



education

Department:
Education
REPUBLIC OF SOUTH AFRICA

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

**BUSINESS STUDIES
PREPARATORY EXAMINATION 2008**

MARKS: 300

TIME: 3 hours

This question paper consists of 13 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of THREE sections and covers all learning outcomes.

SECTION A: COMPULSORY (40)
 SECTION B: Consists of THREE COMPULSORY questions. (180)
 SECTION C: Consists of FOUR questions.
 Answer any TWO of the four questions in this section. (80)

2. Consider the time allocation for each question when answering the questions.
3. Read ALL the instructions for each question carefully and take particular note of what is required.
4. Number the answers correctly according to the numbering system used in this question paper.
5. Answers must be written in full sentences, except where stated otherwise.
6. Use the mark allocation and the nature of each question to determine the length of an answer.
7. Use the table below as a guide for marks and time allocation when answering each question.
8. NOTE: Start the answer to EACH question on a NEW page, for example:
 QUESTION 1 – new page, QUESTION 2 – new page, et cetera.

QUESTION	SECTION	MARKS	TIME
1	A: Multiple-choice questions, True/False, Matching Items COMPULSORY	40	30 minutes
2	B: THREE questions COMPULSORY	60	30 minutes
3		60	30 minutes
4		60	30 minutes
5	C: Essay questions Answer any TWO of the four questions.	40	30 minutes
6		40	30 minutes
7		40	30 minutes
8		40	30 minutes
	TOTAL	300	180 minutes

SECTION A**QUESTION 1**

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A – D) next to the question number (1.1.1 – 1.1.10) in the ANSWER BOOK, for example 1.1.11 B.

1.1.1 The problem-solving technique where group consensus is required, without participants being in the same room and where their responses can remain anonymous, is known as the ... technique.

- A Delphi
- B force-field
- C win-win
- D creative response

1.1.2 Power shortages force businesses to close doors when load shedding takes place. This challenge emanates from the ... environment.

- A primary
- B macro-
- C micro-
- D secondary

1.1.3 Businesses complying with this Act are awarded government contracts based on points obtained on a scorecard:

- A South African Qualification Authority Act
- B Skills Development Act
- C Black Economic Empowerment Act
- D Employment Equity Act

1.1.4 The following measures the performance of the business:

- A Solvency
- B Sustainability
- C Liquidity
- D Profitability

1.1.5 Which ONE of the following statements is a step involved in the strategic planning process?

- A Perform a SWOT analysis.
- B Engage in a corporate responsibility programme.
- C Change the plan regularly.
- D 1% of the annual budget should be spent on strategic planning.

- 1.1.6 Entrepreneurship as a factor of production is important because ...
- A entrepreneurs are unable to identify opportunity.
 - B by avoiding any risks, they are able to meet consumer needs.
 - C entrepreneurs are not required to manage the business functions; they are only required to identify gaps in the market.
 - D they successfully combine the factors of production.
- 1.1.7 Which ONE of the following is a characteristic of motivated workers? Workers ...
- A are more productive.
 - B are often absent.
 - C do not submit all tasks timeously.
 - D have a low morale.
- 1.1.8 Boston (Pty) Ltd has a maximum of ... shareholders.
- A 10
 - B 20
 - C 50
 - D unlimited
- 1.1.9 The Labour Relations Act stipulates that the maximum time an employee may work per week is ...
- A 8 hours per day, when working 6 days a week.
 - B 45 hours, when working 5 days a week.
 - C 9 hours per day, when working 6 days a week.
 - D 48 hours, when working 5 days a week.
- 1.1.10 Choosing the correct suppliers of raw materials at the right price and quality, is part of the ... function.
- A human resource
 - B production
 - C purchasing
 - D finance
- (10 x 2) (20)

- 1.2 Choose a term from COLUMN B that matches a description in COLUMN A. Write only the letter (A – G) next to the question number (1.2.1 – 1.2.5) in the ANSWER BOOK, for example 1.2.6 H.

COLUMN A		COLUMN B
1.2.1	A group of representatives made up of employees in an organisation with the aim of giving input in decision-making	A strategy
1.2.2	A lawyer offers a traffic officer a bribe to reduce a speeding fine	B induction
1.2.3	A systematic plan of action to achieve the objectives of a business	C unethical behaviour
1.2.4	Employers and trade unions engaging in resolving a dispute	D workplace forums
1.2.5	Process whereby new employees are introduced to the business	E unprofessional behaviour
		F human rights
		G collective bargaining

(5 x 2) (10)

- 1.3 Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'true' or 'false' next to the question number (1.3.1 – 1.3.5) in the ANSWER BOOK.

