



GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

**GAUTENG DEPARTMENT OF EDUCATION
PREPARATORY EXAMINATION
2017**

10720

BUSINESS STUDIES

TIME: 3 hours

MARKS: 300

16 pages

**BUSINESS STUDIES
1072E**



10720E

X05



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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.

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 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: Compulsory Objective-type questions	1	40	30 minutes
B: FIVE direct / indirect-type questions (Choose any THREE.)	2	60	30 minutes
	3	60	30 minutes
	4	60	30 minutes
	5	60	30 minutes
	6	60	30 minutes
C: FOUR essay-type questions (Choose any TWO.)	7	40	30 minutes
	8	40	30 minutes
	9	40	30 minutes
	10	40	30 minutes
		300	180 minutes

7. Begin the answer to each question on a NEW page, for example QUESTION 1 – new page, QUESTION 2 – new page, et cetera.
8. Non-programmable calculators may be used.
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 It is aimed at enhancing the knowledge and the abilities of the individuals to improve productivity in their areas of work.

- A Labour Relations Plan
- B Skills Development Levy
- C Human Resources Development Plan
- D National Skills Development Strategy

1.1.2 When a dairy farm takes over a cheese factory, ... integration was applied.

- A horizontal
- B vertical forward
- C vertical backward
- D conglomerate

1.1.3 This Act makes provision for the establishment of the Commission for Conciliation, Mediation and Arbitration (CCMA).

- A Labour Relations Act, 1995 (Act 66 of 1995)
- B Employment Equity Act, 1998 (Act 55 of 1998)
- C National Credit Act, 2005 (Act 34 of 2005)
- D Compensation for Occupational Injuries and Diseases Act, 1997 (Act 61 of 1997)

1.1.4 This leadership style can be applied when workers have the necessary experience to execute their tasks.

- A Situational leadership
- B Laissez-faire leadership
- C Transformational leadership
- D Transactional leadership

- 1.1.5 This business can be listed on the JSE:
- A Jonnies Meats (Pty) Ltd.
 - B Jonnies Meats Inc.
 - C Jonnies Meats Ltd.
 - D Jonnies & Jonnies Meats
- 1.1.6 The owners of this type of ownership are taxed in their personal capacity.
- A Private company
 - B Partnership
 - C Close Corporation
 - D Public company
- 1.1.7 The ... team dynamic theory focuses on the roles that team members prefer to play in a team.
- A Magerison-McCann
 - B Belbin
 - C MTR-I approach
 - D Jungian
- 1.1.8 Conflict between an employer and an employee can be seen as a ...
- A problem.
 - B grievance.
 - C burden.
 - D difference.
- 1.1.9 Sipho's Dairy produces fresh milk and operates in the ... sector.
- A secondary
 - B informal
 - C tertiary
 - D primary
- 1.1.10 A group of workers who meet on a regular basis to discuss quality-related matters is known as ...
- A total quality management.
 - B a work quality forum.
 - C a quality circle.
 - D a quality union.

(10 x 2) (20)

- 1.2 Complete the following statements by using the words 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.

economic; indemnification; UIF; professionalism; quality control; security; quality assurance; cultural; ethics; medical aid fund
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- 1.2.1 The principle of ... is applicable to short-term insurance.
- 1.2.2 The right of the employee to join a trade union is an example of a ... right.
- 1.2.3 An example of a compulsory deduction is ...
- 1.2.4 A set of expected behaviour is known as ...
- 1.2.5 Checking every step in the production process to prevent mistakes is referred to as ... (5 x 2) (10)

- 1.3 Choose a **description** from COLUMN B that matches a **term** in COLUMN A. Write only the letter (A – J) next to the question number (1.3.1 – 1.3.5) in the ANSWER BOOK, for example 1.3.6 K

COLUMN A	COLUMN B
1.3.1 Total client satisfaction	A prepare budgets and annual monetary reports
1.3.2 Inclusivity	B various alternative solutions are considered before choosing the best one
1.3.3 General management	C ensure that quality reviews are regularly conducted
1.3.4 Decision making	D the business understands current and future customer needs
1.3.5 SWOT analysis	E allocating senior positions to male employees
	F used by businesses to assess their primary environment
	G develop the mission statement of the business
	H alternative solutions are generated
	I used by businesses to assess their micro-environment
	J all employees have equal opportunity for promotion

(5 x 2) (10)

TOTAL SECTION A: 40

SECTION B

Answer ANY THREE questions from this section.

QUESTION 2: BUSINESS ENVIRONMENT

- 2.1 List THREE types of defensive strategies. (3)
- 2.2 Describe the steps in evaluating a strategy. (10)
- 2.3 Read the scenario below and answer the questions that follow.

MABONE TYRES (MT)

Mabone Tyres specialises in wheel alignment. John, an employee, was injured while on duty. The business paid John R750 and advised him not to report the injury as MT's employees were not registered with the Compensation Fund. The business has many unreported accidents and they do not contribute to the fund.

