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KZN – DEPT. OF EDUCATION
GREENBURY SECONDARY SCHOOL
2017 JUNE EXAMINATIONS
BUSINESS STUDIES - GR. 11

EXAMINERS : R NAIDOO/R GOVENDER/S DHOODHANATH
MODERATORS : S DHOODHANATH/R GOVENDER/R NAIDOO

DURATION : 3 hrs
MARKS : 300
DATE : 15/06/2017
NAME : _____
GR./DIV. : _____

Instructions :

1. This paper consists of 13 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 4 questions. **CHOOSE ANY THREE QUESTIONS.**
SECTION C : ESSAY question. Consists of 3 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. **COMPULSORY**	ONE	40	24 min.
B. Five direct Questions. CHOOSE **ANY THREE** QUESTIONS	TWO	60	36 min.
	THREE	60	36 min.
	FOUR	60	36 min.
	FIVE	60	36 min.
	SIX	60	36 min.
C. ESSAY Questions CHOOSE **ANY TWO** QUESTIONS	SEVEN	40	24 min.
	EIGHT	40	24 min.
	NINE	40	24 min.
	TEN	40	24 min.
TOTAL		300	180 min. (3hrs)

SECTION A : COMPULSORY

QUESTION ONE : (40 marks)

1.1 **Choose the correct answer from the options given below. Write only the correct letter.**

1.1.1 The providers of Capital and Labour to an organisation are part of the _____ environment.

A) Economic
B) Macro
C) Micro
D) Market

1.1.2 Which one of the following statements is TRUE regarding creativity?

A) Distractions like noise inhibit our ability to focus and think creatively.
B) Creativity is something that cannot be developed
C) Only intelligent people are creative
D) Only artistic people are creative

1.1.3 The Microsoft company wants to introduce new products to its existing range of computer software. Group participants need to generate as many ideas as possible without evaluation by others and later vote on these ideas.

The most appropriate group decision-making technique is _____.

A) The Nominal Group Technique
B) Brainstorming
C) Delphi Technique
D) An electronic meeting

1.1.4 Salon Sharona is an example of a business in the _____ sector.

A) Primary
B) Secondary
C) Tertiary
D) None of the above

1.1.5 This refers to the involvement of a group of individuals or organisations who voluntarily exchange information and make contacts

A) Networking
B) Outsourcing
C) Franchising
D) Leasing

1.1.6 The three types of financing are :

A) Equity, start-up and grants
B) Start-up, cash flow and expansion
C) Equity, debt and grants
D) Replacement, expansion and equity.

1.1.7 If the interest rate goes down :

A) Consumers will be less willing to spend money
B) The business needs to lower its costs and prices
C) Sales will increase
D) Investors will invest less money in the business

1.1.8 The technological environment includes :

A) All changes and development in products, methods, systems and resources
B) Global and international communication
C) All changes in products, methods, systems, labour and materials
D) The social, cultural and demographics environments.

1.1.9 A private company:

A) Has no requirements and no application forms and legal processes to follow
B) Needs to have a partnership agreement
C) Has a name that ends in (PTY)LTD
D) Needs to have a founding statement

1.1.10 McDonalds and Debonairs are examples of a :

A) Franchise
B) Wholesaler
C) Public company
D) Outsourcing company

[10 x 2 = 20 marks]

P.T.O/...1.2

1.2 STATE WHETHER THE FOLLOWING STATEMENTS ARE TRUE/FALSE. IF FALSE, CORRECT THE UNDERLINED WORD.

1.2.1. Debt financing is the total amount of money and assets invested in a business by the owner.
1.2.2. Ethics is about the moral values used in decision making.
1.2.3. A timeline is an illustration showing deadlines in date order.
1.2.4. Parallel activities are activities that are dependent on the completion of other activities.
1.2.5. An action plan is needed to implement the business plan.

[5×2=10 marks]

1.3 CHOOSE THE CORRECT WORD/S FROM WITHIN THE BRACKETS. WRITE THE ONLY THE CORRECT WORD/S NEXT TO THE NUMBER.

1.3.1 The **(Nominal Group/Empty Chair)** technique is a process where participants suggest solutions and then vote on them.

1.3.2 **(Crisis/Change)** happens all the time and at many levels in an organization.

1.3.3 This form of ownership requires a minimum of 5 members, **(close corporation/co-operatives).**

1.3.4 Energy generation businesses are classified within the **(primary/secondary)** sector.

1.3.5 The vision and mission statements are part of the **(micro/market)** environment.

[10 marks]

TOTAL SECTION A: 40 MARKS

SECTION B

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

QUESTION TWO : BUSINESS ENVIRONMENTS

2.1 **In each case choose the correct concept from Column B, which matches the information given in Column A. WRITE ONLY THE CORRECT LETTER.**

