



Province of the
EASTERN CAPE
EDUCATION

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REPUBLIC OF SOUTH AFRICA

CHIEF DIRECTORATE – CURRICULUM MANAGEMENT

**GRADE 12 LEARNER SUPPORT
PROGRAMME**

**REVISION AND REMEDIAL TEACHING
INSTRUMENT:
QUESTIONS AND ANSWERS**

SUBJECT: BUSINESS STUDIES

June 2009

This document consists of 11 pages and answer sheet.

Strictly not for test/examination purposes

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

- 1 This question paper consists of THREE sections and covers TWO learning outcomes (LO 1 & LO 2)

SECTION A: COMPULSORY

SECTION B: Consists of THREE COMPULSORY questions.

SECTION C: Consists of FOUR questions

Answer any TWO of the four questions in this section.

- 2 Consider the time allocation for each question when answering the questions.
- 3 Read the instructions for each question carefully and answer only what is required.
- 4 Number the answers correctly according to the numbering system used in this question paper.
- 5 Except where other instructions are given, answers must be written in full sentences.
- 6 Use the mark allocation and the nature of each question to determine the length of an answer.
- 7 Start the answer to EACH question on a NEW page, for example:
QUESTION 2 – new page, QUESTION 3 – new page, et cetera.
- 8 Complete QUESTION 1 on the ANSWER SHEET provided. The answer sheet is the last page on this question paper. Place the completed answer sheet in the **front** of your answer book.
- 9 Use the table below as a guide for marks and time allocation when answering each question.

SECTION	QUESTION	MARKS	TIME
A: Multiple-choice questions, Matching items, Give one word for COMPULSORY	1	40	30 min
	2	60	30 min
B: THREE questions COMPULSORY	3	60	30 min
	4	60	30 min
	5	40	30 min
C: Essay questions Answer any TWO of the four questions.	6	40	30 min
	7	40	30 min
	8	40	30 min
	TOTAL	300	180 min

SECTION A (COMPULSORY)**QUESTION 1**

1.1 Four possible options are provided as answers to the following questions. Choose the correct answer and mark with a cross(x) the letter (A – D) next to the question number (1.1.1 – 1.1.10) on the ANSWER SHEET.

1.1.1 Investors in Twenty-Ten Ltd are entitled to this type of return:

- A Profit
- B Shares
- C Dividend
- D Interest

1.1.2 Long term strategies are designed and implemented at this level of management:

- A Top level management
- B Middle level management
- C Lower level management
- D Union level management

1.1.3 Retrenchment focuses on:

- A Reducing production
- B Cutting down on costs
- C Shutting down the factory
- D Reducing customers

1.1.4 This legislation requires employers to create opportunities for previously disadvantaged groups:

- A Labour Relations Act
- B Basic Conditions of Employment Act
- C Skills Development Act
- D Employment Equity Act

1.1.5 This act provides for learnerships:

- A Sectorial Training
- B Skills Development
- C Labour Relations
- D Industrial Relations

- 1.1.6 Ndileka invested R2000 at an interest rate of 10 percent for a period of two years, compounded annually. What will the value of her investment be at the end of two years?
- A R420
 - B R2200
 - C R2420
 - D R200
- 1.1.7 A successful business ...
- A operates within budgets.
 - B requires little training of workers.
 - C pays the highest salaries.
 - D needs not adapt to change.
- 1.1.8 Jack owns a supermarket. He ...
- A controls the availability of stock from suppliers.
 - B determines what new technology must be developed.
 - C can force customers to buy from his supermarket
 - D decides on a mission statement for his business.
- 1.1.9 A ... will be more effective for a visual presentation of data variables.
- A diagram
 - B graph
 - C illustration
 - D table
- 1.1.10 Business investment opportunities include:
- A Loans from banks
 - B The Road Accident Fund
 - C Unit trusts
 - D Business insurance policies

(10 x 2) (20)

- 1.2 Choose a term from COLUMN B that matches a description in COLUMN A. Mark only the letter (A – F) with a cross (x) next to the question number (1.2.1 – 1.2.5) on the ANSWER SHEET.

COLUMN A		COLUMN B
1.2.1	Manufacturers deliberately charge a low price to establish a product in the target market.	A Inclusivity B Macro environment
1.2.2	Learnerships are put in place to provide the opportunity for structured, formal learning and work experience.	C SETA's D Fixed deposit
1.2.3	External influences to which a business must adapt.	E Market penetration F Integration
1.2.4	Equal opportunities for everybody in the workplace.	
1.2.5	Low risk investment at a special interest rate for a specific period of time.	