- 1.3.1 Guidance means discouraging workers to use the necessary equipment to achieve objectives.
- 1.3.2 Leadership is the ability of an individual to influence other people to contribute voluntarily to the attainment of the goals of the business.
- 1.3.3 A 'tactical plan' is a plan of action to achieve a goal.
- 1.3.4 In a motor car insurance contract, the insured person must pay excess when a claim is made.
- 1.3.5 The job description stipulates the qualities required by the applicant.

(5 x 2) (10)

TOTAL SECTION A: 40

SECTION B

Answer ALL the questions in this section.

QUESTION 2

2.1 Read the case study below and answer the questions that follow.

THE WAY WE DO BUSINESS

Eskom is committed to the highest standard of ethical conduct in all its actions and decisions. We value integrity, as it would be impossible to achieve excellence, provide customer satisfaction and be innovative within the constraints of best practice, without it. To value integrity means to constantly act in a manner that promotes trust, dependability and a commitment to honesty at all times.

Eskom's primary contribution to social development is through its involvement in the Accelerated and Shared Growth Initiative for South Africa (Asgisa) and in particular through the Eskom Development Foundation, which is centrally coordinated through the office of the Chief Executive. Eskom's most significant contribution will continue to be through its core business of supplying affordable, reliable electricity, but at the same time leveraging other associated activities, which include initiatives for safety, skills development, job creation, education and health (HIV/Aids).

By the very nature of its activities, Eskom has an impact on the environment. Effectively managing and mitigating this impact is a major priority.

- 2.1.1 Describe the concepts *ethical behaviour* and *professional behaviour*. (4)
- 2.1.2 Eskom is seen as a caring business. Give TWO examples from the case study that support this statement. (4)
- 2.1.3 One of Eskom's objectives is to put an environmental policy in place. Explain any TWO aims of such a policy. (4)
- 2.2 The form of ownership impacts on the success or failure of the business.
- Discuss how the following components impact on the success or failure of the partnership:
- Taxation (4)
 - Division of profits (2)
 - Capital (4)

- 2.3 Study the extract from an interview below and answer the questions that follow.

INTERVIEW WITH A TEACHER

- Q: What does your career involve?
 A: Teaching subject content to learners, assessing their progress, coaching sport, counselling learners with personal problems or family issues, rehearsing dramas and supervising fundraising activities to mention but a few.
 Q: What do you like about your job?
 A: I enjoy working with young people and seeing them lighting up when learning something new or understanding a difficult concept and achieving their goals.
 Q: What does creativity mean in your job?
 A: You often have problems finding information or resources to use for teaching your learning area. Therefore, you learn to use all resources you can lay your hands on very creatively to teach your learners.
 Q: How do team dynamics influence your workplace?
 A: It is important that all staff members work as a team. This ensures that all the learners are taught sufficiently and they all have the opportunity to reach their goals and perform according to their abilities.
 Q: What advice can you give learners who are interested in following a similar career path?
 A: To be a teacher you have to love working with people, be diligent, competent, honest, reliable, compassionate, extremely hardworking and diverse.
 Q: Should teachers be respectful toward colleagues?
 A: Yes, every teacher must understand human rights issues and how to implement them in the workplace.

- 2.3.1 The teacher referred to the importance of a team. Identify THREE characteristics of a successful team. (6)
- 2.3.2 Working in teams is one of the methods an employer can use to improve the well-being of employees. Discuss FOUR reasons why teamwork is important and recommend FIVE other ways in which the employer can promote the well-being of the employees. (18)
- 2.3.3 Employers and employees should promote basic human rights in the workplace. Identify FOUR examples of these rights. (8)
- 2.4 Indicate whether the following are verbal or non-verbal presentations:
- 2.4.1 The marketing manager using the Microsoft Power Point computer programme to present a business idea to a new client
- 2.4.2 Sales figures for 2005 and 2006 displayed on a histogram
- 2.4.3 Video recording from the South African Institute of Chartered Accountants (SAICA) explaining the requirements of the various careers in Accounting (6)

[60]

QUESTION 3

3.1 Read the case study below and answer the questions that follow.

NEW HORIZONS FOR SANDY'S FACTORY

Sandy was retrenched from the Cape Town furniture factory where she had been working as a designer for fifteen years. Her retrenchment resulted from economic and global factors.

She wants to start her own small business and has plans to export her designs overseas. She has asked her brother, whose business relocated from the Central Business District (CBD), where there is a high rate of unemployment and crime, for some business advice. Her brother advised her to open her shop at George, which is a developing area and is within a short distance from Cape Town. George also provides good opportunities for growth and the crime rate is lower than in Cape Town. The only difference is the higher rental for her shop.