- 2.3.1 Name the Act that applies to John's injury. Motivate your answer by quoting from the scenario above. (3)
- 2.3.2 Identify FOUR actions that are regarded as non-compliant to the Act identified in Question 2.3.1. (4)
- 2.3.3 Elaborate on the impact on employees of the Act identified in Question 2.3.1. (8)
- 2.4 Outline FIVE provisions of the Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997). (5)
- 2.5 Describe the role of SETAs. (10)

- 2.6 Read the scenario below and answer the questions that follow.

Marlene's Interior Design (MID)

Marlene's Interior Design specialises in home decorating. Even though she charges high prices for her services, Marlene has many customers from rich suburbs because of her unique designs.

It was easy to register her business as there were no legal requirements. She only needed a trading licence and a small amount of capital to commence with her business. MID buys their material from Grace Textiles, which is the only supplier of interior decorating material in the area.

Mpho's Home Décor operates in the same area and offers similar services at reasonable prices.

- 2.6.1 Identify the sector in which MID operates. Motivate your answer by quoting from the scenario. (3)
- 2.6.2 Name TWO other business sectors. (2)
- 2.6.3 Analyse the environment in which MID operates using Porter's Five Forces model. (12)
- [60]**

QUESTION 3: BUSINESS VENTURES

- 3.1 List THREE types of non-compulsory risks. (3)
- 3.2 Define *retirement annuity*. (2)
- 3.3 Discuss FOUR roles of health and safety representatives in the business. (8)
- 3.4 Explain why there must be good faith between an insurer and the insured. (4)
- 3.5 Distinguish between the *autocratic* and *transactional* leadership styles. (8)
- 3.6 Suggest TWO situations in which the democratic leadership style may be applied. (4)

- 3.7 Read the scenario below and answer the questions that follow.

SIMPHIWE CC

Simphiwe owns a manufacturing business called Simphiwe CC. He decided to change to another form of ownership where he is the only director and has limited liability for the debt of the business. He registered his new form of ownership as Simphiwe (Pty) Ltd.

- 3.7.1 Identify the new form of ownership that Simphiwe registered. (1)
- 3.7.2 Describe how the following factors can contribute to the success and/or failure of Simphiwe's new form of ownership as identified in Question 3.7.1.
- (a) Capacity (4)
 - (b) Management (4)
 - (c) Legal requirements (4)
- 3.8 Justify the use of graphs when making a presentation. (6)
- 3.9 Study the scenario below and answer the questions that follow.

John's property was valued at R1 000 000, but he insured it for R800 000. Fire caused damage of R50 000 to a part of the property.

- 3.9.1 Identify the clause that the insurance company will apply in dealing with John's claim. (2)
- 3.9.2 Elaborate on the meaning of the clause identified in Question 3.9.1. (4)
- 3.9.3 Calculate the amount that will be paid out by the insurance company. Show all your calculations clearly. (6)
- [60]**

QUESTION 4: BUSINESS ROLES

- 4.1 Identify the problem-solving technique that is represented by EACH statement below.
- 4.1.1 Employees are requested to sit in groups and suggest ideas on how to improve business sales.
- 4.1.2 The company wants to consult experts on how to adapt the layout of the company for a conservation awareness campaign.
- 4.1.3 The CEO wants to make a confidential decision by pretending to discuss these problems with a non-existing person.
- 4.1.4 TGB Ltd. wants to change the design of their product and considers the pros and cons of their decision.
- 4.1.5 Charlie Chocolate factory asked employees for ideas on how to combine their chocolate products with soccer concepts to celebrate the national soccer championship. (10)
- 4.2 Outline the characteristics of a successful team. (8)
- 4.3 Suggest ways in which businesses can deal with the following diversity issues in the workplace.
- 4.3.1 Poverty (4)
- 4.3.2 Language (4)
- 4.3.3 Age (4)
- 4.4 Describe the benefits of diversity in the workplace. (8)

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

RA PAINTS (PTY) LTD. (RAP)

RA Paints (Pty) Ltd. is a local paint factory in Centurion. Ralph and Andrew are the only directors.

Ralph appointed Suzy, his niece, as the new secretary although she was not the best candidate for the position. Andrew dumps the factory's waste material in the Apies river to save on disposal costs. The company does not declare all its income to SARS.

Peter, the truck driver, does not always return to the factory after making deliveries but uses the truck for private trips.

4.5.1 Quote FOUR unethical business practices from the above scenario. (4)

4.5.2 Recommend a strategy to deal with each unethical business practice identified in Question 4.5.1. Use the table below as a guide to present your answer. Draw the table in your ANSWER BOOK.

UNETHICAL BUSINESS PRACTICE	STRATEGIES

(8)

4.6 Explain ways in which businesses can apply the following King Code principles to improve their corporate governance.

4.6.1 Transparency (2)

4.6.2 Accountability (2)

4.7 Recommend strategies that businesses may use to promote social rights in the workplace.

(6)

[60]

QUESTION 5: BUSINESS OPERATIONS

- 5.1 List FOUR examples of fringe benefits. (4)
- 5.2 Distinguish between *piece-meal* and *time-related* as salary determination methods. (4)
- 5.3 Read the scenario below and answer the questions that follow.

