were surprised to see a 10% service charge added on to the bill. The additional 10% was based on the full price of the meals.

- 4.3.1 Explain the concept of UNETHICAL ADVERTISING. Use the information in the extract to illustrate your answer. (2)
- 4.3.2 What was the tactic used by businesses to attract unsuspecting customers to spend money which they were not planning spend? (2)

**P.T.O/..4.3.3**

4.3.3 Name FOUR(4) unethical advertising practices that businesses use to increase the sales of their products or services. (8)

4.3.4 What is the name of the body that regulates advertising in South Africa? (2)

4.3.5 Name the THREE(3) categories of misleading advertising (6)

4.4 Tabulate the difference between :

4.4.1 White-collar crime and Whistle blowing (4)

4.4.2 Tax Evasion and Tax Avoidance (4)

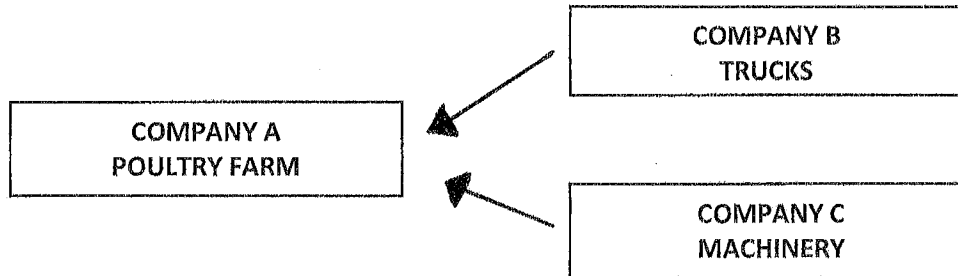
4.5 List THREE(3) issues that can be regarded as sexual harassment in the workplace (6)

**TOTAL = 60**

**P.T.O/..... QUESTION FIVE**

## **QUESTION FIVE : BUSINESS VENTURES**

5.1 Study the diagram below and answer the questions



- 5.1.1 Identify the business venture depicted in the diagram above. (2)
- 5.1.2 What is company A known as? (2)
- 5.1.3 What are companies B and C known as? (2)
- 5.1.4 Tabulate TWO(2) advantages and TWO(2) disadvantages of this type of Venture. (8)
- 5.1.5 List THREE(3) details that should be stated on the agreement that would be drawn for this venture. (6)

5.2 Read the scenario below and answer the questions

Mary started a dressmaking business with capital of R70 000. She invested R20 000 of her own savings in the business and also obtained a loan from ABSA Bank for the rest of the capital.

- 5.2.1 Name the TWO(2) sources of capital that Mary will use for her business. Quote from the case study to support your answer. (6)
- 5.2.2 List THREE(3) other sources of finance that Mary did not use. (6)
- 5.2.3 List any THREE(3) factors that she should consider before she starts her business. (6)
- 5.2.4 Give one example of a short-term loan. (2)

**P.T.O/..5.3**

5.3 If Botsawe CC were to invite the public to buy shares in its business and convert its business into a Public Company, discuss how this move would affect this Close Corporation. Show the difference by completing the table below:

	<b>CLOSE CORPORATION</b>	<b>PUBLIC COMPANY</b>
NAME ENDING		
DOCUMENTS FOR REGISTRATION		
DIRECTORS		
NO. OF OWNERS		
FINANCIAL STATEMENTS		

(10)

5.4 Which form of ownership is referred to in each of the following descriptions:

5.4.1 Profits are shared according to the members percentage interest.

5.4.2 Jointly and severally liable for the debts of the business.

5.4.3 Listed on the JSE.

5.4.4 Shares cannot be freely transferred

5.4.5 Has one owner

(10)

**TOTAL = 60**

**P.T.O/..QUESTION SIX**

**QUESTION SIX : MISCELLANEOUS**

**6.1 "Trade unions roles have adapted with the changes in the politics of the country."**

- 6.1.1 List the THREE(3) types of Industrial Action (3)  
6.1.2 Discuss 5 functions of a Trade Union (10)

6.2 Discuss the following changes business faced in the past few years :

- 6.2.1 Unemployment and Retrenchment (2)  
6.2.2 Globalisation (2)  
6.2.3 Affirmative Action (2)

6.3 Identify the FIVE(5) types of crisis business may be faced with (10)

6.4 "There are many problem solving techniques that can be used to help the creative process and that inspire people to generate creative ideas."

