



Province of the  
**EASTERN CAPE**  
EDUCATION

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**JUNE 2016**

**BUSINESS STUDIES**

**MARKS: 300**

**TIME: 3 hours**



---

This question paper consists of 15 pages.

---

**INSTRUCTIONS AND INFORMATION**

Read the following instructions carefully before answering the questions.

1. This question paper consists of THREE sections and covers all main topics of Term 1 and 2.

SECTION A: COMPULSORY

SECTION B: Consists of FIVE questions.

Answer any THREE of the five questions in this section.

SECTION C: Consists of FOUR questions.

Answer any TWO of the four questions in this section.

2. Read the instructions for each question carefully and take particular note of what is required.
3. Number the answers correctly according to the numbering system used in this question paper. No marks will be awarded for answers that are numbered incorrectly.
4. Except where other instructions are given, answers must be in FULL SENTENCES.
5. Use the mark allocation and nature of each question to determine the length and depth of an answer.
6. Use the table below as a guide for mark and time allocation when answering each question.

SECTION		QUESTION	MARKS	TIME
A	<b>Objective-type question COMPULSORY</b>	1	40	30 minutes
B	<b>FIVE direct/indirect-type questions, CHOICE (Answer any THREE.)</b>	2	60	30 minutes
		3	60	30 minutes
		4	60	30 minutes
		5	60	30 minutes
		6	60	30 minutes
C	<b>FOUR essay-type questions, CHOICE (Answer any TWO.)</b>	7	40	30 minutes
		8	40	30 minutes
		9	40	30 minutes
		10	40	
			<b>300</b>	<b>180 minutes</b>

7. Begin the answer to EACH question on a NEW page, for example QUESTION 1 – new page, QUESTION 2 – new page, et cetera.
8. You may use a non-programmable calculator.
9. Write neatly and legibly.

**SECTION A (COMPULSORY)****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 first step in the strategy development process is to ...

- A assess a business's position in a market by using industry analysis tools.
- B formulate a strategy.
- C implement a strategy.
- D evaluate a strategy.

1.1.2 The ability to influence others based on personal charm and inspiration is known as the ... leadership style.

- A free-reign
- B autocratic
- C charismatic
- D super

1.1.3 According to the Basic Conditions of Employment Act, full-time employees are entitled to ... days of paid family responsibility leave during each annual leave cycle.

- A 3
- B 6
- C 9
- D 12

1.1.4 A problem-solving technique that does not require participants to be in the same place:

- A Delphi
- B Creativity
- C Empty chair
- D Force-field

1.1.5. If Sipho Gumede was dismissed because he arrived late for work often, he was dismissed on grounds of ...

- A incapacity.
- B operational reasons.
- C retrenchment.
- D misconduct.

1.1.6. Which ONE of the following is an example of a social responsibility programme implemented by a business?

- A SWOT analysis
- B King's Code
- C General management.
- D Problem-solving techniques

1.1.7 Who is usually responsible for the recruitment process when a new marketing assistant is required in a business?

- A Shareholders
- B Human Resource manager
- C Marketing director
- D Managing director

1.1.8 Which ONE of the following could be considered to be an unethical business practice?

- A Evading tax
- B Payment of fair salaries and wages
- C Payment of VAT on time
- D Equal treatment of employees

1.1.9 .... can be regarded as the key to performance improvement.

- A Clear rules and regulations for discipline
- B Higher salaries and wages
- C Motivation
- D Negotiations

1.1.10 The best way to resolve conflict in the workplace is to ...

- A transfer the affected worker.
- B ignore the affected worker.
- C address the causes of conflict and solve them.
- D retrench the affected worker.

(10 x 2) (20)

1.2 Complete the following statements by using the word(s) provided in the list below. Write only the word(s) next to the question number (1.2.1–1.2.5) in the ANSWER BOOK.