(5 x 2) (10)

- 1.3 Give a word/term/name for each sentence below. Write only the correct word(s) on your ANSWER SHEET.

1.3.1 This sector brings products and services within reach of the consumer.

1.3.2 The use of money to generate wealth and income.

1.3.3 This strategy is only considered when all other options are exhausted because it means the end for the business.

1.3.4 The engine room of the South African economy where shares are traded.

1.3.5 A form of ownership managed by at least one director.

(5 x 2) (10)

TOTAL SECTION A: 40

SECTION B (COMPULSORY)**QUESTION 2**

2.1 Read the following article and answer the questions that follow.

Through the BBBEE initiative, Umsobomvu Youth Fund (UYF) is sensitising big companies to the benefits of working with youth and women-owned enterprises. By using UYF's database of entrepreneurs, companies stand to gain on their BBBEE scorecards and comply with BBBEE requirements.

Source: Umsobomvu Youth Magazine, October 2008)

- 2.1.1 What does the abbreviation BBBEE stand for? (2)
- 2.1.2 Explain FOUR long-term benefits derived from the implementation of BBBEE. (8)
- 2.1.3 Discuss SIX criteria on which a business is rated to determine it's compliance with BBBEE. (18)
- 2.2 Apply the provisions of the Employment Equity Act to convince Umsobomvu Youth Fund that the businesses on their database do not have to employ only youth and women. Discuss any FOUR of these provisions. (8)
- 2.3 As previously disadvantaged individuals, the youth and women referred to in the article have limited managerial skills. Discuss any FIVE aims of the Skills Development Act. (10)
- 2.4
- Ms Tyalimpi employs five workers in her engineering company. The total monthly salary and wages is R62 000 and all her employees are registered for tax purposes. She wants to know more about the skills development levy and asks you the following questions:
- 2.4.1 What percentage must the employer contribute to the skills development levy? (2)
- 2.4.2 Before which date of each month must she pay the levy? (2)
- 2.4.3 To whom must she pay this levy? (2)
- 2.4.4 Calculate the amount of the levy that she must pay monthly. (4)
- 2.5 The Basic Conditions of Employment Act regulates overtime worked by employees. Give any TWO regulations regarding overtime as set out in this act. (4)

[60]

QUESTION 3

3.1 Read the following extract:

Racist job advertisements enter South African market

“If you are black and have two to five years experience in the food retail industry, don’t bother applying for this job. Only white males and females will be considered as per customer request.”

“Buyer at family food retail store – must be a white male or female with at least 2 to 5 years experience.”

These are two job adverts listed on the website, Careers24

(Source: The Times, 27 October 2008)

- 3.1.1 The family food store can employ who they want, because it is a family owned business. Do you agree with this statement? Motivate your answer. (4)
- 3.1.2 Elaborate on the principle of inclusivity in the work place. (10)
- 3.1.3 The business can apply human rights in the workplace in various ways. Identify FIVE such ways. (10)
- 3.1.4 Explain how affirmative action promotes inclusivity. (6)

3.2

“Telkom battered and confused.”

Last week, Neotel the second landline telephone network operator declared war on Telkom. Neotel launched its long awaited telephone service with a device called NeoConnect Lite, and call costs significantly cheaper than Telkom’s. It’s time for Telkom to be worried...

(Source: Adapted from The Times: 27 October 2008)

Discuss how Telkom can respond to the challenges imposed by the new competitor, by referring to the variables indicated below:

- 3.2.1 Mission, Call tariffs and Top Management (6)
- 3.2.2 Consumers and Competition (6)
- 3.2.3 Technology (4)

3.3 Explain any THREE consequences for Telkom if Neotel becomes so successful that it controls the landline telephone market. (6)

3.4 Differentiate between insurance and assurance. (8)
[60]

QUESTION 4

4.1 The table below depicts bank account costs. Study the table and answer the questions that follow:

Account Costs	Nedbank Saving	Nedbank Cheque	Absa Cheque	Standard Bank Saving	Standard Bank Cheque	FNB Pay as you use	FNB Manager option
Transaction fees							
Cash deposits: 20 x R5000	R997.50	R830	R1050	R1024	R1050	R1050	R1050
Withdrawals: 6 x R2500	R172.50	R124.50	R165	R209.70	R157.50	R90	Bundle
Over-the-limit: Per R1000	N/A	R75	N/A	R85	R100	R0.00	Not allowed
Monthly Fees							
Monthly account fee	R12	R0.00	R60	R60	R48	R35	R265
TOTALS	R1182	R1029.50	R1275	R1378.70	R1355.50	R1175	R1315