- 6.4.1 List the SEVEN(7) steps in the problem-solving cycle (14)  
6.4.2 Explain the FOUR(4) steps to the Delphi Technique (8)  
6.4.3 List THREE(3) benefits of creative thinking (6)

6.5 List THREE(3) causes of stress in the workplace (3)

**TOTAL = 60**

**TOTAL : SECTION B**

**180 marks**

P.T.O/... SECTION C

## **SECTION C**

This section consists of **FOUR ESSAY** questions. Choose **ANY TWO ESSAYS QUESTIONS** from this section

### **QUESTION SEVEN : BUSINESS ENVIRONMENTS**

"There are a number of factors in the business environment that will have a direct impact on the operations of the business."

In light of the above statement, discuss the factors listed below and its impact on operations and productivity :

- INFLATION
- ECONOMIC CRIME
- CORRUPTION
- MISMANAGEMENT OF FUNDS
- ILLITERACY
- LACK OF SKILLS
- PIRACY

(40 marks)

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### **QUESTION EIGHT : BUSINESS VENTURES**

"A profit company has one main aim and that is to make a profit."

Write an essay on a PRIVATE COMPANY as a form of ownership. Your essay should include the following:

- Characteristic of a Private Company
- Advantages of a Private Company
- Disadvantages of a Private Company

(40 marks)

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**P.T.O/..QUESTION NINE**

**QUESTION NINE : BUSINESS ROLES**

**"Creative thinking is not a talent, it is a skill that can be learnt. It empowers people by adding strength to their natural abilities."**

Write an essay on creative thinking with reference to the following:

- Barriers to Creative thinking
  - Rules for Brainstorming
  - The following Creative Thinking Techniques:
    - ✓ Force-field analysis and steps to force-field analysis
    - ✓ Nominal group technique and steps to nominal group technique
- (40 marks)

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**QUESTION TEN : BUSINESS VENTURES**

**"Outsourcing has become more popular over the years."**

Discuss the following with regards to outsourcing :

- DEFINITION
  - CONTRACTUAL OBLIGATION OF OUTSOURCING
  - ADVANTAGES OF OUTSOURCING
  - DISADVANTAGES OF OUTSOURCING
- (40 marks)

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**TOTAL = 300**

**Good luck!!!!!!!!!!!!**



*[Handwritten signature]*



300	<b>KZN – DEPARTMENT OF EDUCATION</b> <b>GREENBURY SECONDARY SCHOOL</b> <b>JUNE EXAMINATION – 2016</b> <b>BUSINESS STUDIES – GRADE 11</b> <b>SPECIAL ANSWER SHEET</b>	100
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<b>NAME :</b>	
<b>GR./DIV.</b>	

FOR EDUCATORS USE ONLY

QUESTION	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10
	40	60	60	60	60	60	40	40	40	40
LEARNER'S MARK										
MODERATOR										

**SECTION A**  
**QUESTION ONE**

1.1.1 E - FRANCHISOR	✓✓
1.1.2 F - YOGHURT PRODUCTION	✓✓
1.1.3 D - TRADE UNIONS	✓✓
1.1.4 I - DEMOGRAPHICS	✓✓
1.1.5 H - GO SLOW	✓✓

10

1.2.1 increases	✓✓	1.2.6 Pravin Gordhan	✓✓
1.2.2 micro	✓✓	1.2.7 royalties	✓✓
1.2.3 hedging	✓✓	1.2.8 strike	✓✓
1.2.4 money laundering	✓✓	1.2.9 psychographics	✓✓
1.2.5 networking	✓✓	1.2.10 ethics	✓✓