Retrenchment; Tertiary; Product development; Resignation; Secondary;  
Economic growth; Positive; Strict rules; Charisma; Negative; No rules

- 1.2.1 ... is when new products are introduced to replace the slow unproductive product lines.
- 1.2.2 ... is when an employment contract is voluntary terminated by the employee.
- 1.2.3 A ... attitude is a barrier to creative thinking in the workplace.
- 1.2.4 The bureaucratic leadership style is characterised by ...
- 1.2.5 North Bank operates in the ... sector. (5 x 2) (10)

1.3 Choose an item/abbreviation from COLUMN B that matches a description in COLUMN A. Write only the letter (A–G) next to the question number (1.3.1–1.3.5) in the ANSWER BOOK, for example 1.3.6 H.

COLUMN A	COLUMN B
1.3.1 deals with employer/employee grievances	A Quality performance
1.3.2 ideas that are original and useful to solve business challenges	B Insubordination
1.3.3 resistance to/or defiance of authority	C Liquidation
1.3.4 the process of converting all business assets into cash to pay creditors	D CCMA
1.3.5 assessment and analysis of processes, goods and services to measure business performance	E Creative thinking
	F Quality control
	G Skills Development

(5 x 2) (10)

**TOTAL SECTION A: 40**

**SECTION B**

Answer ANY THREE questions in this section.

**NOTE:** Clearly indicate the QUESTION NUMBER of each question that you choose. The answer to EACH question must start on a NEW page, for example QUESTION 2 on a NEW page, QUESTION 3 on a NEW page, et cetera.

**QUESTION 2: BUSINESS ENVIRONMENT**

2.1 Identify the type of business strategy that applies to each of the following statements:

- 2.1.1 Big Four Air will expand with the purchase of Blue Sky Air.
- 2.1.2 Ulundi Wholesaler offers their meat at lower prices per kilogram than Meat Stores.
- 2.1.3 Global Platinum has implemented massive job cuts as commodity prices have tumbled.
- 2.1.4 ProCool, a juice manufacturer, has recently acquired two hectares of farm land in Ceres.
- 2.1.5 Mega Foods has established a new distribution centre in St Gallen, Switzerland.

(5 x 2) (10)

2.2 Read the article below and answer the questions that follow.

**SDA TO THE RESCUE!!**

Four years after the first democratic election was held the Skills Development Act (SDA), (Act 97 of 1998) was implemented. The Act aims at promoting skills development by increasing investment in education and training. It called on all employers to play a proactive role in building skills inside and outside the workplace, while encouraging workers to participate in training programmes.

The SDA also redirected the focus to obtaining a return on investment and ensuring quality education and training. Finally, it emphasised the need to improve the employment prospects of previously disadvantaged groups.

[Adapted from *City Press*, 29/09/2013]

- 2.2.1 Quote from the article FOUR aims of the Skills Development Act. (4)
- 2.2.2 Evaluate the impact of the SDA on employees. (10)
- 2.2.3 Recommend THREE ways in which the business can comply with this Act. (6)

2.3 Read the scenario below and answer the questions that follow.

**MADIBA BAY INVESTMENT (PTY) LTD (MBI)**

Dudu and David are employees in the same department at Madiba Bay Investment (Pty) Ltd. They do the same work, as cleaners, but David earns more than Dudu. She is unhappy and demands to earn the same salary as David. She feels that MBI is not complying with the Employment Equity Act (EEA), 1998 (Act 55 of 1998).

- 2.3.1 Explain the main purpose of the Employment Equity Act 1998 with the specific reference to Dudu's claim of Madiba Bay Investment (Pty) Ltd non-compliance with the Act. (8)
- 2.3.2 Identify any THREE business actions that can be regarded as discriminatory by the EEA. (6)
- 2.4 Strategic management is the process of formulating, implementing and monitoring business strategies in response to the challenges of the macro environment. Describe the strategic management process that can be applied by businesses. (8)
- 2.5 Read the article below and develop a SWOT analysis for Solathiso Sotshongaye.