	COLUMN A		COLUMN B
2.1.1	Changes in this environment brings changes in the way that products are made and tested.	A	PHYSICAL ENVIRONMENT
2.1.2	Conditions in this environment include inflation, exchange rates, interest rates, etc.	B	LEGAL ENVIRONMENT
2.1.3	Challenges such as unemployment, poverty and crime the business faces	C	MACRO ENVIRONMENT
2.1.4	This environment includes transport systems, pollution control	D	TECHNOLOGICAL ENVIRONMENT
2.1.5	The challenges of globalisation affect this environment	E	SOCIAL ENVIRONMENT
2.1.6	The law regarding smoking in public places is part of this environment	F	MICRO ENVIRONMENT
2.1.7	This environment includes issues like land ownership and land redistribution	G	INSTITUTIONAL ENVIRONMENT
2.1.8	Local authorities, regional authorities and central govt. are included in this environment	H	POLITICAL ENVIRONMENT
2.1.9	This environment consists of all the uncontrollable influences that may have a positive or negative effect on business	I	ECONOMIC ENVIRONMENT
2.1.10	This environment is also known as the decision-making environment, because management has complete control over it	J	INTERNATIONAL ENVIRONMENT
		K	MARKET ENVIRONMENT

(10 x 2) = 20

2.2 **Read the scenario below and answer the questions that follow**

TEDDY BRICKWORKS (TWB)
Teddy Brickworks specialise in the manufacturing of bricks. One of their suppliers is Sand & Stone, which is sometimes out of stock. TWB's employees are regularly absent from work. The business recently obtained a loan from Cash Bank at a high interest rate.

2.2.1 Name the business sector in which TWB operate. Motivate your answer. (3)

2.2.2 Identify and classify TWB's challenges from the scenario given according to the THREE(3) business environments. State the extent of control TWB have over each environment. (9)
Draw the table below in the ANSWER BOOK to present your answer.

CHALLENGE	BUSINESS ENVIRONMENT	EXTENT OF CONTROL

2.3 " **In order for any business to succeed, they need to overcome Porter's Five Competitive Forces."**

2.3.1 In which business environment does the Porter's Five Forces belong to. (1)
2.3.2 List and explain Porter's Five Forces. (10)
2.3.3 Identify any FIVE(5) challenges of the environment identified in 2.3.1. (5)

2.4 Discuss the impact of political changes on the business environment. (2 points) (4)

2.5 Tabulate the difference between Forward Link and Backward Link (2)

2.6 **"There needs to be constant communication between the supplier and business."**

2.6.1 Explain what a supplier is to a business. (2)
2.6.2 Discuss how shortages of supply affect a business. (2 points) (4)

TOTAL = 60

P.T.O/...QUESTION THREE

QUESTION THREE: BUSINESS VENTURES

3.1. Read the case study below and answer the following questions:

THE PARTY PLANNERS

On the 30 June 2017, Pam, Dolly and Tom held a meeting with regard to certain functions that had to be performed to start their business. The following tasks, durations and member responsible for tasks were discussed in their planning:

TASKS	WEEKS	MEMBER RESPONSIBLE
A) Registration of the cc	1	TOM
B) Raising of capital	1-2	TOM
C) Purchasing of stock	3-4	PAM
D) Hiring of staff	5	DOLLY
E) Training of staff	5-6	DOLLY
F) Advertisements	3-6	PAM

3.1.1. Use the information above and copy and redraw the Gantt chart for "The Party Planners" (18)

TASKS	WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 5	WEEK 6	MEMBER RESPONSIBLE
A) Registration of the cc							
B) Raising of capital							
C) Purchasing of stock							
D) Hiring of staff							
E) Training of staff							
F) Advertisements							

3.1.2. List and explain the 4 aspects that an action plan must contain (8)

3.1.3. Discuss 4 benefits of an action plan (8)

3.2. "Presentation of business information is extremely important to ensure that the audience understands the intended message"

3.2.1. Tabulate the difference between verbal and non-verbal presentations (4)

3.2.2. List 4 types of audio-visual aids (4)

3.2.3. Discuss 4 aspects to keep in mind when composing a flyer (8)

3.2.4. Explain 5 points to remember when responding to questions and feedback (10)

TOTAL : 60

P.T.O/...QUESTION FOUR

QUESTION 4 – [BUSINESS ROLES]

4.1 SELECT THE CORRECT SOCIO-ECONOMIC ISSUE, FOR THE STATEMENTS LISTED BELOW, FROM THE TEXTBOX. WRITE ONLY THE NUMBER AND THE CORRECT ANSWER. (EG.: 4.1.6 Demograhphics).

INFLATION; ECONOMIC CRIME; SEXUAL HARASSMENT; CORRUPTION; DUMPING; DEMOGRAPHICS

4.1.1 When two parties enter into an illegal but mutually beneficial agreement. **(1)**

4.1.2 When foreign manufacturers place large quantities of a product on a local market at extremely low prices **(1)**

4.1.3 When someone benefits financially through any criminal activity that directly involves the misuse of funds. **(1)**

4.1.4 The general increase in the price of goods and services. **(1)**

4.1.5 The unwanted physical contact of a person. It is illegal and attack the dignity of a person. **(1)**

4.2

Piracy is the practice of making unauthorized copies of any copyrighted work. It tends to rob an artist of income he/she should be earning, and it also decreases sales and profits of a business.

4.2.1 Identify from the statement above, three(3) disadvantages of Piracy. **(3)**

4.2.2 Describe three(3) conditions that need to be followed in order to get a product **Patented.** **(6)**

4.3

In order for South Africa to function in a well stabilized economy, there has to be ongoing labour relations, so that industrial action can be eliminated.