20

1.3.1 False. ✓ Micro ✓	
1.3.2 False. ✓ Unlimited ✓	
1.3.3 False. ✓ Ethical ✓	
1.3.4 True ✓✓	
1.3.5 True ✓✓	

10

40
40

**SECTION B**

**QUESTION TWO : BUSINESS ENVIRONMENTS**

- 2.1 a - Micro environment ✓✓
  - b - Micro environment ✓✓
  - c - Macro environment ✓✓
  - d - Market environment ✓✓
  - e - Macro environment ✓✓
- 10

2.2  
2.2.1 Technological environment ✓✓ 2

2.2.2 The exchange rate is very poor and the product comes from the USA. ✓✓ 2

2.2.3 Economic environment ✓✓ 2

2.2.4 Environmental/Physical environment. ✓✓  
The new cleaning agent is not biodegradable. ✓✓ 4

2.3  
2.3.1

HILTON RANCH	Primary Sector ✓	Cattle farm ✓
FRESH MEAT BUTCHERY	Secondary Sector ✓	Make biltong and sausages ✓
RINGO STORES	Tertiary Sector ✓	Sells veterinary products ✓

6

2.3.2

COPYRIGHT ✓	Is the exclusive right given to the creator of original work. ✓
TRADEMARK ✓	Is a symbol, logo that business use to differentiate itself from competitors. ✓
PATENT ✓	Exclusive right granted for a new invention. ✓

6

2.4  
2.4.1 **COMPETITION**

- Too many businesses offering same or similar types of products or services. ✓✓
  - Businesses that sell the same or similar goods and services
- 2

2.4.2 **PORTER'S FIVE FORCES**

- Power of buyers ✓✓
- Power of suppliers ✓✓
- Threat of new entrants ✓✓
- Threat of substitute products ✓✓
- Competitive rivalry ✓✓

10

- 2.5
- 2.5.1 ECONOMIC ENVIRONMENT ✓✓
- 2.5.2 POLITICAL ENVIRONMENT ✓✓
- 2.5.3 ENVIRONMENTAL ENVIRONMENT ✓✓
- 2.5.4 TECHNOLOGICAL ENVIRONMENT ✓✓
- 2.5.5 LEGAL ENVIRONMENT ✓✓

16

- 2.6
  - Recognition ✓✓
  - Regulation ✓✓
  - Resolution of labour dispute ✓✓
  - Enforcement
  - Administration

6

**TOTAL = 60**

**QUESTION THREE**

3.1

BLITZ SERVICES						
ACTIVITIES	JUNE	JULY	AUG	SEPT	OCT	MEMBER RESPONSIBLE
Open bank account		✓✓				JOSH ✓
Apply for a loan		✓✓				BRAD ✓
Find premises			✓✓			SAM ✓
Buy stock				✓✓		DAN ✓
Appoint staff					✓✓	MARY ✓
Train staff						MARY ✓

