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: ANSWERS

SUBJECT: BUSINESS STUDIES

June 2009

This document consists of 15 pages.

Strictly not for test/examination purposes

NOTES TO EDUCATORS:

1. Please take careful note of alternative answers and award marks accordingly.

2. Candidate's answers must be in full sentences for Section B and C, based on the nature of the question.

   Full sentence ✓✓ (2)
   Words/phrases ✓ (1)

3. Section C

   Comprehensive answers has been provided but can be supplemented from alternative sources.

   Please take careful note of other relevant answers and allocate marks accordingly.

   The mark allocation is as follows:

Content	32 marks (max)
Insight	<u>08</u> marks
Total marks	<u>40</u>

   Insight marks to be allocated as follows:

Structure (introduction, layout, conclusion)	03
Analysis and Interpretation	03
Originality and recency of information	<u>02</u>
	<u>08</u>

SECTION A

QUESTION 1

1.1	1.1.1	C ✓✓	
	1.1.2	A ✓✓	
	1.1.3	B ✓✓	
	1.1.4	D ✓✓	
	1.1.5	B ✓✓	
	1.1.6	C ✓✓	
	1.1.7	A ✓✓	
	1.1.8	D ✓✓	
	1.1.9	B ✓✓	
	1.1.10	C ✓✓	(10 x 2) (20)
1.2	1.2.1	E (market penetration)✓✓	
	1.2.2	C (SETA's) ✓✓	
	1.2.3	B (macro environment) ✓✓	
	1.2.4	A (inclusivity) ✓✓	
	1.2.5	D (fixed deposit) ✓✓	(5 x 2) (10)
1.3	1.3.1	Tertiary ✓✓	
	1.3.2	Investment ✓✓	
	1.3.3	Liquidation ✓✓	
	1.3.4	The Johannesburg Securities Exchange (JSE) ✓✓	
	1.3.5	Private Company ✓✓	(5 x 2) (10)

TOTAL SECTION A: 40

SECTION B

QUESTION 2

2.1 2.1.1 - Broad-based Black Economic Empowerment✓✓ (2)

2.1.2
- Businesses that comply with BBBEE criteria will receive preference when they tender for government work, licenses and contracts✓✓
- Direct ownership of a business in the form of shares.✓✓
- Businesses are able to increase the skills of workers and build their capacity✓✓
- An economy that is built on prosperity for all✓✓
- An economy that reflects the rich cultural and ethnic diversity of our country✓✓
- Reduction of poverty✓✓
- Decrease in unemployment ✓✓
- Wealth distribution amongst all South Africans ✓✓ (Any 4 x 2) (8)

2.1.3
- Ownership ✓ – the percentage of ownership belonging to black people✓✓
- Management ✓ – the percentage of black people in the management of the business, e.g. directors, managers ✓✓
- Employment equity✓ – how many black workers, black female workers, workers with disability are employed. ✓✓**or** Is there a written policy of non-discrimination?
- Skills development✓ – the number of black people registered for learnerships career development programmes skills development programmes and scholarships for black people. ✓✓
- Preferential procurement ✓– are the businesses buying supplies from black owned/BBBEE compliant businesses? ✓✓
- Enterprise development ✓ – are the business involved in developing black owned businesses with a programme of assistance? ✓✓
- Corporate Social Investment✓ – do business contribute to the uplitfment of previously ✓✓ disadvantaged communities?

(Any 6 x 3) (18)

2.2
- Affirmative Action has to be implemented ✓✓
- Employers to create opportunities for previously disadvantaged groups ✓✓
- No discrimination on grounds of race, gender, disability or age ✓✓
- Equity Plan that must indicate how the transformation will be implemented in the workplace and must include time-frames ✓✓
- Promote equal opportunity and fair treatment in workplace ✓✓
- Ensure equal representation in all occupational categories and levels in the workforce ✓✓ (Any 4 x 2) (8)

