 Province of the

EASTERN CAPE

EDUCATION

**DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)**

**HOME SCHOOLING SELF-STUDY ANSWER SHEET**

|  |  |  |  |  |  |
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| **SUBJECT** | **BUSINESS STUDIES** | **GRADE** | **12** | **DATE** | **10/06/2020** |
| **TOPIC** | **BUSINESS VENTURES** | **TERM 1****REVISION** |  | **TERM 2 - 3 CONTENT** | **X** |

|  |  |
| --- | --- |
| **QUESTION 1: BUSINESS VENTURES** |  |
| SCE DBE/2018 |  |
| 1.1 | **Types of UIF benefits** |  |
|  | * Unemployment√
* Maternity√
* Sick/Illness/Disability√
* Adoption√
* Dependants√

Any other relevant answer related to types of UIF benefits. **NOTE: Mark the first FOUR (4) only. (4 x 1)** | (4) |
|  |  |  |
| 1.2 | **Types of preference shares** |  |
|  | 1.2.1 | Participating√√ | (2) |
|  | 1.2.2 | Cumulative√√ | (2) |
|  |  |  |  |
| 1.3 | **Other types of preference shares.** |  |
|  | * Ordinary preference shares√√
* Non-cumulative√√
* Redeemable√√
* Non-redeemable√√
* Non-participating√√
* Convertible√√
* Non-convertible√√

**NOTE: 1. Mark the first THREE (3) only.**  **2. Do not award marks for responses given in QUESTION 3.2.** (3 x 2) | (6) |
| 1.4 | **Functions of the Johannesburg Securities Exchange (JSE).** |  |
|  | * Gives opportunities to financial institutions such as insurance companies√ to invest their funds in shares. √
* Serves as a barometer/indicator√ of economic conditions in South Africa. √
* Keeps investors informed on share prices√ by publishing the share prices daily. √
* Acts as a link√ between investors and public companies. √
* Shares are valued√ and assessed by experts. √
* Small investors are invited to take part in the economy of the country√ through the buying of shares. √
* Venture capital market√ is made possible. √
* Orderly market for securities√ serves as a disciplined market for securities. √
* Encourages√ new investments. √
* Mobilises the funds√ of insurance companies and other institutions. √
* Raises √ primary capital. √
* Regulates market√ for dealing with shares. √
* Plans, researches and advises√ on investment possibilities. √
* Ensures that the market√ operates in a transparent manner. √
* Provides protection√ for investors. √
* Encourages short-term√ investment. √
* Facilitates electronic trading√ of shares/STRATE. √

Any other relevant answer related to the functions of the Johannesburg Securities Exchange (JSE.) Max | (8) |
| 1.5 | **Forms of ownership** |  |
|  | 1.5.1 | Partnership√√**Motivation**Zama and Quinton are qualified lawyers who have started a business, called Z and Q Attorneys, which lacks continuity. √ (1) **NOTE: Do not award marks for the motivation, if the form of ownership was incorrectly identified**. Max | (3) |
|  |  |  |  |
|  | 1.5.2 | **Success factors of a partnership and personal liability company**

|  |  |  |
| --- | --- | --- |
| CRITERIA | PARTNERSHIP | PERSONAL LIABILITY COMPANY |
| Management | * Partners are actively involved in management√ and may use the ideas of other partners.√
 | * PLC is managed by a competent board of directors√ who may be experts in their fields. √
 |
| * Partners have access to expertise of other partners√ when difficult decisions have to be made. √
 | * Quick decisions can be made√ even if there is only one director.√
 |
| * Not all partners need to be actively involved in management√ and would rather appoint competent managers.√
 |  |
| Any other relevant answer related to management as a success factor. |
|  |  Sub-max (2) |  Sub-max (2) |
| Taxation | * Partners pay VAT only on relevant products sold/services rendered√ which reduces tax administration.√
 | * PLC only pays tax after business expenses√ have been deducted. √
 |
| * The partnership does not pay income tax√, only the partners in their personal capacity.√
 | * The company pays tax at a fixed rate√ which can be lower than that of partnerships.√
 |
|  | * Image of the business is promoted√ and attracts investment when companies comply with tax regulations/ laws. √
 |
| Any other relevant answer related to taxation as a success factor. |
|  |  Sub-max (2) |  Sub-max (2) |
| Division of profits | * Fair distribution of profit√ as this is done according to the contribution of partners.√
 | * High profits and good returns to shareholders√ indicate the success of a company, which increases the value of shares.√
 |
| * The division of profits between partners may motivate them√ to make a business a successful venture.√
 | * Profits generated can be reinvested√ into expand business operations.√
 |
| Any other relevant answer related to division of profits as a success factor. |
|  Sub-max (2) |  Sub-max (2) |