18

3.2

3.2.1 Management ✓✓

2

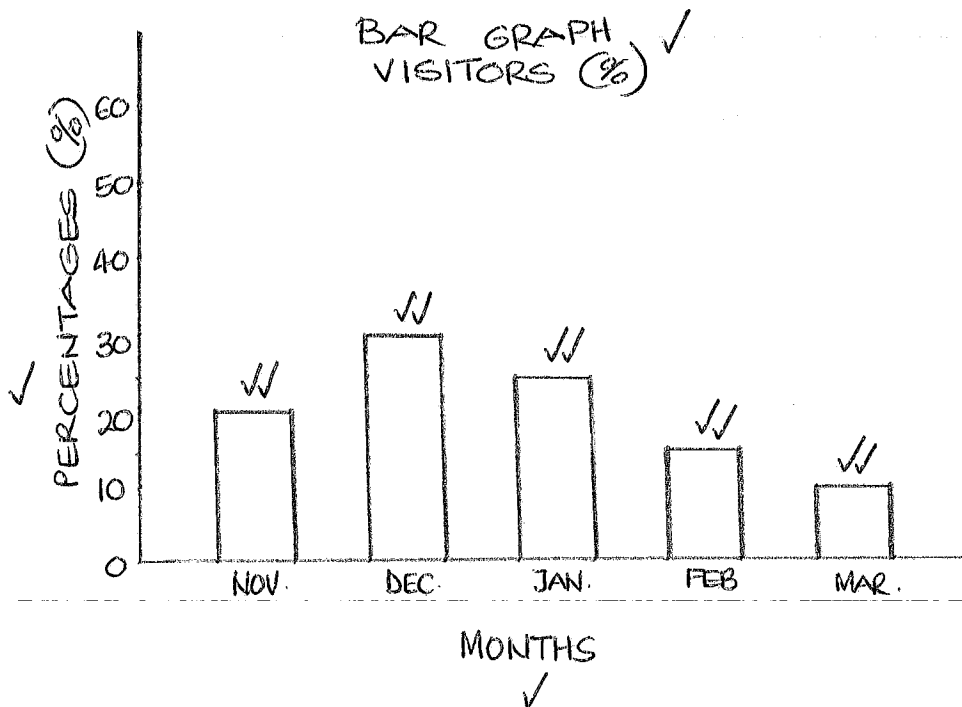
3.2.2 To take decisions in the business. ✓✓

3

3.2.3 December ✓  
It is the holidays/festive time. ✓

2

3.2.4



3.3

3.3.1

- Overhead projector ✓✓
- Data projector ✓✓
- Flip charts ✓✓
- Whiteboard ✓✓
- Video-conferencing ✓✓

10

3.3.2

- Don't use notes except for figures and statistics ✓✓
- Don't go over time ✓✓
- Don't try to wing it ✓✓
- Don't spend all your time preparing the visual aids
- Don't arrive late and make the audience wait.

6

3.3.3

- Allow for questions ✓✓
- Try to anticipate possible questions ✓✓
- Decide how many questions you will allow ✓✓
- Be assertive when answering questions

6

**TOTAL = 60**

**QUESTION FOUR**

- 4.1
- 4.1.1 UNETHICAL ✓✓
- 4.1.2 UNETHICAL ✓✓
- 4.1.3 ETHICAL ✓✓

6

- 4.2
- 4.2.1
  - Responsibility ✓✓
  - Accountability ✓✓
  - Discipline ✓✓
  - Fairness ✓✓
  - Leadership ✓✓
  - Independence
  - Transparency
  - Social responsibility

10

- 4.2.2
  - Not starting a venture at the expense of someone else ✓✓
  - Payment of fair wages ✓✓
  - Regular payment of tax ✓✓
  - Being environmentally responsible ✓✓
  - Treating all employees equally ✓✓

10

- 4.3
- 4.3.1 Advertising that misleads the consumer. ✓  
"All meals on their menu at half price." ✓

2

- 4.3.2 The business added 10% service charge and it was based on the full price of the meal. ✓✓ 3  
~~Offered their meals at half price~~ (accept this as well).

- 4.3.3
  - Giving goods deceptive names ✓✓
  - Using false advertising ✓✓
  - Selling second hand goods as new ✓✓
  - Criticising competitors goods ✓✓
  - Exploitation of children's lack of understanding

8

- 4.3.4 Advertising Standards Authority ✓✓

2

- 4.3.5
  - Misleading prices ✓✓
  - Misleading promotion ✓✓
  - Misleading packaging ✓✓

6

4.4

4.4.1

WHITE-COLLAR CRIME	WHISTLE BLOWING
Is an example of unethical behavior involving illegal activities such as fraud ✓✓	Is someone that exposes unethical behavior or illegal practices ✓✓

4

4.4.2

TAX EVASION	TAX AVOIDANCE
Hiding profits in order to pay less tax and this is a criminal offence ✓✓	Taking advantage of tax laws to pay less tax ✓✓