4.3.1 Identify and explain the four(4) main role players in labour relations. **(8)**

4.3.2 Tabulate the difference between a **Strike** and **Lock-out.** **(4)**

4.3.3 State the law/legislation that facilitates labour relations. **(2)**

4.3.4 Explain any five(5) functions of trade unions. **(10)**

4.3.5 Discuss the procedure/steps to be followed for a strike or lock-out. **(10)**

P.T.O/...4.4

4.4

Stress is defined as the "wear and tear" our bodies experience as we adjust to our changing environments.

4.4.1 Describe, how a person can "build their physical reserves" in order to manage stress? **(10)**

4.4.2 Identify two(2) ways, how a person can learn to control their physical reactions to stress? **(2)**

[TOTAL MARKS: 60]

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

QUESTION FIVE : MISCELLANEOUS

BUSINESS ENVIRONMENTS

5.1 **Fill in the missing words by choosing the correct term/s from the textbox below.** **(5)**

Strike	Primary	Psychographics	Merger
Tertiary	Go-slow	Demographics	Alliance
Takeover			

5.1.1 A _____ is a form of industrial action in which work or progress is deliberately delayed or slowed down as a form of protest.
5.1.2 _____ refers to the lifestyle choices, attitudes and values of potential customers.
5.1.3 Angelo's Pizza is an example of business which forms part of the _____ sector.
5.1.4 When two businesses dealing in the same service or product join forces to avoid competition that is referred to as _____.
5.1.5 _____ is when one company buys a division or a majority of shares of another company.

5.2 **Complete the table below. Redraw and complete the table in your ANSWER BOOK.** **(6)**

	PRIMARY	SECONDARY	TERTIARY
DEFINITION			
EXAMPLE			

5.3 Provide TWO(2) reasons why the challenges of the MICRO environment are easier to overcome than those of the other environment. (4)

5.4 **Read the case study below and answer the questions that follow**

John James has been a machine operator for 10 years at Comfy Textiles and has contributed tremendously to its growth. For the past three months he has drastically changed his behaviour by coming late to work and coming to work drunk. This has impacted negatively on workers and the company.

5.4.1 From the case study above, classify the challenge that the company is facing in the micro environment. (1)
5.4.2 Explain how the challenge identified in 5.4.1 has impacted negatively on workers and the company. (2)
5.4.3 Give one strategy on how to deal with the challenge identified in 5.4.1. (2)

P.T.O/....BUSINESS VENTURES

BUSINESS VENTURES

5.5 Read the case study below and answer the questions:

Case study: Thambo, George and Fatima form a partnership

Thambo, George and Fatima have decided to open a shop. They have formed a partnership as a form of ownership. Each invested R10 000, and they obtained a trading license which allowed them to start doing business. The partners earned a profit in the first three years. In the fourth year they lost money. Problems included the following:

- they could not agree on what each partner should earn
- they disagreed on the suppliers they should use
- they disagreed on using their own or borrowed capital

When the business started to lose money, the partners feared that they would be declared insolvent (bankrupt).

5.5.1. Explain 3 characteristics of a partnership (6)

5.5.2. According to the case study, state 2 disadvantages of starting a partnership (2)

5.5.3. Copy and complete the table by stating the differences of the following forms of ownership according to the characteristics given: (8)

CHARACTERISTICS	SOLE TRADER	CLOSE CORPORATION
• Name ending		
• No. of owners		
• Establishing documents		
• Liability		

5.5.4. List and explain 2 ways of obtaining capital (4)

BUSINESS ROLES

5.6

A crisis is an unforeseen event that can cause major changes in an organization. It is therefore, important for business to use creative thinking to help address problems in general and to help with crisis situations.

5.6.1 Identify any five(5) types of crisis. **(5)**

5.6.2 List the seven(7) steps in the problem solving cycle. **(7)**

5.6.3 Explain how creative thinking benefits a business. **(5)**

5.6.4 Discuss the term "creative thinking." **(3)**

[TOTAL MARKS: 60]

TOTAL SECTION B:
60 X 3 = 180 MARKS

P.T.O/....SECTION C

SECTION C : ESSAY
CHOOSE ANY **TWO** QUESTIONS FROM THIS SECTION

QUESTION SIX : BUSINESS ENVIRONMENT

BRANDS CLOTHING MANUFACTURERS LTD

Brands Clothing Manufacturers is situated in Durban. It makes a range of clothing aimed mainly at the teenage market. They receive their income by selling its goods to all clothing chain stores in South Africa. Recently management has noticed a decline in sales and that its customers, the large clothing retailers, can import clothing from China at a much cheaper price.
Some of the machinery at Brands is outdated. The new computerised machinery, which has to be imported from China, is too expensive because of the unfavourable exchange rate. If Brands buys the new machinery the workers who operate the current machines will loose their jobs because they do not have the skills to use new technology.
Brands secured a loan of R1 000 000 from African Bank at 14%p.a. but the monthly instalments have increased as a result of an increase in the interest rate.
Rising fuel has increased costs and reduced profitability.
Recently, a new manufacturing company, Yens New Look Clothing opened 10 kilometres from Brands. It is BEE compliant with women in management unlike Brands. It sells clothing cheaper and has the latest machinery.

