



# education

Department:  
Education  
**REPUBLIC OF SOUTH AFRICA**

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 11**

**BUSINESS STUDIES**

**EXEMPLAR 2007**

**MARKS: 300**

**TIME: 3 hours**

**This question paper consists of 12 pages.**

**INSTRUCTIONS AND INFORMATION**

Read the following instructions carefully before answering the questions:

1. This question paper consists of THREE sections, namely SECTION A, SECTION B and SECTION C.

SECTION A: COMPULSORY

SECTION B: Consists of three independent questions covering all learning outcomes. Answer ALL THREE questions from this section.

SECTION C: Consists of four questions covering all learning outcomes. Answer any TWO of the four questions from 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 in full sentences.
6. The mark allocation of each question will determine the length of your answer.
7. Start the answer to each question on a NEW page, for example QUESTION 1 - NEW page, QUESTION 2 - NEW page, et cetera.
8. Use the table below as a guide for marks and time allocation for each question:

QUESTION	SECTION	MARKS	TIME
1	A: Multiple-choice Questions, True or False, Matching Items COMPULSORY.	40	24 min.
2	B: THREE direct questions Answer ALL THREE questions.	60	36 min.
3		60	36 min.
4		60	36 min.
5	C: Essay questions Answer any TWO of the four questions.	40	24 min.
6		40	24 min.
7		40	24 min.
8		40	24 min.
<b>TOTAL</b>		<b>300</b>	<b>180 min.</b>

**SECTION A (COMPULSORY)****QUESTION 1**

- 1.1 Various possible options are provided as answers to the following questions. Choose the correct answer and write only the letter (A - D) next to the question number (1.1.1 - 1.1.15) in the answer book, for example 1.1.6 B.

1.1.1 The management of a business has full control over ...

- A the workforce of the business.
- B the technological environment.
- C the functions of the business.
- D competitors.

1.1.2 Owners of the following type of business have unlimited liability:

- A Close corporation
- B Partnership
- C Public company
- D Private company

1.1.3 Which ONE of the following is a method managers can use to help alleviate stress?

- A Involve employees in the decision-making process
- B New competitor on the market
- C Transformation in the workplace
- D Strike action by union members

1.1.4 A loaf of Albany bread, bought from a bakery, is an example of ...

- A luxury goods.
- B select goods.
- C convenience goods.
- D specialty goods.

1.1.5 Which ONE of the following is NOT part of the 4 Ps of the marketing mix?

- A Promotion
- B Personnel
- C Place
- D Price

(5 x 3)

(15)

- 1.2 Choose the concept from COLUMN B that matches the description in COLUMN A. Write only the letter (A - F) next to the question number (1.2.1 - 1.2.5) in the answer book, for example 1.2.6 G.

COLUMN A		COLUMN B
1.2.1	A policy to actively encourage disadvantaged groups to participate fully and equally in work opportunities	A economic empowerment B franchise C productivity
1.2.2	The identity mark that distinguishes products from one another	D affirmative action E policy F brand
1.2.3	Supporting people to develop economic skills so that they can take control of their lives	
1.2.4	An agreement giving someone the right to market a business's products in a certain area	
1.2.5	Capacity to produce efficiently and effectively	

(10)

- 1.3 Indicate whether the following statements are TRUE or FALSE. Write only 'true' or 'false' next to the question number (1.3.1 - 1.3.5) in the answer book. If a statement is false, change the underlined word to make it TRUE.

- 1.3.1 A business can influence its market by means of a strong marketing strategy.
- 1.3.2 A safe working environment leads to lower productivity and lower production costs.
- 1.3.3 It is ethical behaviour for a manager to maintain confidentiality about an employee's HIV/Aids status.
- 1.3.4 A geographically scattered market is a reason for direct distribution by manufacturers.
- 1.3.5 Interrupted production is characterised by specialisation of labour.

(15)

**TOTAL SECTION A: 40**

**SECTION B**

Answer ALL THREE questions in this section.

**QUESTION 2**

- 2.1 Some businesses find it difficult to have complete control over the business environment.

Identify FOUR components of the macro-environment and briefly explain whether the business has complete control over the components or not. (16)

- 2.2 It is important for managers of business ventures to take careful note of the changes and challenges that exist within the market environment.

Discuss how your business will adapt to the challenges of any FOUR components of the above-mentioned environment. (16)

- 2.3 Read the following case study and follow the instructions given below:

**HIRE A HANDYMAN**

Thinking of starting a business? What about a one-stop shop that services all domestic, gardening and handyman requirements - a husband in fact!