4

4.5

- Unwelcome sexual advances ✓✓
- Requests for sexual favours in return for employment benefits ✓✓
- Pressure for sexual favours to clinch sales deals. ✓✓

6

**TOTAL = 60**

**QUESTION FIVE**

- 5.1 ✓✓ 2
- 5.1.1 Leasing ✓✓ 2
- 5.1.2 Company A - LESSEE ✓✓ 2
- 5.1.3 Company B - LESSOR ✓✓ 2
- 5.1.4 6

ADVANTAGES OF LEASING	DISADVANTAGES OF LEASING
<ul style="list-style-type: none"> <li>• Lessor is usually a specialist in the field ✓✓</li> <li>• Technicians are on standby to offer advice ✓✓</li> <li>• Maintenance is done by lessor</li> <li>• Leasing costs are tax deductible</li> </ul>	<ul style="list-style-type: none"> <li>• Doesn't become property of the lessee ✓✓</li> <li>• Maintenance agreements are expensive ✓✓</li> <li>• Agreement cannot be ended without a penalty.</li> </ul>

- 5.1.5
  - Names of the parties entering into the lease agreement ✓✓
  - Duration of the lease ✓✓
  - Cost – the regular monthly payments that the lessee will have to make ✓✓
  - Other costs, like insurance and maintenance. 6

- 5.2
- 5.2.1 ✓✓
  - EQUITY CAPITAL - "Invested R20 000 of her own savings" ✓✓
  - DEBT CAPITAL ✓✓ "Obtained a loan from ABSA" ✓✓ 6

- 5.2.2
  - Grants ✓✓
  - Venture Capital ✓✓
  - Angel funding ✓✓ 6

- 5.2.3
  - The culture of the organization ✓✓
  - The environmental changes ✓✓
  - Customer services ✓✓
  - Business growth 6
  - Cost savings

- 5.2.4 Bank overdraft ✓✓ 2

## 5.3

	<b>CLOSE CORPORATION</b>	<b>PUBLIC COMPANY</b>
NAME ENDING	Ends with CC ✓	Ends with LTD ✓
DOCUMENTS FOR REGISTRATION	Founding statement ✓	MOI and prospectus ✓
DIRECTORS	Nil/NONE ✓	Min. 3 ✓
NO. OF OWNERS	1 – 10 ✓	1 or 7 - unlimited ✓
FINANCIAL STATEMENTS	Need not be published ✓	Must be published ✓

10

## 5.4

5.4.1 Close corporation ✓✓

5.4.2 Partnership ✓✓

5.4.3 Public company ✓✓

5.4.4 Private company ✓✓

5.4.5 Sole Trader ✓✓

10

**TOTAL = 60**

## QUESTION SIX

6.1

6.1.1

- Go – slow ✓
- Strike ✓
- Lockout ✓

3

6.1.2

- To enter into collective bargaining agreements on behalf of employees ✓✓
- To advise employers concerning their human resources policies and practices ✓✓
- To formulate and represent workers rights at statutory level ✓✓
- To promote greater participation of workers in management decisions ✓✓
- To organize strikes and other industrial action to strengthen the demands of workers. ✓✓
- To represent workers in disputes and grievances with employers. ✓✓

10

6.2

6.2.1 UNEMPLOYMENT AND RETRENCHMENT

- Many businesses in South Africa who had to downsize and implement retrenchment policies have to put plans in place to redeploy retrenched employees in order to remain economically active. ✓✓

6.2.2 GLOBALISATION

- As a result of technologically advanced communications and transport, businesses now not only compete locally but with the rest of the world. ✓✓

6.2.3 AFFIRMATIVE ACTION

- Is a policy whereby the EEA seeks to provide a formal structure to transform workplaces to be line with the demographics of the population and previously disadvantaged groups. ✓✓