2.3
- Develop the skills of the South African workforce ✓✓
- Improve the quality of life for workers ✓✓
- Improve productivity in the workplace ✓✓
- Promote self employment ✓✓
- Increase investment in education ✓✓
- Assist work seekers to find work ✓✓
- Assist retrenched workers to re-enter the labour market ✓✓
- Assist employers to find qualified employees ✓✓
- Encourage workers to participate in learnership and training programmes ✓✓
- Improve employment prospects of persons previously disadvantaged ✓✓ (Any 5 x 2) (10)

2.4
2.4.1 1%✓✓
2.4.2 7th of each month✓✓
2.4.3 SARS✓✓
2.4.4 $\frac{1}{100}$ ✓ x $\frac{62\,000}{1}$ ✓ = R620 ✓✓ (✓✓✓✓ if correct answer only) (10)

2.5
- Working overtime is by agreement only ✓✓
- Not more than 3 hours overtime per day, per employee ✓✓
- Not more than 10 hours overtime per week ✓✓
- Employer must pay at least 1,5 times employees wage for overtime ✓✓ (Any 2 x 2) (4)

[60]

QUESTION 3

3.1 3.1.1 No✓✓
- Business should not discriminate✓✓
- It goes against the constitution✓✓
- It is against the Equity Act✓✓
- It discriminates on racial grounds✓✓

(No = 2, Motivation = any 1 x 2) (4)

3.1.2
- Give everyone an equal opportunity in respect of race, gender, age, culture and physical disabilities.✓✓
- All people who are able, willing, qualified and possess necessary skills and experience should be considered ✓✓
- Workplaces must be more representative of the demographics of the country✓✓
- Companies must have an Equity Plan/Policy
- Monitored by Department of Labour, Unions ✓✓
- More opportunities to be given to women✓✓
- Disabled people must be given an opportunity to be employed ✓✓ (Any 5 x 2) (10)

3.1.3
- Treat employees, customers and stakeholders with respect, dignity and fairness ✓✓
- Provide a safe and pleasant work environment ✓✓
- Provide a safe and friendly environment to customers✓✓
- Provide health care facilities at the workplace ✓✓
- Implement education programmes promoting the awareness of human rights ✓✓
- Allowing individuals the freedom to practice their religion ✓✓
- Implement job creation and poverty alleviation programme ✓✓
- Promote entrepreneurship ✓✓
- Use informal and indigenous practices✓✓
- Create an awareness of different cultures/traditions ✓✓

(Any 5 x 2) (10)

3.1.4
- Employers must recruit minority groups and members of protected groups ✓✓
- Remove discriminatory employment practices ✓✓
- Ensure employment and promotion of persons who had previously been excluded ✓✓
- Removal of inequalities as a result of historical discrimination ✓✓ (Any 3 x 2) (6)

3.2 3.2.1 Mission
- Change the mission to suit the changing circumstances. ✓✓

  Call tariffs
- Investigate cheaper call tariffs for Telkom ✓✓

  Top Management
- Develop new competitive strategies ✓✓ (6)

3.2.2 Consumers
- Do market research to determine changing customer needs ✓✓
- Compile consumer packages that satisfy customer needs ✓✓
- Find new markets ✓✓
- Improve service to customers ✓✓ (Any 2 x 2) (4)

Competition
- Implement new marketing strategies ✓✓
- Market similar packages as Neotel to compete directly with them ✓✓
- Diversify into new markets/products ✓✓ (Any 1 x 2) (2)

3.2.3 Technology
- Improve current technology ✓✓
- Invest in latest technology ✓✓
- Train workers in latest technology ✓✓ (Any 2 x 2) (4)

3.3
- Retrenchment of Telkom workers − unemployment✓✓
- Loss of clients ✓✓
- Decrease in profit/income ✓✓
- Loss of market share ✓✓
- Lower share prices ✓✓
- Less investment in social investment programmes ✓✓
- Increase in Telkom prices ✓✓ (Any 3 x 2) (6)

3.4 Insurance
- Also known as short term insurance ✓✓
- Cover an event that may occur ✓✓
- E.g. Accidents, fire ✓✓
- Payments only if event occurs✓✓
- Usually a co-payment/excess ✓ (Any 2 x 2) (4)

Assurance
- Also known as long term insurance ✓✓
- Cover an event that will occur ✓✓
- E.g. Death, retirement ✓✓
- Payment only after event✓✓
- No co-payment/excess ✓✓ (Any 2 x 2) (4)