**CREATE YOUR OWN JOB: ONE BRICK AT A TIME**

Solathiso Sotshongaye graduated, with a degree in Public Management from the University of Technology.

A year later he could still not find work and looked around his neighbourhood in Flagstaff in the Eastern Cape and found something it lacked. There are lots of construction taking place in the area, but most people travelled, 250 km to Port Shepstone, for concrete blocks. He combined his management skills with his passion for business and started his own brick-making business.

The first hurdle he had to overcome was his lack of capital, because finding funding for a new business is very hard. He started on a small scale by using his own savings of R30 000.

After receiving R1,8 million in funding from the Industrial Development Corporation (IDC) he recently started supplying big hardware stores. He has also acquired new machinery and hired six young people. In future he wants to aim at empowering more young people.

[Adapted from *City Press*, 14 February 2016]

(8)  
**[60]**

**QUESTION 3: BUSINESS VENTURES (MANAGEMENT AND LEADERSHIP)**

3.1 Read the scenario below and answer the questions that follow.

**FAST EXPRESS LTD**

Mandla works at, Fast Express Ltd, as a truck driver. He has a code 10 driver's licence and shows a lot of interest in his job. After three months at the business, Thuli, the owner of the business, discussed with Mandla his future at the business. She helped him to set his goals and looked at ways to achieve them. She gave him more responsibilities and encouraged him to develop additional driving skills.

- 3.1.1 Thuli is a typical example of a manager. Quote from the scenario above FOUR reasons to support this statement. (4)
- 3.1.2 Distinguish between *leadership* and *management*. (12)
- 3.2 Discuss the effect of personal attitude in successful leadership. (12)
- 3.3 Identify the type of leadership style applied in each of following statements:
- 3.3.1 Leaders often identify a need for change, inspire and motivate team members to perform their duties.
- 3.3.2 Leadership allows subordinates to handle conflicts by allowing them to find their own solutions to problems.
- 3.3.3 Different leadership qualities will be effective in different situations.
- 3.3.4 Administer administration through enforcing excessive and often unnecessary rules.
- 3.3.5 Value the opinions of employees, but remains committed to the task. (5 x 2) (10)
- 3.4 Tabulate the differences between autocratic and democratic leadership styles. (12)
- 3.5 Analyse the application of the bureaucratic leadership style. (10)
- [60]**



**QUESTION 4: BUSINESS ROLES**

4.1 Read the article below and answer the questions that follow.

**CELL C'S CAMPAIGN MISLEADING**

The Advertising Standards Authority (ASA) has found that mobile operator/service provider Cell C's 4G campaign is misleading and dishonest.

'The complainants, in essence, reported that the respondent's "4G" logo is dishonest and misleading as consumers could mistake it to be a reference to the 4G standard of network.' The ASA said in its ruling that: 'Consumers have become accustomed to seeing the term "3G" in connection with broadband-capable devices in South Africa, which always denotes speed and connectivity capability.'

Cell C has been driving its connectivity as 'speed cover 4G' in several cities, including Port Elizabeth, Bloemfontein, East London and Cape Town.

[Adapted from *Marketing Media South Africa, Newsletter*, 11 October 2010]

- 4.1.1 Describe what is meant by '*unethical advertising*'. (2)
- 4.1.2 Use information from the article above to explain why Cell C's advertisement is unethical. (4)
- 4.1.3 Recommend FOUR ways in which unethical advertisements could be addressed. (8)

4.2 Read the scenario below and answer the questions that follow.

**MONDELEZ INTERNATIONAL**

Mondelez International, a leading global snacking powerhouse, believes that it has a critical role to play in the sustainability of our planet.

To support this principle, they launched a R37 million well-being programme (Health in Action) that will benefit 75 000 pupils in more than 100 schools in the Eastern Cape and Gauteng.