6

6.3

- Tight deadline crisis ✓✓
- Financial crisis ✓✓
- Life-threatening event ✓✓
- Destruction of property ✓✓
- Business operations ✓✓
- Serious illness ✓✓

10

6.4

6.4.1

- Identify the problem ✓✓
- Define the problem ✓✓
- Formulate a strategy ✓✓
- Implement the strategy ✓✓
- Allocate the resources ✓✓
- Monitor the strategy ✓✓
- Evaluate the strategy ✓✓

14

6.4.2

- Select a panel of experts to answer a questionnaire ✓✓
- Experts answer the questionnaire anonymously ✓✓
- The answers are processed ✓✓
- A second questionnaire is developed ✓✓
- The process continues until the answers provided by the experts show that they agree with one another. 8

6.4.3

- Improves a product to maintain a demand ✓✓
- Finds better ways to serve consumers ✓✓
- Increases productivity ✓✓
- Increases profitability ✓✓
- Helps a business to identify ways to respond to threats 6

6.5

- Tight deadlines ✓
  - Competition ✓
  - Work overload ✓
- 3

**TOTAL = 60**

## SECTION C

### QUESTION SEVEN

#### INTRODUCTION

- The world today is more challenging as a business environment than ever before. One of the reasons for ongoing change is social transformation. ✓✓

#### BODY

##### 1. INFLATION

- Inflation poses a challenge to productivity because it increases the costs of raw materials and other inputs. ✓✓
- This puts pressure on business to be more productive in order to save costs. ✓✓

##### 2. ECONOMIC CRIME

- Occurs when someone benefits financially through any criminal activity ✓✓
- A criminal activity that directly involves the misappropriation of funds such as fraud ✓✓

##### 3. CORRUPTION

- Occurs when two parties enter into an illegal but mutually beneficial agreement. ✓✓
- Undermines the business practice and prevents fair competition. ✓✓

##### 4. MISMANAGEMENT OF FUNDS

- It is criminal offence which usually involves fraud. ✓✓
- Causes a business to lose a large amount of money. ✓✓

##### 5. ILLITERACY

- Means the inability to read and write ✓✓
- They find themselves in a poverty trap because they lack skill that will make them employable. ✓✓

##### 6. LACK OF SKILLS

- The problem in SA is not the lack of jobs, but rather the lack of skill. ✓✓
- Lack of skills slows down the development of new products, processes and employees. ✓✓

## 7. PIRACY

- Piracy occurs when the IP of a business is copied by someone else without permission. ✓✓
- This causes a huge loss to the original owner and may cause damage to the value of the IP. ✓✓

## CONCLUSION

- These challenges are difficult to overcome but business needs to learn to adapt to them. ✓✓

FACTS	32
LAYOUT	2
ANALYSIS	2
SYNTHESIS	2
ORIGINALITY	2
TOTAL	40

## QUESTION EIGHT

### INTRODUCTION

- Choosing a form of ownership is an important decision for an owner. A private company is one form of ownership that an owner can choose. This form of ownership is a legal entity and has to register as a tax payer in its own right. ✓✓

### BODY

#### 1. CHARACTERISTICS OF A PRIVATE COMPANY

- A private company can have between 1 and 50 shareholders. ✓✓
- The shareholders contribute capital and does not offer shares to the public ✓✓
- It has name ending (PTY)LTD ✓✓
- A private company has limited liability ✓✓
- It has continuity

#### 2. ADVANTAGES OF A PRIVATE COMPANY

- Life span is continuous ✓✓
- Shareholders have limited liability ✓✓
- It is easy to transfer ownership ✓✓
- Easier to raise capital ✓✓
- Not required to file their annual financial statements ✓✓
- More flexible and adaptable to both small and large businesses.