[60]

QUESTION 4

4.1
- 4.1.1 Nedbank ✓
- 4.1.2 Nedbank✓
- 4.1.3 Nedbank ✓
- 4.1.4 Standard Bank ✓ (6)
- 4.1.5 R400✓✓

4.2
4.2.1
- Allow many investors to pool their money and invest collectively in shares ✓✓
- Is a low to medium risk investment ✓✓
- Offer investors option of investing for a medium or long term✓✓
- Provide even small investors the opportunity of investing in companies✓✓
- Can invest monthly or in a lump sum ✓✓
- Investors need no expert knowledge. Team of professional investors will invest on your behalf✓✓
- Offer direct access to wealth creation and profits of the JSE✓✓
- Unit trusts are extremely flexible✓✓
- Money is available almost immediately✓✓ (Any 5 x 2) (10)

4.2.2
- Share prices rise and fall − unpredictable✓✓
- In case of liquidation only a portion of the value of the shares may be paid out to the investor✓✓
- Dividends are not guaranteed✓✓

External/global influences✓✓ (Any 2 x 2) (4)

4.3 Third Party Insurance/Road Accident Fund✓
- Funded from a levy on the petrol price✓✓
- Purpose is to provide insurance to all persons in vehicles on roads✓✓
- Compensate for injuries or death caused by a negligent driver and protects driver against claims✓✓

Unemployment Insurance/Fund ✓
- Some classes of workers are legally bound to contribute to the UIF✓✓
- Purpose is to compensate people that were previously employed and contributed to the fund if they should become unemployed✓✓

Workmen's Compensation Insurance/Fund✓
- Some classes of employers contribute to the fund✓✓
- Compensate workers for injuries/death while on duty✓✓
- Seriousness of the injury and extent of the disability after the injury will determine the amount ✓✓

Name = 1; Explain = 4 (Any 2 x 5) (10)

4.4 4.4.1 Financial Control

- Money that is managed efficiently leads to good cash flow and business can meet its payments/expenses ✓✓
- Operating within a budget ensures money is controlled✓✓
- Excess funds can be invested in expansionary projects that leads to more income✓✓
- Good financial control measures can increase the profitability of a business✓✓ (Any 2 x 2) (4)

4.4.2 Competent workers✓✓

- Increases productivity
- That leads to increased profitability✓✓
- Better service to clients – increased goodwill✓✓ (Any 2 x 2) (4)

4.4.3 Vision

- Provides direction for workers – workers are focused on the job✓✓
- Increased productivity- income-profit✓✓ (Any 1 x 2) (2)

4.5

- Analyse the business environment✓✓
- Review the current vision and mission – still applicable to the changed environment?✓✓
- Examine the challenges facing the business✓✓
- Examine the strengths and weaknesses✓✓
- Devise strategies ✓✓
- Choose best strategy
- Align chosen strategy with vision and mission✓✓
- Implement the strategy✓✓
- Monitor and evaluate the strategy✓✓
- Make improvements where necessary✓✓

(Any 6 x 2, **but order must be correct**) (12)

4.6

- Develop a sector skills plan✓✓
- Implement the plan✓✓
- Register learnership agreements✓✓
- Support the development of training material✓✓
- Identify workplaces for practical working experience✓✓
- Liaise with the National Skills Authority✓✓
- Reporting to the Director General✓✓ (Any 4 x 2) (8)

[60]