Read the case study above and prepare a report for management on the following :

- Identify the challenges facing Brands Clothing Manufacturers
- Classify each challenge into the business environments
- Suggest strategies that they may implement to overcome the challenges

[40 marks]

QUESTION SEVEN: BUSINESS VENTURES

Mary was reading a business magazine and had always been told about the advantages of acquiring a business. She became very interested in acquiring a business, but she had some concerns.
You have been appointed to advise Mary on the differences between a Franchise and Lease agreement as an option of acquiring a business.

In your essay advise Mary about the following:

- Define a franchise
- State the differences between a franchisee and a franchisor
- Explanation of the aspects covered in the franchise agreements
- Definition of a lease
- State the difference between a lessor and lessee
- Explanation of the details on a lease agreement

[40 marks]

P.T.O/...QUESTION EIGHT

QUESTION 8 – [BUSINESS ROLES]

The King Code of Good Governance, provides a guideline has to how businesses should carry out good governance. One aspect that all companies must include in their program or policies is to cultivate and promote an ethical culture and make sure that professionalism is maintained in their company. Companies must also draw up codes of ethics and put in place policies to deal with issues that challenge ethical and professional behaviour.

Keeping the above statement in mind, you are required to:

- Explain the differences between Professionalism and Ethics.
- Explain the following issues that challenge ethical and professional behaviour:
  - Tax evasion
  - Sexual harassment
  - Unauthorized use of funds
  - Abusing work time
- Discuss the effects of the above issues on business
- Recommend methods a business can use to prevent the above issues from occurring.

[40 marks]

ALL THE BEST!!!

TOTAL PAPER MARK: 300

GREENBURY SECONDARY SCHOOL
DEPARTMENT OF COMMERCE
H.O.D. MRS C MAHARAJ

BUSINESS STUDIES GRADE 11 2017 JUNE EXAMINATION

education
Department:
Education
REPUBLIC OF SOUTH AFRICA

300

GREENBURY SECONDARY SCHOOL
BUSINESS STUDIES
GRADE 11
SPECIAL ANSWER SHEET

100

NAME: SUGGESTED ANSWERS GRADE/DIV.:

FOR EDUCATOR USE ONLY:

SECTION	QUESTIONS	TICK(V) THE QUESTIONS ANSWERED	MARKS ALLOCATED	LEARNER'S MARKS
A (COMPULSORY)	1		40	
B (ANSWER ANY 3 QUESTIONS)	2		60	
	3		60	
	4		60	
	5		60	
C (ANSWER ANY 2 ESSAY)	6		40	
	7		40	
	8		40	
MODERATOR'S SIGNATURE (IF APPLICABLE)				

GREENBURY SECONDARY SCHOOL
DEPARTMENT OF COMMERCE
H.O.D. MRS C MAHARAJ

SECTION A

QUESTION 1.1

1.1.1	C	✓✓
1.1.2	A	✓✓
1.1.3	A	✓✓
1.1.4	C	✓✓
1.1.5	A	✓✓
1.1.6	C	✓✓
1.1.7	C	✓✓
1.1.8	A	✓✓
1.1.9	C	✓✓
1.1.10	A	✓✓

20

20

QUESTION 1.2

1.2.1	False✓ Equity✓	
1.2.2	True ✓✓	
1.2.3	True ✓✓	
1.2.4	False✓ Sequential ✓	
1.2.5	True✓✓	

10

QUESTION 1.3

1.3.1	Nominal group ✓✓	
1.3.2	Change ✓✓	
1.3.3	Co-operatives ✓✓	
1.3.4	Secondary ✓✓	
1.3.5	Micro ✓✓	

10

40

SECTION B

QUESTION TWO

2.1

2.1.1 D	√√	2.1.6 B	√√
2.1.2 I	√√	2.1.7 H	√√
2.1.3 E	√√	2.1.8 G	√√
2.1.4 A	√√	2.1.9 C	√√
2.1.5 J	√√	2.1.10 F	√√

20

2.2

2.2.1 Secondary Sector ✓

- Responsible for converting raw materials into finished goods. √√
- Manufacturing of bricks

3

2.2.2

CHALLENGE	BUSINESS ENVIRONMENT	EXTENT OF CONTROL
Supplier is out of stock ✓	Market environment ✓	Partial control ✓
Employees regularly absent ✓	Micro environment ✓	Full control ✓
Loan at a high interest rate ✓	Macro environment ✓	No control ✓

9

2.3

2.3.1 Market environment ✓

1

2.3.2 PORTER'S FIVE FORCES

- ✓ **POWER OF SUPPLIERS** ✓ - Ability of suppliers to influence potential buyers. ✓
- ✓ **POWER OF BUYERS** ✓ - ability of buyers of the product/services in an industry to influence suppliers. ✓
- ✓ **THREAT OF NEW ENTRY** ✓ - the extent to which a new competitor can enter the market. ✓
- ✓ **THREAT OF SUBSTITUTION** ✓ - the extent to which alternative products/services may diminish the need for existing products. ✓
- ✓ **COMPETITIVE RIVALRY** ✓ - the competitive relationship between dominant companies in the industry. ✓

10

2.3.3 CHALLENGES IN THE MARKET ENVIRONMENT

- Competition ✓
- Shortage of supply ✓
- Changes in consumer behaviour ✓
- Demographics and Psychographics ✓
- Socio-cultural factors ✓

5

2.4 **POLITICAL CHANGES**

- Business must be aware of and be compliant with government policies and regulations.
- Compliance with BEE will put the business in a better position in order to apply for govt. tenders.
- Business needs to be aware of the impact and the consequences of these changes.