Four school friends, Khuzwayo, Robin, Thandi and Matty decided to start this business. They named the business KRTM Domestic Services. They want to offer affordable, industry-related prices for a broad range of domestic services such as gardening, plumbing, electrical services, et cetera.

These friends will invest in a wide range of gardening and handyman tools for which Khuzwayo will be responsible.

Their most expensive item will be a second-hand multi-purpose vehicle, like a Nissan 1400 bakkie.

Robin will prepare pamphlets to be hand-delivered to advertise the services on offer.

Thandi will assume responsibility for staffing. She will ensure that potential employees are carefully screened before being hired.

Matty will handle the induction programme for the staff.

Matty has also agreed to handle the finances of the business throughout.

The following action plan was designed by Robin:

**KRTM Domestic Services  
Action Plan**

ACTIVITIES	STARTING DATE	EXPECTED COMPLETION DATE	ACTUAL DATE COMPLETED
Financing	1 March 2007	30 April 2007	15 April 2007
Purchasing	1 May 2007	31 May 2007	20 June 2007
Advertising	1 April 2007	30 June 2007	31 May 2007
Staffing	1 April 2007	30 April 2007	25 May 2007
Training	15 April 2007	30 April 2007	31 May 2007

Use the information above and draw a Gantt chart for KRTM Domestic Services. Draw the following table in the answer book and complete the detail required on the Gantt chart. You are also required to explain the value of the Gantt chart.

**Gantt chart for KRTM Domestic Services**

ACTIVITIES	MARCH	APRIL	MAY	JUNE	PERSON RESPONSIBLE
<b>Financing</b>					
<b>Purchasing</b>					
<b>Advertising</b>					
<b>Staffing</b>					
<b>Training</b>					

(20)

2.4 Identify any FOUR entrepreneurial qualities of a good entrepreneur.

(8)  
[60]

**QUESTION 3**

3.1 State any THREE advantages of lease agreements.

(6)

3.2 Name any TWO disadvantages of lease agreements.

(4)

- 3.3 Madikwe Hotel is situated close to the Kruger National Park in Mpumalanga.

The following table shows information about the number of guests who booked into this hotel from November 2006 to March 2007:

<b>TOURISTS/ VISITORS</b>	<b>NOVEMBER 2006</b>	<b>DECEMBER 2006</b>	<b>JANUARY 2007</b>	<b>FEBRUARY 2007</b>	<b>MARCH 2007</b>
<b>Families</b>	80	90	85	50	32
<b>Single males</b>	40	85	70	40	20
<b>Single females</b>	30	75	60	35	10
<b>Tour groups</b>	134	176	140	88	80
<b>TOTAL</b>	<b>284</b>	<b>426</b>	<b>355</b>	<b>213</b>	<b>142</b>
<b>Percentage</b>	<b>20%</b>	<b>30%</b>	<b>25%</b>	<b>15%</b>	<b>10%</b>

- 3.3.1 Which persons involved in the Madikwe Hotel would require the above-mentioned information? (2)
- 3.3.2 For what purpose, do you think, may they need this information? (2)
- 3.3.3 Which month, according to the table, recorded the highest number of visitors at Madikwe Hotel? Motivate your answer. (2)
- 3.3.4 Present the above percentages distributed over months, in the form of a histogram. (4)
- 3.4 The following table refers to the characteristics of forms of ownership. Draw the table below in your answer book and complete it in respect of the characteristics numbered 1 to 5 for a sole trader and a close corporation.

<b>DETAILS</b>	<b>SOLE TRADE</b>	<b>CLOSE CORPORATION</b>
1. Name		
2. Membership		
3. Liability		
4. Legality		
5. Taxation		

- 3.5 Identify any FIVE advantages of a private company. (10)

3.6 Read the case study below and answer the question that follows:

### **BETTING ON THE WRONG BACKERS**

My name is Cindy. I held an established position as a journalist for a magazine at a prominent publishing company.

I was offered shareholding and directorship by a publishing company. The agreement was that I supply the intellectual capital, which they did not have, and the directors would supply the finances.

The first month brought in a revenue of R300 000. A large portion went for printing costs and the rest to salaries and operational costs.

The second month ran smoothly and the profits from the magazine kept the business afloat. There was no need for a further capital investment right then. It was at this point that problems began surfacing. The chief executive, who ran the operation, started doing some unusual things.

Over a period of two months he hired nine new staff members into positions that were not necessary to the business. He managed the entire financial aspect of the business and he assured me that we had everything under control.