TOTAL SECTION B: 180

SECTION C

QUESTION 5

Rubric – for analysis, impact and corrective measures

CRITERIA	LEVEL DESCRIPTORS			TOTAL
	0 – 3	4 – 6	7 – 8	
ANALYSIS OF SITUATION	- Inadequate/no analysis - Display no/little analytical skills - Could not identify possible causes - Poor arguments - Clearly no/little insight into problem	- Adequate analysis - Identified most of the trends - Satisfactory arguments, but with errors - Most of the conclusions are correct - Identified sufficient causes	- Excellent analysis- good reasoning - Identified and explained all trends - Displayed good insight - Conclusions reached are correct - Identified many/most causes	(8)
	0 – 3	4 – 6	7 – 8	
IMPACT OF RETURNS	- Identified one or no impacts. - Mostly incorrect - Not applicable to scenario	- Identified two/three impacts. - Most impacts identified are applicable - Reasoning is mostly correct	- Identified four impacts. - All impacts identified are applicable - Identified other impacts, above the obvious	(8)
	0 – 3	4 – 6	7 – 8	
CORRECTIVE MEASURES	- No or inappropriate ideas- incoherent - Does not address analysis at all - Solutions not workable at all - Clearly no insight	- Acceptable ideas- sometimes incoherent. - Not all solutions are workable - Some reasoning errors - It does not always address the analysis/causes identified earlier	- Good ideas; coherently presented. - It address the analysis/causes identified earlier - Are all workable solutions - Displayed high level of critical thinking and problem solving skills	(8)
				24

Handling of questions

- Anticipate questions and prepare your responses in advance ✓✓
- Answer the questions directly and concisely ✓✓
- Speak clearly and confidently ✓✓
- It's sometimes appropriate to respond to a question with a question ✓✓
- You may direct questions to other members of the audience but do this with care ✓✓
- Do not respond too quickly, make sure you understand the question. ✓✓
- If a member of the audience challenges or criticizes you, try not to be defensive ✓✓
- If you are asked a difficult or challenging question, acknowledge that and give yourself time to think ✓✓
- If a question needs clarification, ask the questioner to clarify ✓✓
- If you don't know the answer to a question, admit this and undertake to get back to the questioner later ✓✓
- Address the whole audience not just the questioner ✓✓
- Avoid getting into a long debate on any point ✓✓
- You may offer to see a questioner after the presentation ✓✓ (Any 4 x 2) (8)

Mark allocation:

Content		
- Analysis of situation	(24)	
- Handling questions	(08)	
	(32)	
Insight		
- Structure (introduction, layout, conclusion)	(3)	
- Analysis and Interpretation	(3)	
- Originality and recency of information	(2)	
	(8)	**[40]**

QUESTION 6

Factors influencing the choice between a Close Corporation and Private Company

Legal status✓
- CCs and companies both have legal personality ✓✓ **or**
  CC-members have limited liability, Private Company-shareholders also have limited liability
- Both would suit the businessmen ✓✓

Formation procedure ✓

- CC's are relatively simple to establish/Founding statement
  P/Companies require a complicated establishment procedure with many documents ✓✓
- A CC would therefore save a lot in start-up costs − more money available for other expenses ✓✓

Ownership ✓
- CC owned by members(1 − 10), P/Company − owned by shareholders (1 − 50)✓✓
- Both would suit the two entrepreneurs ✓✓

Management ✓
- CC-managed by members, P/Company − management is separate from owners, directors with expertise appointed to manage✓✓
- If CC − lack of knowledge/experience may hurt business **or** P/Company − appoint directors for management skills, this may favour the two businessmen, but can take decision making away from them ✓✓

Capital✓
- CC- capital is limited to maximum of 10 members contribution, P/Company − up to 50 shareholders, can therefore access more capital✓✓
- P/Company in this regard can be to the advantage of the entrepreneurs since hotel requires lots of capital✓✓

Continuity✓
- CC − unlimited, P/Company, also unlimited✓✓
- Both forms of ownership would suit the businessmen✓✓

Taxation✓
- CC pays tax on income at 28% − members pay separately, P/Company pays tax on income at 28% − shareholders pay separately✓✓
- Both have the same tax implications✓✓

Division of profits✓
- CC and P/Company profits belongs to the entity, owners taxed separately in both cases✓✓
- Either CC or P/Company is recommended✓✓

Name of factor = 1, Explanation = 2, Recommendation = 2

(Any 6 x 5) (28) Max

Final Recommendation
- A CC or a private company is recommended ✓✓
- If they want a quick and easy set-up with little costs a CC is ideal ✓✓
- If they want experienced management rather start a private company ✓✓
- If they want to be part of decisions rather start a CC ✓✓
- If they need lots of capital, start a P/company ✓✓ (Any 2 x 2) (4)