4

2.5

FORWARD LINK	BACKWARD LINK
• When an enterprise sells the goods and services to the same sector or to other sectors.	• An enterprise buys goods and services from businesses in the same sector or to other sectors.

2

2.6

2.6.1 **SUPPLIERS**

- Suppliers provide a business with goods and services and raw material so that the business will have the means to trade.

2

2.6.2 **SHORTAGES OF SUPPLY**

- The success of the business will depend on the delivery of these goods and raw materials at the right time, place, price and quantity.
- Production will halt if there are no raw materials. This leads to loss of production time, loss of income and loss of profits

4

[TOTAL MARKS : 60]

QUESTION THREE: BUSINESS VENTURES

3.1.1. Use the information above and copy and redraw the Gantt chart for "The Party Planners" (18)

TASKS	WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 5	WEEK 6	MEMBER RESPONSIBLE
A) Registration of the cc							Tom
B) Raising of capital							Tom
C) Purchasing of stock							Pam
D) Hiring of staff							Dolly
E) Training of staff							Dolly
F) Advertisements							Pam

3.1.2. List and explain the 4 aspects that an action plan must contain (8)

- The tasks to be done- all necessary tasks that are needed to achieve specific goals must be identified and prioritised. These tasks can be broken into smaller tasks and arranged according to the order in which they have to be completed
- The people responsible for performing the tasks- decide upon who is responsible for each task. If there are other team members, tasks may be delegated to them
- The time it would take to complete the task- all tasks must be given specific timeframes within which they must be completed. The success of the action plan is dependent on the deadlines given for each task.
- The resources needed- human and financial resources as well as the time needed to execute the action plan must be identified. Adequate funding must be allocated to each task.

3.1.3. Discuss 4 benefits of an action plan (8)

- Allows projects to achieve a specified time frame
- Allows the person responsible for achieving particular goals to be organised
- Acts as a control measure as it sets a standard to which performance can be measured against
- Activities can be prioritised according to its importance

3.2.1. Tabulate the difference between verbal and non-verbal presentation (4)

Verbal presentations	Non-verbal presentations
Oral presentations delivered to audience	Mostly done by means of printed materials

3.2.2. List 4 types of audio-visual aids **(4)**

- Overhead projector ✓
- Data projector ✓
- Flip chart ✓
- Whiteboard ✓
- Interactive white board ✓
- Video- conferencing ✓

(any 4)

3.2.3. Discuss 4 aspects to keep in mind when composing a flyer **(8)**

- Know your audience-design the flyer to suit them ✓✓
- Use a catchy headline to attract attention ✓✓
- Keep the message simple, mentioning only the crucial information ✓✓
- Use legible fonts and easy to read language ✓✓
- Use " you" in the message to establish direct contact ✓✓
- Use words denoting action like "call, contact..." ✓✓
- Proofread the copy several times to avoid inaccurate information ✓✓
- Organise the material into easily readable bits, using boxes and illustrations ✓✓
- Use testimonials for credibility ✓✓
- Place your business address at the end to be remembered longer ✓✓

(any 4 X 2)

3.2.4. Explain 5 points to remember when responding to questions and feedback **(10)**

- Allow for questions- this shows that you are confident about your presentations ✓✓
- Try to anticipate possible questions and prepare appropriate answers ✓✓
- Decide how many questions you will allow and do not exceed the allocated time ✓✓
- Be assertive when answering questions, but take care not to be aggressive ✓✓
- Spread the questions amongst the audience- do not allow one person to dominate the session and be assertive ✓✓
- If questions are controversial allow the audience to participate but make sure to limit discussion ✓✓
- Make notes to refer questions that are out of context to the relevant section or person ✓✓
- Use the question and answer session to wrap up your presentations ✓✓
- Apologise for any errors/disruptions/omissions that may have been made in the presentation. ✓✓

(any 5 X 2)

[TOTAL MARKS : 60]

QUESTION 4 – [BUSINESS ROLES]

4.1.1 Corruption ✓ (1)

4.1.2 Dumping ✓ (1)

4.1.3 Economic Crime ✓ (1)

4.1.4 Inflation ✓ (1)

4.1.5 Sexual Harassment ✓ (1)

4.2.1 Identify from the statement above, three(3) disadvantages of Piracy.

- Robs an artist of income ✓
- Decreases sales and profits of the business ✓✓ (max. 3)

4.2.2 Describe three(3) conditions that need to be followed in order to get a product Patented.

- It must be a novel. ✓✓
- It must involve an inventive step. ✓✓
- It must be useful in trade, industry or agriculture. ✓✓ (max. 6)

4.3.1 Identify and explain the four(4) main role players in labour relations.

- The State/Government ✓ Lays down the laws ✓
- Employees ✓ Sell their labour for a salary/wages ✓
- Employers ✓ Pay for the labour ✓
- Trade unions ✓ Bridge the gap between employer and employee, through negotiations. ✓ (8)