[Adapted from *The Herald*, 30 October 2015]

- 4.2.1 Define the term '*sustainability*'. (2)
- 4.2.2 Discuss the link between triple bottom line and social responsibility of a business. (6)
- 4.2.3 Analyse FOUR benefits that communities may enjoy through corporate social investment (CSI) projects. (12)

4.3 Read the scenario below and answer the question that follows.

**XARO LTD**

The vision of Xaro Ltd, one of the world's largest diversified mining groups, is inspired by a statement made by the company's founder. He said, "The aim of this group have always been to make a profit and a permanent contribution to the well-being of our employees."

4.3.1 Advise Xaro Ltd on how to contribute towards the well-being of their employees. (10)

4.4 Complete the table below by giving the meaning of respect and dignity and their respective implication on businesses.

	<b>Meaning</b>	<b>Implication on businesses</b>
Respect	4.4.1	4.4.2
Dignity	4.4.3	4.4.4

(4 x 2) (8)

4.5 Recommend FOUR ways in which a business can create an environment that promotes creative thinking. (8)  
[60]

**QUESTION 5: BUSINESS OPERATION**

5.1 Study the advertisement below and answer the questions that follow.

**VACANCY: SENIOR ADMIN CLERK**

We have a position available for an admin clerk. Only candidates with at least two years administration experience and traceable references need to apply.

The successful applicant:

- Must have numerical skills
- Must be computer literate
- Must be able to work under pressure

Visit our website/weekly newspaper for full details of our vacancies:

[www.broad.web.co.za](http://www.broad.web.co.za)

Please fax your C.V. to Broad Enterprise @ 0861 455 6785

Closing date: 31 May 2016

Only applicants on the short list will be contacted for interviews.

- 5.1.1 Identify the type of recruitment used by Broad Enterprise. Motivate your answer. (4)
- 5.1.2 Discuss FOUR advantages of this type of recruitment. (8)
- 5.1.3 Differentiate between job description and job specification. (8)
- 5.2 Discuss FOUR reasons why an employment contract may be terminated. (12)
- 5.3 Read the scenario below and answer the questions that follows

**KUYASA GENERAL DEALER**

Kuyasa General Dealer buys bread directly from Woodlands Bakery in Seaview, outside Port Elizabeth.

One day after Woodlands Bakery deliveries, Mr Ben, the owner of Kuyasa General Dealer discovers that the bread was stale. Kuyasa General Dealer immediately informed Woodlands Bakery about the problem but nothing was done. Woodlands Bakery lost many customers as a result of this problem.

- 5.3.1 Advise Woodlands Bakery on how to implement a continuous improvement cycle to improve the quality of their product. (8)
- 5.3.2 Discuss how total client satisfaction and the continuous improvement of processes and systems could assist Woodlands Bakery to sell good quality bread. (8)
- 5.3.3 Explain the benefits of implementing a good quality control system in Woodlands Bakery. (12)

**[60]**

**QUESTION 6: MISCELLANEOUS TOPICS****BUSINESS ENVIRONMENT**

6.1 Read the scenario below and answer the questions that follow.

**BODMAN DAIRY**

Bodman, a dairy farmer, in Bedford said dairy producers in the area are struggling because of the drought. Eskom has also announced electricity hikes and farm workers are expecting salary increases during this financial year.

6.1.1 Identify which sector Bodman Dairy operates in. Motivate your answer. (3)

6.1.2 Identify any THREE challenges from the case study. Name the environment that EACH challenge belongs to and the extent to which Bodman Dairy can control these environments.