#### 3. DISADVANTAGES OF A PRIVATE COMPANY

- Requires a lot of capital ✓✓
- The more shareholders there are the less profits for each one ✓✓
- Often more taxation requirements ✓✓
- Has many legal requirements ✓✓
- Difficult and expensive to establish ✓✓
- Cannot be listed on JSE

### CONCLUSION

- These aspects must be carefully considered in order for the best decision for the business to be reached and profits maximized. ✓✓

FACTS	32
LAYOUT	2
ANALYSIS	2
SYNTHESIS	2
ORIGINALITY	2
TOTAL	40

## QUESTION NINE

### INTRODUCTION

- When running a business, various problems constantly crop and need to be dealt with. Creative thinking and problem solving are essential to manage situations. ✓✓

### BODY

#### 1. BARRIERS TO CREATIVITY

- Stress about meeting demands and deadlines ✓✓
- Fear of failure ✓✓
- A negative attitude ✓✓
- Following rules without thinking ✓✓
- Making assumptions
- Prioritizing logic over imagination

#### 2. RULES FOR BRAINSTORMING

- Don't criticise other people's ideas ✓✓
- Welcome unusual ideas ✓✓
- Offer lots of ideas ✓✓
- Combine and improve ideas ✓✓

#### 3. CREATIVE THINKING TECHNIQUES

##### 3.1 FORCE-FIELD ANALYSIS

- Is a technique where people look at the forces that might get in the way of reaching a goal and the forces that will help this goal to be reached. ✓✓

##### STEPS TO FORCE-FIELD ANALYSIS

- Identify all the forces influencing the decision ✓
- Weigh up the advantages and disadvantages by looking at all the forces for and against the decision ✓
- Give each force a score from 1 (weak) to 5 (strong) ✓
- Choose the most appropriate alternative ✓

### 3.2 NOMINAL GROUP TECHNIQUE

- Is a brainstorming process where participants suggest solutions and then vote on them. ✓

#### STEPS TO NOMINAL GROUP TECHNIQUE

- Think of ideas. Each participant must write down his/her own solution to the problem. ✓
- Report ideas. Participants share their ideas with the group. ✓
- Clarify ideas. Participants discuss ideas openly and clarify ideas if necessary ✓
- Rank ideas. Participants rank the ideas in order of importance. This is done individually. ✓
- Announce solution. The most popular idea is chosen as the solution. ✓

#### CONCLUSION

- Business must adapt to market changes quickly and creatively. There is always room for improvement in any business and creative thinking is the foundation for improvement. ✓

FACTS	32
LAYOUT	2
ANALYSIS	2
SYNTHESIS	2
ORIGINALITY	2
TOTAL	40

## QUESTION TEN

### INTRODUCTION

- All businesses engage in several activities to bring the product/service to the consumer. They can set up outsourcing arrangements with other businesses to provide some of the services. ✓✓

### BODY

#### 1. DEFINITION

- Is when a business uses another business to the job on their behalf instead of performing the function themselves. ✓✓

#### 2. CONTRACTUAL OBLIGATION OF OUTSOURCING

- An exact description of the service ✓✓
- The duration of the product ✓✓
- A detailed account of the duties and responsibilities of both parties ✓✓
- Confidentiality
- Payment terms and conditions

#### 3. ADVANTAGES OF OUTSOURCING

- Allows you to focus on important business activities ✓✓
- Operations where costs are running out of control must be considered for outsourcing ✓✓
- Staffing flexibility is possible as the business can make use of seasonal demands ✓✓
- Outsourcing will provide continuity during periods of high staff turnover ✓✓
- On-site outsourcing will bring people with skills into the company. ✓✓

#### 4. DISADVANTAGES

- Management and control become more complex ✓✓
- The outsourcing company will dictate the terms of the contract ✓✓
- Confidential information may be at risk ✓✓
- You may sacrifice quality. ✓✓
- Morale may suffer in the remaining workforce and staff might feel threatened. ✓✓

### CONCLUSION

- Outsourcing can create job uncertainty in the workplace when highly educated professionals compete against service providers who are willing to work twice as hard for much lower remuneration. ✓✓

FACTS	32
LAYOUT	2
ANALYSIS	2
SYNTHESIS	2
ORIGINALITY	2

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