4.3.2 Tabulate the difference between a Strike and Lock-out.

STRIKE	LOCK-OUT
• Is whereby employees with hold their labour services, in order to get their demands met by the employer ✓✓	• It is when the employer denies employees entry into the business premises, by locking them out during industrial action. ✓✓

(max. 4)

4.3.3 State the law/legislation that facilitates labour relations.

- Labour Relations Act (LRA) ✓✓ (2)

4.3.4 Explain any five(5) functions of trade unions.

- Enter into collective bargaining agreements on behalf of employees concerning pay, safety and work conditions.
- To advise employers on their human resource policies and practices.
- To formulate and represent workers' rights at statutory level.
- To promote greater participation of workers in management decisions that affect them.
- To organize strikes and other industrial action to strengthen the demands of workers.
- To represent workers in disputes and grievances with their employees
- To ensure the welfare and education of their members and their children.
- **ACCEPT ANY OTHER RELEVANT ANSWER** **(max. 10)**

4.3.5 Discuss the procedure/steps to be followed for a strike or lock-out.

- The CCMA will issue a certificate confirming that a dispute remains unresolved.
- A strike may only be organized 30 days after the certificate has been issued and the union must provide 48 hours notice to the employer that they intend to strike.
- Similarly, and employer must give the union 48 hours notice that they intend to lock employees out. **(max. 10)**

4.4.1 Describe, how a person can "build their physical reserves" in order to manage stress?

- Exercise three or four times a week
- Eat well-balanced nutritious meals
- Maintain your ideal weight
- Avoid nicotine, excessive caffeine and other stimulants
- Mix work with leisure. Take breaks and get away whenever you can
- Get enough sleep.
- **ACCEPT ANY FIVE** **(max. 10)**

4.4.2 Identify two(2) ways, how a person can learn to control their physical reactions to stress?

- Slow, deep breathing will return your heart rate and respiration to normal.
- Relaxation techniques can reduce muscle tension.
- Medication, when prescribed by a physician, can help in the short-term, but learning to control your physical reactions to stress is the preferable long-term solution.
- **ACCEPT ANY TWO** **(max. 2)**

[TOTAL MARKS: 60]

QUESTION FIVE : MISCELLANEOUS

BUSINESS ENVIRONMENTS

5.1

5.1.1 Go – slow ✓
5.1.2 Psychographics ✓
5.1.3 Tertiary ✓
5.1.4 Merger ✓
5.1.5 Takeover ✓

5

5.2

	PRIMARY	SECONDARY	TERTIARY
DEFINITION	Responsible for the extraction of raw material from nature. ✓	Responsible for the converting of raw materials into finished or semi-finished goods ✓	Does not make products but rather provide a service to business. ✓
EXAMPLE	**Fishing; farming; mining; forestry** ✓	**Construction; manufacturing business** ✓	**Wholesaler; retailers; transport; storage** ✓

6

5.3

- Management has full control over the business activities ✓
- Management can be flexible and can easily adapt to changes. ✓

4

5.4

5.4.1

- Difficult employee ✓

1

5.4.2

- Demoralized workers ✓✓
- Impacts negatively on company's profits
- Tension in the workplace
- Hampers productivity

2

5.4.3

- Verbal warnings ✓✓
- Letters of warning
- Disciplinary hearings

2

BUSINESS VENTURES

5.4

5.4.1 Explain 3 characteristics of a partnership **(6)**

- Each partner contributes money, property or skills to a common fund and each partner must share in the profits or losses of the business
- It has limited continuity because it may be dissolved by the admission, death, insolvency or withdrawal of a partner
- All partners are personally liable for all the debts of the partnership. This means that if the partnership cannot settle its obligations, the partners could lose their personal assets.

5.4.2. According to the case study, state 2 disadvantages of starting a partnership **(2)**

- They could not agree on what each partner should earn
- They disagreed on the suppliers they should use
- They disagreed on using their own or borrowed capital

(any 2)

5.4.3. Copy and complete the table by stating the differences of the following forms of ownership according to the characteristics given: **(8)**

CHARACTERISTICS	SOLE TRADER	CLOSE CORPORATION
• **Name ending**	no name ending	Must end in CC
• **No. of owners**	only 1	1-10
• **Establishing documents**	no document	founding statement/MOI
• **Liability**	Limited	Unlimited

5.4.4. List and explain 2 ways of obtaining capital **(4)**

- Equity- your own personal savings
- Debt- money borrowed from banks/ financial institutions
- Grants- money given by the government to subsidize small businesses

(any 2x2)

BUSINESS ROLES

5.5

5.5.1 Identify any five(5) types of crisis.

- Tight deadline crisis ✓
- Financial crisis ✓
- Life-threatening event ✓
- Destruction to property ✓
- Business operations ✓
- Serious illness
- **ACCEPT ANY 5** **(max. 5)**

5.5.2 List the seven(7) steps in the problem solving cycle.

- Identify the problem ✓
- Define the problem ✓
- Formulate the strategy ✓
- Decide to implement the strategy ✓
- Allocate resources ✓
- Monitor the solving of the problem ✓
- Evaluate to what extent the problem has been solved ✓ **(7)**