Sandy's business is affected by different macro environmental factors. There is a higher income-earning population living in George because of the depopulation of the CBD. If Sandy is successful and exports her furniture to other countries, the international and global factors of the macro-environment will also influence the success of her business.

Sandy needs to install computers with new design programs to streamline her designs. Sandy has never received computer training or worked on such programs previously.

- 3.1.1 Give THREE reasons why Sandy should relocate her business to George. (6)
- 3.1.2 Tabulate THREE macro-environment variables which will pose a challenge to Sandy's business. Identify examples of these challenges from the case study. Provide a strategy (solution) to overcome each challenge. (18)

INSTRUCTION: Use the template (format) below to answer this question.

CHALLENGE	EXAMPLE	STRATEGY (SOLUTION)
Technological challenge	Computers and new design programs	Training in computers and design programs

3.2 Sandy's business should engage in corporate social investment.

3.2.1 Define *corporate social investment*. (2)

3.2.2 How do you think businesses like Sandy's factory will benefit from corporate social investment? (8)

3.3 Zandile was awarded a license to extract timber from the Ngodini forest near Nelspruit. She uses 100 trucks to transport the timber and has 1 500 employees. The monthly salary and wage bill of Zandile's business is R6 400 000. The factory processes the timber into semi-finished products in the form of planks which are sold to furniture manufacturers as well as the building industry.

3.3.1 Which ONE of the three main business sectors does Zandile's business fall under? (2)

3.3.2 In what way do suppliers and consumers influence Zandile's factory? (4)

3.3.3 Briefly explain the extent of control that this business has over the environment in which suppliers and consumers operate. (4)

3.4 Zandile needs her employees to be familiar with current labour legislation.

3.4.1 State FIVE purposes of the Employment Equity Act. (10)

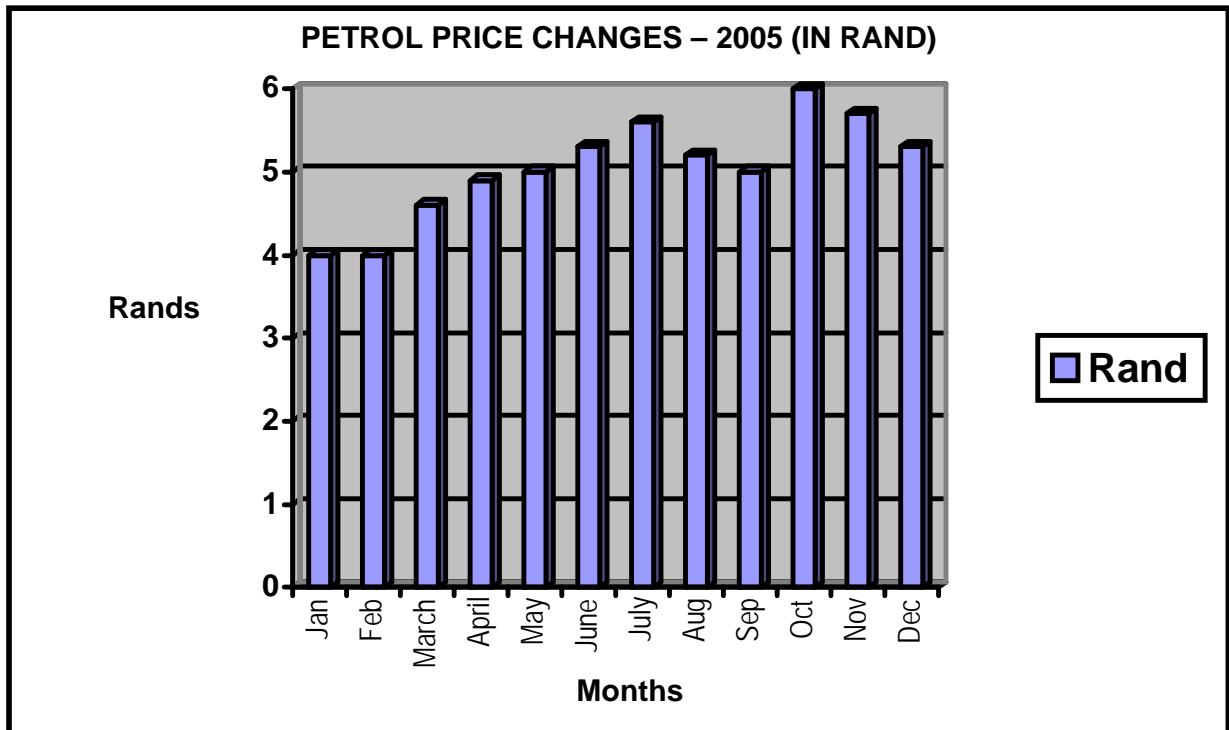
3.4.2 What are the maximum overtime hours that the factory workers are allowed to work per week according to the Labour Relations Act? (2)