Gauteng Clothing Manufacturers (GCM)

Thabo, an employee of Gauteng Clothing Manufacturers, is not performing his duties effectively after being trained on several occasions. GCM has decided to terminate his contract.

- 5.3.1 Identify the reason for terminating Thabo's contract in the above scenario. (1)
- 5.3.2 Explain THREE other reasons for terminating an employment contract. (9)
- 5.4 Explain the role of the interviewee during the interview. (8)
- 5.5 Identify the business function responsible for the activity in EACH statement below.
- 5.5.1 Anwar ensures that business documents are kept in safe storage. (2)
- 5.5.2 Juanita is responsible for releasing positive news about the business in the local media. (2)
- 5.6 Outline the quality indicators of the marketing function. (6)
- 5.7 Read the scenario below and answer the questions that follow.

Maduna Bed & Breakfast (MB&B)

Wilbur is the manager of Maduna Bed & Breakfast which is popular for its good English breakfast and quality accommodation. He recently received complaints from customers about the poor quality of service rendered by employees. Customers also complained about the complicated process of online bookings.

- 5.7.1 Advise Wilbur on how to apply the PDCA model/cycle as part of continuous improvement of systems and processes to improve the quality of their service. (8)
- 5.7.2 Explain to Wilbur the advantages of implementing a good quality management system in MB&B. (8)
- 5.8 Analyse the impact of continuous skills development as a TQM element on large businesses. (8)

[60]

QUESTION 6: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENT**

- 6.1 Outline how the strategic management process can be applied by businesses. (6)
- 6.2 Justify the effectiveness of the Employment Equity Act (EEA), 1998 (Act 55 of 1998) on businesses. (9)

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- 6.3 State FOUR benefits that are paid out by the Unemployment Insurance Fund (UIF). (4)
- 6.4 Discuss the provisions of the Road Accident Fund (RAF). (4)
- 6.5 Explain the role of personal attitude in successful leadership. (8)

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- 6.6 Read the scenario below and answer the question that follows.

Bret is a project manager for a construction company. His employees are not satisfied about the shortage of resources and unfair workloads. Most employees are frustrated by management's poor decision-making. Stress levels run high because of personal differences.

- Identify THREE possible causes of conflict from the above scenario. (3)
- 6.7 Discuss the FOUR stages of team development. (12)

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- 6.8 Discuss the implications of the Skills Development Act (SDA), 1998 (Act 97 of 1998) on the Human Resources (HR) function. (8)
- 6.9 Explain the impact of Total Quality Management (TQM) if it is poorly implemented by businesses. (6)
- [60]**

TOTAL SECTION B: 180

SECTION C

Answer any TWO questions from this section. 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 ENVIRONMENT (LEGISLATION)

The introduction of the Consumer Protection Act (CPA), 2008 (Act 68 of 2008) forced businesses to change the way they had been conducting business. This Act has a far-reaching impact on how businesses treat consumers when selling their products.

As the chairperson of a local business forum, advise businesses on the following aspects:

- Outline the purpose of the CPA.
- Discuss FOUR consumer rights, as specified in the CPA.
- Evaluate the impact of the CPA on businesses.
- Suggest practical ways in which a business can comply with this Act.

[40]**QUESTION 8: BUSINESS VENTURES (INVESTMENTS)**

It is important for businesses and individuals to handle financial management carefully. One aspect of good financial management is to choose the best investment option. Good options are to buy shares or unit trusts on the JSE.

- Discuss the functions of the JSE.
- Differentiate between *ordinary* and *preference* shares.
- Evaluate shares as an investment option on the following aspects:
 - Return of investment (ROI)
 - Term of investment
 - Risk
- Justify why unit trusts is a good investment option.

[40]

QUESTION 9: BUSINESS ROLES (CORPORATE SOCIAL INVESTMENT)

Businesses have a responsibility to protect the environment and uplift the community by being responsible for their own operations and investing in corporate social investment (CSI) programmes.

Support the above statement by including the following aspects in an essay:

- Describe the nature of corporate social investment (CSI).
- Discuss the relationship between the triple bottom-line and social responsibility.
- Elaborate on the impact of CSI on the community.
- Recommend CSI projects that businesses can focus on to protect the environment.

[40]**QUESTION 10: BUSINESS OPERATIONS (HUMAN RESOURCES)****XIAO PROJECTS LTD. (XPL)**

Xiao Projects Ltd. specialises in road construction. The management is looking for an experienced structural engineer. They want to use the different types of recruitment and apply the correct procedures for selection and induction in order to appoint the most suitable person for the job.

Write an informative essay to the management of XPL including the following aspects:

- Explain the TWO types of recruitment that XPL may use. Mention sources of EACH type of recruitment.
- Advise XPL on the procedure that they should follow during the selection process.
- Discuss the purpose of the induction programme.
- Recommend FIVE aspects that Xiao Projects Ltd. should include in their induction programme.

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