5.5.3 Explain how creative thinking benefits a business.

- 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. ✓ **(max. 5)**

5.5.4 Discuss the term "creative thinking."

- It is a way of looking at problems from a fresh perspective that leads to unusual solutions.
- It is the ability to come up with new and innovative ideas to solve business problems.
- **ACCEPT ANY OTHER RELEVANT ANSWER** **(max. 3)**

[TOTAL MARKS: 60]

SECTION C : ESSAY
ANSWER ANY TWO QUESTIONS FROM THIS SECTION

QUESTION SIX

INTRODUCTION

- A strategy is to be developed to overcome the specific challenge which is faced by the management team. ✓
- When devising a strategy keep the vision and mission of an organisation in mind. ✓
- It is important to create a plan in which you include all steps which might be necessary to change the challenge into success.

2

BODY

CHALLENGE	BUSINESS ENVIRONMENT	STRATEGY
Decline in sales ✓✓	Micro ✓✓	• Advertise aggressively on the market ✓✓ • Negotiate prices with suppliers to drop prices • Have promotional sales and other discounts
Machinery too ✓✓ expensive/unfavourable exchange rates	Micro/Macro ✓✓	• Find local suppliers who can supply you with the required machinery at lower prices. ✓✓
Increase in interest rates ✓✓	Macro ✓✓	• Negotiate with other banks for lower interest rates ✓✓
Decline in ✓✓ profits/profitability	Micro ✓✓	• Monitor expenses and authorise only essential expenses ✓✓ • Increase mark-up • Engage in aggressive marketing strategies
Increase in fuel prices ✓✓	Micro/Macro ✓✓	• Monitor use of vehicles through a log book ✓✓ • Proper planning of delivery, if any • Buy more fuel efficient vehicles • Lobby govt. to stabilise fuel prices
Competition ✓✓ 12	Market ✓✓ 12	• Offer reasonable prices for goods ✓✓ • Check up on competitors prices and marketing strategies 12

CONCLUSION

- Brands must implement the above mentioned strategies. They must also obtain regular feedback in order to make informed decisions on whether to consider alternative strategies. ✓✓

2

BREAKDOWN OF MARKS ALLOCATIONS

DETAILS	MAXIMUM	TOTAL
Introduction	2	32
Challenges	12	
Classification of Business Environ.	12	
Strategies	12	
Conclusion	2	
INSIGHT		
LAYOUT	2	8
ANALYSIS	2	
SYNTHESIS	2	
ORIGINALITY	2	
TOTAL		40

LASO - FOR EACH COMPONENT:

- Allocate 2 marks if all requirements are met.
- Allocate 1 mark if some requirements are met.
- Allocate 0 marks where requirements are not met at all.

QUESTION SEVEN: BUSINESS VENTURES

Introduction

Sometimes it can be easier for an entrepreneur to rather buy a business to run than to start one from scratch. With enough of investment capital, it makes more sense to buy a business through one of the following options: franchising or leasing or outsourcing. max 2

Body:

1) Definition of Franchise

- Franchising refers to the purchase of a business idea.
- It could one that is established or about to be established.
- The entrepreneur will obtain premises and the right to offer the same products or services, with specific rules and regulations as per the agreement max 3

2) Differences between a franchisee and a franchisor

- Franchisor- the person who sells the right to trade in the products or services
- Franchisee- the person who purchases the right to reproduce the idea by offering the same products or services max 6

3) Explaination of the aspects covered in the franchise agreements

- The obligations of the franchisor and franchisee (how the business will be run)
- The training and operational support the franchisor will provide and the cost involved
- The exact territory and any exclusivity(in which area the franchise may operate)
- The initial duration of the franchise and any renewal rights
- The total investment
- How to deal with trademarks, patents and logos
- What royalties and service fees will be paid
- Tax requirements
- How to sell or transfer the franchise
- Advertising policies
- Settlements of disputes max 8

4) Definition of a lease

- This is a method whereby a business pays for the use of an asset for a certain period of time, instead of buying the asset.
- The lessor will make use of the asset available to the lessee, who will lease the asset in return for an agreed amount called leasing charges
- Leasing is a much cheaper way of getting an asset than to finance the asset from borrowed money
- The leasing fee usually includes a maintenance fee and an insurance fee
- The lessor has to repair or replace the asset if needed max 4

5) **Difference between a lessor and lessee**

- Lessor- the person who owns the asset
- Lessee- the person who will use the asset in return for an agreed amount max 6

6) **Explaination of the details on a lease agreement**

- 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, for example insurance and maintenance max 8

Conclusion

Purchasing an existing business is no easy task, however with careful consideration of the aspects discussed above Mary should be able to choose the best option for acquiring her new business. max 2

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	MAX 32
Definition of Franchise	3	
Differences between a franchisee and a franchisor	6	
Explaination of the aspects covered in the franchise agreements	8	
Definition of a lease	4	
Difference between a lessor and lessee	6	
Explanation of the details on a lease agreement	8	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality/examples		2
TOTAL MARKS		40