3.4.3 Use the information in QUESTION 3.3 to calculate the amount that Zandile's factory will pay for skills levy every month. (Show ALL the calculations.) (4)
[60]

QUESTION 4

4.1 Study the graph below and answer the questions that follow.

**INTEREST RATES AND CRUDE OIL PRICE HIKES,
WHILE THE RAND IS WEAKENING**



- 4.1.1 Identify the month in which the petrol price was the highest. (2)
- 4.1.2 How many times did the petrol price change in 2005? (2)
- 4.1.3 Name TWO factors that contributed to the increase in petrol prices. (4)
- 4.1.4 Name THREE ways in which the petrol price can influence businesses. (6)

- 4.2 Maxi Mines' factory manager has just resigned and his position is now vacant. The human resource manager has been approached for advice on how to fill the vacancy.

- 4.2.1 Define the term *recruitment*. (2)
- 4.2.2 Give THREE reasons why a high labour turnover rate negatively affects businesses. (6)
- 4.2.3 The control process is an important part of the business functions when assessing quality. Discuss TWO of the steps in this control process. (6)
- 4.2.4 Evaluate the importance of FIVE functions that can be performed by the marketing department in a business like Maxi Mines to increase sales. (10)

- 4.3 Study the salary advice below and answer the questions that follow.

SALARY ADVICE	
Name: Caylie Jones	Employee No.: 67543
Department: Finance	Tax code: 06
Month payable: September 2008	
INCOME	DEDUCTIONS
Basic salary: R12 500	Income tax: R1 450
	Pension fund: 970
	Medical aid: 560
	Unemployment insurance fund: 70
Gross salary: R ?	
Deductions: R ?	
Net salary: R ?	

- 4.3.1 What is the employee's gross monthly salary? (2)
- 4.3.2 Calculate the employee's net salary. (4)
- 4.3.3 Refer to the above salary advice and identify TWO compulsory deductions. (4)
- 4.4 Classify the following cases of insurance under COMPULSORY INSURANCE or NON-COMPULSORY INSURANCE. Give reasons for each answer.
- 4.4.1 Insuring one's own life
- 4.4.2 Safety of passengers travelling in a bus on a public road
- 4.4.3 A factory insuring itself against any injury that occurs to employees on duty (12)

[60]

TOTAL SECTION B: 180

SECTION C

Answer any TWO of the four questions in this section.

QUESTION 5

Referring to successful business enterprises like the Rembrandt Group, the Metlife Group, Pick 'n Pay and Liberty Life, it is clear that good managers will lead their business enterprises to greater heights of achievement, productivity and profitability if they are good leaders as well.

Distinguish between *management* and *leadership* and differentiate between FIVE types of leadership styles that are possible in the business. Briefly explain how each of these leadership styles will manage conflict between employees in the business.

[40]**QUESTION 6**

The Skills Development Act has the potential to change the lives of millions of previously disadvantaged people who were deprived of opportunities in education during the apartheid era.

You are a front-runner for the development of skills as the human resource manager of your company. Convince management about the aims and benefits of this Act and inform them about the purpose and roles of SETAs.

[40]**QUESTION 7**

Simphiwe is an employee at Orion Stationers and uses a motorbike to commute to work. He was dismissed by his supervisor for being late for work for almost a week. Simphiwe reported the matter to his senior manager. On the day of the hearing in the workplace, Simphiwe explained that he had been caught up in traffic due to a power failure and the robots were not functioning. He had also been stuck in the lift twice.

After the hearing, the senior manager's decision was that Simphiwe be dismissed. He was unhappy with the decision and reported the matter to his trade union.

Explain to Simphiwe the benefits of being a member of a trade union. Name the parties involved in the arbitration process and discuss the grievance procedure to be followed when dealing with such a case.

[40]

QUESTION 8

You are a financial advisor at Finance Co. and have been approached by a new client, Mrs Barlow. She wants to go on early retirement and will receive R3 million from her retirement annuity fund. She has two options to invest her money and needs R20 000 to pay her monthly expenses.

OPTION 1

She can invest the R3 million in an investment option from First National Bank (FNB) with a compound interest rate of 8% per annum.

The maturity value of the investment will be R3 842 471 in 2010.

OPTION 2

She can invest the R3 million in an account with 8% fixed interest per annum for three years.

You are expected to write a report to Mrs Barlow.

Explain the different types of investments, calculate the return that Mrs Barlow will receive from OPTION 2 and recommend, with reasons, which option Mrs Barlow should consider.

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