**NOTE: 1. The answer does not have to be in tabular format.**  **2. Consider similarities if the partnership was incorrectly identified**. Max  | (12) |
|  |  |  |  |
| 1.6 | **Transformational leadership theory.*** Suitable for a dynamic environment√, where change could be drastic. √
* The passion/vision/personality of leaders inspire followers√ to change their expectations/perceptions/motivation to work towards a common goal. √
* Strategic thinking leaders develop a long term vision for the organisation√ and sell it to subordinates/employees. √
* Leaders have the trust/respect/admiration√ of their followers/subordinates. √
* Promotes intellectual stimulation/creative thinking/problem solving√ which result in the growth/development/success of the business. √
* Followers are coached/led/mentored/emotionally supported through transformation/change√ so that they can share their ideas freely. √
* Encourages followers√ to explore/try new things/opportunities. √
* Leaders lead by example√ and make workers interested in their work. √
* Leaders have strong, charismatic personalities√ and are very good at motivating staff to achieve results. √
* Enable employees to take greater ownership for their work√ and to know their strengths and weaknesses. √
* Any other relevant answer related to the transformational leadership theory.

**NOTE: Award marks if examples demonstrate understanding of the leadership theory which could be integrated in the answer.** Max | (6) |
|  |  |  |  |
| 1.7 | **Ways in which Ayisha responded to questions at the end of her presentation** |  |
|  |  |  |  |
|  | 1.7.1 | **Ways in which Ayisha responded to questions at the end of her presentation** |  |
|  |  | * At the end of her presentation she ensured that no member of the audience dominated the discussion. √
* She apologised for making an error in her presentation. √
* She acknowledged good questions. √

NOTE: 1. Mark the first THREE (3) only.  2. Only allocate marks for responses that are quoted from the scenario. (3 x 1) | (3) |
|  | 1.7.2 | **Other ways to respond to questions after a presentation** |  |
|  |  | * Ensure that you understand each question/what is being said. √√
* Comment/Rephrase questions if uncertain, before responding. √√
* Listen carefully to each question/Think carefully before responding. √√
* Address questions and not the person. √√
* Remain professional/polite/calm/open/non-aggressive. √√
* Do not get involved in a debate/argument. √√
* Avoid answering difficult questions when the answer is not known. √√
* Address the whole audience and not only the person asking the question. √√
* Promise to follow up on answers you do not know/unsure about. √√

Any other relevant answer related to other ways to respond to questions after a presentation. **NOTE: Do not allocate marks for responses quoted in QUESTION 3.7.1.** Max | (8) |
|  |  |  |
| 1.8 | **Investment factors** |  |
|  | 1.8.1 | **Inflation rate** |  |
|  |  | * People are affected by a high inflation rate√, because their money/purchasing power decreases. √
* The return on investment√ should be higher than the inflation rate. √
* Inflation has a positive effect on some investments√ such as property/shares where the income will increase as inflation increases. √

Any other relevant answer related to inflation rate as a factor that must be considered when making investment decisions. Max | (2) |
|  | 1.8.2 | **Investment period*** The investment period can be short, medium and/or long term√ depending on the investors’ needs. √
* Short term investments enable investors to access their money√ on a short period if needed. √
* The longer the investment period√ the higher the returns. √

Any other relevant answer related to investment period as a factor that must be considered when making investment decisions. Max | (2) |
|  | 1.8.3 | **Return on investment*** There is a direct link√ between risk and return. √
* The return should be expressed as√ net after-tax gains on the investment. √
* Returns can be in the form of capital gains√ where the asset appreciates in value. √
* The net after-tax return should be higher√ than the inflation rate. √
* High risk investments√ yield higher returns. √

Any other relevant answer related to return on investment as a factor that must be considered when making investment decisions. Max | (2) |
|  |  | **[60]** |
|  |  **BREAKDOWN OF MARKS**

|  |  |
| --- | --- |
| **QUESTION 1** | **MARKS** |
| **1.1** | **4** |
| **1.2.1** | **2** |
| **1.2.2** | **2** |
| **1.3** | **6** |
| **1.4** | **8** |
| **1.5.1** | **3** |
| **1.5.2** | **12** |
| **1.6** | **6** |
| **1.7.1** | **3** |
| **1.7.2** | **8** |
| **1.8.1** | **2** |
| **1.8.2** | **2** |
| **1.8.3** | **2** |
| **TOTAL** | **60** |

 |  |