QUESTION 8

INTRODUCTION

A close relationship exists between ethical and professional behaviour, but professional behaviour extends beyond being ethical. It uses the knowledge and skills learned during training for the job, and deals with producing high quality goods and services. All business should have a code of ethics drawn up and this must be communicated to all employees, to ensure the success of the business. **(max. 2)**

DIFFERENCES BETWEEN PROFESSIONALISM AND ETHICS

PROFESSIONALISM	ETHICS
Maintains conduct according to and required by the principles of the profession	Maintains standards of moral conduct shown or expected by society in general
Having and using the level of knowledge and skill expected of a person qualified in that profession	Acting according to a code of conduct
Upholding the reputation of he organization	The moral values used in decision making
(max.2)	**(max. 2)**

1. ISSUES THAT CHALLENGE PROFESSIONAL AND ETHICAL BEHAVIOUR

1.1.1 TAX EVASION

Taxes are compulsory payment made to the state by individuals and businesses in order to finance state activities.
Tax evasion occurs when taxpayers do not pay the correct amount of tax.
It is a criminal offence.

(max. 2)

1.1.2 EFFECTS OF TAX EVASION

The state receives lower tax revenues and cannot meet it expenses.
The state cannot provide the goods and services that it should.
The state has to borrow money and this increases its debt and involves paying interest.
The rate of tax has to increase and honest taxpayers suffer.

(max. 6)

1.1.3 METHODS/WAYS TO PREVENT TAX EVASION (RECOMMENDATION)

Pay the correct amount of tax to SARS.
Keep financial records honestly and accurately.
Make sure that all financial records are checked or audited
Submit all returns on time.

(max. 4)

1.2.1 SEXUAL HARASSMENT

Is any unwanted sexual gesture or remark that makes a person feel uncomfortable or intimidated.
It is prohibited under the Employment Equity Act.
It is abusive and infringes on peoples rights.
It is difficult to report, and is often disregarded by management. **(max. 2)**

1.2.2 EFFECTS OF SEXUAL HARASSMENT

Employees feel unhappy and cannot work effectively (slows production/productivity)
Company could lose a good employee who is forced to resign.
The business could be sued through the CCMA.
Bad publicity could be costly for the business. **(max. 6)**

1.2.3 METHODS/WAYS TO PREVENT SEXUAL HARASSMENT (RECOMMENDATION)

Draw up and implement a policy about sexual harassment in the company code of conduct.
Ensure that all employees know how to lodge a complaint about such harassment.
Ensure that all complaints are dealt with in a serious way.
Take action against those found guilty of sexual harassment. **(max. 4)**

1.3.1 UNAUTHORISED USE OF FUNDS

Is an act of theft even if the person intends to return the money.
Such people usually have complicated ways of covering up their actions and this deception is called fraud. **(max. 2)**

1.3.2 EFFECTS OF UNAUTHORISED USE OF FUNDS

The company loses money.
There is less money to spend on social responsibility projects.
Suspicion falls on all employees who deal with finances.
Guilty employees have to be charged with theft and are dismissed.
Investors are discouraged if fraudulent acts are made public. **(max. 6)**

1.3.3 METHODS/WAYS TO PREVENT UNAUTHORISED USE OF FUNDS (RECOMMENDATION)

Conduct internal audits regularly.
Limit the number of employees who deal with finances.
Put systems in place to control use of funds.
Includes the penalties for fraud in the code of conduct. **(max. 4)**

1.4.1 ABUSING WORK TIME

Occurs when employees use work time for their own business.
Like conducting personal business during working hours.
Saying you are sick when you are fit enough for work.
Taking longer than needed to do a job, and arriving late for work. **(max. 2)**

1.4.2 EFFECTS OF ABUSING WORK TIME

Some workers getting away with wasting time creates a bad atmosphere in the workplace and other workers may take advantage.
Productivity is low and the cost of production increases.
Customers are not provided with products on time **(max. 6)**

1.4.3 METHODS/WAYS TO PREVENT ABUSING WORK TIME (RECOMMENDATION)

Including an explanation of which actions constitute wasting time in the company code of conduct.
Monitoring of employee achievements.
Creating a culture of responsibility towards the company.
Pointing out the problem to those who appear to be wasting time.
Creating a feeling of teamwork so that all employees feel responsible for what has to be achieved. **(max. 4)**

CONCLUSION

If a business is able to take all of the above into their code of conduct and codes of ethics, then this will create a productive workforce. All employees will be able to carry out their responsibilities and duties in an ethical and professional manner. **(max. 2)**

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Differences between Professionalism and Ethics	4	
Explanation of Tax evasion	2	
Explanation of Sexual Harassment	2	
Explanation of Unauthorised use of funds	2	
Explanation of Abuse of work time	2	
Effects of tax evasion	6	
Effects of sexual harassment	6	
Effects of unauthorized use of funds	6	
Effects of abusing work time	6	
Methods to prevent tax evasion	4	
Methods to prevent sexual harassment	4	
Methods to prevent unauthorized use of funds	4	
Methods to prevent abusing work time	4	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality/Examples		2
TOTAL MARKS		40

LASO - FOR EACH COMPONENT:

- Allocate 2 marks if all requirements are met.
- Allocate 1 mark if some requirements are met.
- Allocate 0 marks where requirements are not met at all.