(Source: It's my business, 26 October 2008)

4.1.1 Identify the bank with the second most expensive savings account withdrawal fees. (1)

4.1.2 Which bank charges the lowest monthly savings account fees? (1)

4.1.3 Which bank charges the cheapest for cheque account cash deposits? (1)

4.1.4 Which bank charges the highest fees for having exceeded the limit? (1)

4.1.5 How much would it cost a Standard Bank client if he exceeds the limit on his cheque account by R4000? (2)

4.2

You have decided to invest your money in unit trusts, while your friend has opted for investing in shares.

4.2.1 Justify your decision to invest in unit trusts. (10)

4.2.2 Advise your friend on the risks involved in investing in shares. (4)

- 4.3 To ensure that all citizens enjoy minimum cover, the government has initiated some compulsory insurance schemes. Briefly explain any TWO types of compulsory insurances. (10)
 - 4.4 How can the following factors contribute to the success of a business?
 - 4.4.1 Financial control (4)
 - 4.4.2 Competent workers (4)
 - 4.4.3 Vision (2)
 - 4.5 Explain the process that should be followed when a business strategy is developed. (12)
 - 4.6 List FOUR functions of a SETA. (8)
- [60]**

TOTAL SECTION B: 180

SECTION C

Answer any TWO of the four questions in this section.

QUESTION 5

When clients return purchased products to the seller it has certain implications for the seller. The seller returns the products to his supplier. Sellers should analyse returns regularly to identify the possible causes and take corrective measures.

Analyse the purchase returns reflected in the table below and write a report to be presented at a management meeting. Your report must focus on the current situation and possible causes, impact of returns on Africa Appliances Ltd and suggestions for corrective measures to improve the situation.

Also explain how you would handle questions resulting from your presentation of the report.

AFRICA APPLIANCES LTD: SUMMARY OF RETURNED PRODUCTS FOR THE PAST 12 MONTHS					
Number of items returned to suppliers within 3 months of date of sale.					
Item	Supplier A	Supplier B	Supplier C	Supplier D	Total
CD players	3	6	2	5	16
Clock radios	5	9	3	4	21
DVD players	1	4	-	3	8
Stoves	-	2	-	-	2
Kettles	1	4	1	3	9
Fridges	-	-	1	1	2
Freezers	1	-	-	1	2
Microwave Ovens	4	11	2	6	23
Vacuum cleaners	8	15	4	6	33
Cell phones	11	28	6	19	64
Total	34	79	19	48	180

[40]

QUESTION 6

Two tourism teachers have decided to open a luxury hotel in Mount Fletcher in 2009 so that it will be fully functional to accommodate the 2010 Soccer World Cup tourists. They want to be involved in decision making but do not want to lose personal assets in case of failure.

Evaluate the TWO forms of ownership most applicable. Compare the two forms of ownership in your evaluation and give a recommendation with each determining factor as to which form of ownership would suit the two entrepreneurs best. Then make a final recommendation to them with a short motivation.

[40]**QUESTION 7**

HIV/Aids has been identified as a major socio-economic problem in South Africa. As a Public Relations Manager in a large organisation you have decided to propose to the management that this pandemic presents an opportunity for corporate social involvement.

What do you think is the impact of HIV/Aids on business enterprises? Recommend ways how your employer can assist the community to handle the HIV/Aids problem and also indicate how this involvement can benefit the business as well as the community.

[40]**QUESTION 8**

Challenges in the macro business environment affect the growth of a business. Management must respond to these challenges by employing different business strategies.

Discuss the growth strategies that can be employed by management when a business sells new products in new and often unknown markets.

[40]**TOTAL SECTION C: 80****GRAND TOTAL: 300**

BUSINESS STUDIES GRADE 12 – JUNE 2009

ANSWER SHEET

SECTION A

NAME & SURNAME:

CLASS:

QUESTION 1

1.1

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

(10 x 2) (20)

1.2

1.2.1	A	B	C	D	E	F
1.2.2	A	B	C	D	E	F
1.2.3	A	B	C	D	E	F
1.2.4	A	B	C	D	E	F
1.2.5	A	B	C	D	E	F

(5 x 2) (10)

1.3

1.3.1

1.3.2

1.3.3

1.3.4

1.3.5

(5 x 2) (10)

40