**NOTE:** QUESTION 6.1.2 must be answered according to headings given in the table below.

	<b>CHALLENGES</b>	<b>ENVIRONMENT</b>	<b>EXTENT OF CONTROL</b>
A	(1)	(2)	(1)
B	(1)	(2)	(1)
C	(1)	(2)	(1)

(12)

6.2 List THREE types of intensive strategies that businesses can use to overcome challenges. (3)

**BUSINESS VENTURES**

6.3 Evaluate the impact of transactional leadership style in the workplace. (8)

6.4 Suggest THREE reasons why employees may prefer the laissez-faire or free-reign leadership style. (6)

**BUSINESS ROLES**

6.5 Read the scenario below and answer the questions that follow.

**DRUGS AND SUBSTANCE ABUSE ALLEGATIONS**

Three employees were suspected of being under the influence of drugs or alcohol whilst on duty and were dismissed immediately by management. This resulted to serious conflict, lower productivity and low morale amongst the workforce.

The three dismissed workers submitted written statements to their union and claimed that they did not use drugs or alcohol while on duty.

The company met with their union and requested them to reinstate the dismissed employees. The company had no policy on drugs and substance abuse, nor any evidence of a disciplinary hearing or reasons for their dismissal.

6.5.1 Identify any FOUR reasons for the conflict in the above scenario. (4)

6.5.2 Explain the conflict resolution process that the management should follow. (10)

**BUSINESS OPERATIONS**

6.6 Define the term '*quality performance*'. (2)

6.7 Discuss how the quality of performance within the following business functions are key to a successful business:

6.7.1 General Management (6)

6.7.2 Marketing (6)

**[60]**

**TOTAL SECTION B: 180**

**SECTION C**

Answer ANY TWO questions in this section.

**NOTE:** Clearly indicate the QUESTION NUMBER of each question that you choose.  
The answer to EACH question must start on a NEW page, for example QUESTION 7 on a NEW page, QUESTION 8 on a NEW page, et cetera.

**QUESTION 7: BUSINESS ENVIRONMENTS (LEGISLATIONS)**

Four workers at Sovereign Foods, a poultry producer, situated in Uitenhage claimed that they were injured on duty, and they were not given Injury-on-duty (IOD) forms to complete.

In terms of Compensation for Occupational Injuries and Diseases Amendment Act, 1997 (Act 61 of 1997) (COIDA), Sovereign Foods must report all incidents to the Department of Labour and submit the required forms to the Compensation Commissioner within seven days.

[Adapted from *The Herald*, 28 July 2011]

With reference to the article:

- Explain the nature of the Compensation for Occupational Injuries and Diseases Amendment Act.
- Discuss the rights of employees as outlined in this Act.
- Evaluate the impact of this Act on businesses.
- Suggest ways in which businesses can comply with this Act.

[40]

**QUESTION 8: BUSINESS ENVIRONMENTS (STRATEGIES)**

Wall Stores have been experiencing a decline in sales due to losing customers to their competitors. The management of Wall Stores decides to conduct a planning session to come up with strategies to increase sales and to attract more customers.

Refer to the scenario above and write an essay in which you include the following aspects:

- Formulate THREE possible strategies that Wall Stores can include in their strategic planning to address the challenges in the scenario.
- Discuss how Wall Stores can apply the Porter's Five Forces model to analyse their market environment.

[40]

**QUESTION 9: BUSINESS ROLES (CONFLICT AND HUMAN RIGHTS)**

South African businesses are made up of diverse groups of people; if diversity is not properly managed it can lead to conflict in the workplace.

Refer to the statement above and elaborate on the following issues in the workplace:

- Define the meaning of '*diversity*' in the workplace.
- Discuss the benefits of a diverse workforce to businesses.
- Explain possible causes of conflict
- Suggest different ways in which businesses can deal with difficult people.

**[40]****QUESTION 10: BUSINESS OPERATION (HUMAN RESOURCES)**

You are the human resource manager of Mega Furniture. There is a vacant post for a financial manager and you have already advertised the vacant post.

Refer to the scenario above and write an essay in which you include the following aspects:

- Explain the selection procedure to identify the most suitable candidate for this particular post
- Justify the purpose of an induction process
- Outline the placement procedure that you should consider when placing the financial manager in his new position

**[40]**

**TOTAL SECTION C: 80**  
**GRAND TOTAL: 300**