Mark allocation:
Content

- Factors: Choice of business form (28)
- Final recommendation (4)

32

Insight

- Structure (introduction, layout, conclusion) (3)
- Analysis and Interpretation (3)
- Originality and recency of information (2)

8 **[40]**

QUESTION 7

RUBRIC

CRITERIA	LEVEL DESCRIPTORS				MARKS
	1	2	3	4	
Impact of Aids on business	• Identified only 1 or none • No/little comprehension displayed • Error riddled reasoning	• 2 Impacts • Show some comprehension of impact, but with errors • No original ideas • Some non-sensical ideas	• 3 impacts • Satisfactory comprehension of impact • Some original ideas-but mostly from textbook	• 4 or more impacts • Critical analysis/ thinking skills displayed • Original ideas-not only textbook • Complete comprehension of impact	Level x 2 **8**
	0-2	3-5	6-8	9-10	
Ways in which employer can assist the community	• 2 or less strategies • Do not focus on the problem • Strategies do not make sense • Not implement-able at all	• 3 strategies • Limited creativity • But strategies are well defined • Some strategies not implement-able	• 4 strategies • Some degree of creativity • Most strategies are implement - able in practice	• 5 or more strategies • Displayed high degree of creativity • Displayed good problem solving skills • All the strategies are implementable in practice • Practical examples given	**10**
Benefits to the business	• I or none benefits identified • Does not make sense at all • Confused with benefits for community	• 2 benefits identified • Little/no link with identified strategies • Some benefits do not make sense	• 3 benefits supplied • Display some link with strategies identified • Benefits make sense	• 4 or more benefits identified • Fits the strategies supplied – benefits link with strategies • Examples supplied	Level x 2 **8**
Benefits to the community	• I or none benefits identified • Do not make sense at all • Confused with benefits for business	• 2 benefits identified • Display some link with strategies identified • Benefits make sense	• 3 or more benefits identified • Fits the strategies supplied – benefits link with strategies • Examples supplied		Level x 2 **6**

(32)

Mark allocation:
Content

- Impact of Aids on the business	(8)
- Strategies to assist community	(10)
- Benefits to the business	(8)
- Benefits to the community	(6)
	32

Insight

- Structure (introduction, layout, conclusion)	(3)	
- Analysis and Interpretation	(3)	
- Originality and recency of information	(2)	
	8	**[40]**

QUESTION 8

Concentric diversification✓
- Business adds new products that are similar to existing products✓✓
- Focus/attract new customers/markets✓✓
- E.g. Toy manufacturer starting to manufacture educational toys✓✓
- Aim is to expand the market by attracting new customers✓✓
- Advantage is that business does not venture into completely unfamiliar territory✓✓ (Name 1, Any 4 x 2) (9)

Horizontal diversification✓
- Business adds new products that are unrelated to current products✓✓
- The focus is on current customers to increase sales✓✓
- E.g. Jeep's decision to manufacture not only 4x4 vehicles, but also fashion wear✓✓
- This type of diversification is recommended if:
- current customers are brand loyal✓✓**or**
- quality of the new products is good
- new products are suitably priced

2 marks max

- Disadvantage is that it tends to increase a business's dependence on a particular market segment✓✓ (Name 1, Any 5 x 2) (11)

Conglomerate diversification✓
- Adding new but unrelated products ✓✓
- May appeal to new or existing customers✓✓
- Aim to:
- increase profitability and flexibility✓✓**or**
- expand the business

2 marks max

- E.g. Virgin brand consists of music, airlines, cool drinks, cell phones ✓✓
- Is a high risk strategy- unfamiliar territory, skills✓✓
- Requires big investment✓✓
- No clear relationship between existing and new products and markets ✓✓ (Name 1, Any 6 x 2) **(12) Max**

(32)

Mark allocation:

Content			
- Concentric diversification	(9)		
- Horizontal diversification	(11)		
- Conglomerate diversification	(12) **Max**		
	32		
Insight			
- Structure (introduction, layout, conclusion)	(3)		
- Analysis and Interpretation	(3)		
- Originality and recency of information	(2)		
	8		**[40]**
		TOTAL SECTION C:	**80**
		GRAND TOTAL:	**300**