After he had hired all these new staff members in positions that did not exist, he announced that we needed larger offices. The original offices were rented at R4 000 a month and the new offices would cost R44 000 a month. At that stage there had been no capital investment from the directors yet and we had been printing the magazine with funds generated out of sales.

The next month he paid all the staff and the rent and said he could not pay me then, because of cash flow constraints and I would have to wait for two weeks.

I requested him to please speak to the rest of the directors to make a capital investment in order to pay my salary. He was furious and explained that we needed to generate money from the business for that type of expense. They excluded me as minority shareholder in the meetings.

One morning when I walked into his office, he was ordering coffee cups for the new executive offices while I was still waiting for my salary to be paid.

Eventually I had to be paid or resign.

[Adapted from: *Succeed*, October 2006]



After reading the case study above, apply your creative thinking skills, supported by FIVE steps in problem-solving to enable you to rescue the publishing company and to prevent Cindy from leaving the company.

(20)  
**[60]**

#### QUESTION 4

- 4.1 Explain FIVE strategies that you as manager can apply in order to manage stress. (10)
- 4.2 List any FOUR factors that make foreign marketing more challenging than marketing within South Africa. (8)
- 4.3 Marketing management must always realise the importance of the contents of a product. Special attention must therefore be paid to the correct choice of packaging.
- Explain FOUR different forms or types of packaging. Make use of suitable examples in your answer. (12)
- 4.4 Advertising has several advantages for both consumers and marketers. It helps consumers to attain the highest needs satisfaction at the best possible price.
- List any FOUR other advantages for the consumers and marketers. (8)
- 4.5 Mbizana Manufacturers CC specialises in the manufacturing of different sizes of trailers for the transport industry.
- As the production manager, explain the safety precautions or a safety plan that you will implement to ensure a safe and healthy environment for your employees. (8)

- 4.6 Study the information given below from Darnall Manufacturers CC which produces canned food and answer the questions that follow:

**DARNALL MANUFACTURERS CC  
PRODUCTION COSTS FOR AUGUST 2007**

Raw materials for canned food	R40 000
Direct labour cost	R60 000
Insurance	R8 000
Rent for factory	R10 000
Depreciation of manufacturing plant	R4 000
Cleaning materials	R9 000
Packaging materials	R13 000

Darnall Manufacturers CC produced 36 000 tins of canned food during August 2007. Show ALL your calculations for the following questions:

- 4.6.1 Calculate the primary costs for the month. (3)
- 4.6.2 Calculate the fixed overhead costs for the month. (4)
- 4.6.3 Calculate the total production costs for the month. (4)
- 4.6.4 Calculate the cost of ONE tin of canned food. (3)

**[60]**

**TOTAL SECTION B: 180**

**SECTION C**

Answer any TWO of the four questions in this section.

**QUESTION 5**

In South Africa HIV/Aids is an extremely serious illness, not only for the infected, but also in terms of the effect it has on the economy. Business operations are further affected by unemployment, poverty and crime.

Provide a detailed evaluation of the impact and challenges of the above-mentioned socio-economic issues on business operations.

**[40]****QUESTION 6**

A well-known insurance company handles a huge amount of diverse information which has to be placed on a data basis. The company found they lack technology, training and the capacity to handle the increased load of information.

An information technology company, IT-Techno, contracts out to companies and handles data according to the specific needs of the client.

Advise the insurance company on the option of using IT-Techno to handle the data for them. Explain this concept and elaborate on the advantages and disadvantages of such a contract.

**[40]****QUESTION 7**

Read the case study below and discuss the concept of change management. Explain the areas of change in a business enterprise and refer to the methods and strategies used for implementing change. Suggest in your answer the reasons for resistance and how this resistance to change can be overcome.

**BUILD A ROBUST COMPANY**

Imagine your entire sales team, spurred on by the sales manager, decided to resign on the same day. Imagine further a scenario where an international competitor, selling the same product as you, suddenly appears on the scene and is able to undercut your price by half. Would your organisation be strong enough to survive?

According to Tony Manning, a strong company is one that is robust enough to withstand bad times and, most importantly, ride the waves of change. Change is inevitable and it can and does happen in any quarter, whether political, economical or technological.

Change is the single most crippling factor to many organisations.

[Adapted from: *Succeed*, 12 June 2006]

**[40]**

**QUESTION 8**

You are appointed as the production manager of a newly established factory that is going to manufacture flags to be used by all supporters of the South African soccer team (Bafana Bafana) in the World Cup Soccer in 2010.

Prepare a motivation presentation for the general manager on the most suitable production system for the production of large quantities of flags that you will recommend to a director's meeting.

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