



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

BUSINESS STUDIES

NOVEMBER 2019

MARKS: 300

TIME: 3 hours

This question paper consists of 14 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of **THREE** sections and covers all **FOUR** 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.

Note that **ONLY** the first **THREE** questions in **SECTION B** and the first **TWO** questions in **SECTION C** will be marked.

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

7. Begin the answer to **EACH** question on a **NEW** page, e.g. **QUESTION 1** – new page, **QUESTION 2** – new page.
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 numbers (1.1.1 to 1.1.10) in the ANSWER BOOK, e.g. 1.1.11 D.

1.1.1 The aim of this Act is to protect consumers against unfair reckless lending by businesses:

- A Consumer Protection Act (CPA), 2008 (Act 68 of 2008)
- B Employment Equity Act (EEA), 1998 (Act 55 of 1998)
- C National Credit Act (NCA), 2005 (Act 34 of 2005)
- D Labour Relations Act (LRA), 1995 (Act 66 of 1995)

1.1.2 Teddy Car Manufacturers implemented the ... i when they bought Tail Motors Spares.

- A horizontal
- B intensive
- C forward
- D backward

1.1.3 ABC Paints operate in the ... sector as in the manufacturing of paint.

- A secondary
- B primary
- C tertiary
- D economic

1.1.4 William, the manager of Eden Supermarket, applies the leadership style when delegating tasks to followers without supervision.

- A autocratic
- B bureaucratic
- C laissez-faire/free-reign
- D charismatic

1.1.5 The ... company provides essential services such as water and electricity at reasonable prices.

- A personal liability
- B state-owned
- C public
- D private

- 1.1.6 An example of a non-verbal presentation is information in the form of a / a n ...
- A written report.
 - B data projector.
 - C video conferencing.
 - D oral report.
- 1.1.7 This problem-solving technique requires each employee to first generate his/her own ideas and then share them with members:
- A Brainstorming
 - B Force-field analysis
 - C Empty chair technique
 - D Nominal group technique
- 1.1.8 Goal Ltd contributes towards the well-being of their employees b y
- A giving them the right to freedom of association.
 - B providing recreational facilities.
 - C allowing them longer break intervals despite tight deadlines.
 - D providing transport to all employees regardless of working hours.
- 1.1.9 T h e function ensures reliable capturing and storing of data/ information.
- A purchasing
 - B human resource
 - C administration
 - D production
- 1.1.10 The process of matching a new employee's skills and abilities with the requirements of a job is known as ...
- A placement.
 - B selection.
 - C recruitment.
 - D training.
- (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 numbers (1.2.1 to 1.2.5) in the ANSWER BOOK.

simple interest; quality management; health and safety representative; one and a half of; recruitment; employer; compound interest; double; screening; quality
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- 1.2.1 Ricky received ... h i s ~~rate of pay~~ for working on a public holiday.
- 1.2.2 Thandeka earned ... calculated on the principal amount and accumulated interest.
- 1.2.3 T h e r e s p o n s i b i l ~~provide all the necessary equipment~~ for workers to perform their duties in a favourable work environment.
- 1.2.4 The ability of goods/services to meet the specific needs of customers / clients , i s k n o w n a s
- 1.2.5 Candidates' application forms are checked against the requirements of the job during the ... proc(5x2) (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 numbers (1.3.1 to 1.3.5) in the ANSWER BOOK, e.g. 1.3.6 K.

COLUMN A		COLUMN B	
1.3.1	National Skills Development Strategy	A	applying the code of conduct of a profession
1.3.2	Insurable risk	B	provides for a system of credits that learners receive when they complete learnerships
1.3.3	Ethical behaviour	C	businesses may be insured against losses from changes in fashion and shoplifting
1.3.4	Decision-making	D	workers are paid according to the number of hours spent on a task
1.3.5	Piecemeal	E	a group of people generate alternative solutions and critically evaluate them
		F	provides career guidance and training centres
		G	a senior manager considers all alternatives before choosing the best solution
		H	businesses may be insured against losses from theft and fire
		I	forms part of a code of conduct to guide employees
		J	workers are paid according to the number of items produced

(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, e.g. QUESTION 2 on a NEW page, QUESTION 3 on a NEW page.

QUESTION 2: BUSINESS ENVIRONMENTS

- 2.1 Name THREE types of diversification strategies. (3)
- 2.2 Outline the role of SETAs in supporting the Skills Development Act (SDA), 1998 (Act 97 of 1998). (8)
- 2.3 Identify the leave provision stipulated in the Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997) that Quick Shoe Manufacturers complied with in EACH statement below:
- 2.3.1 Ruth, the secretary, was allowed to stay home for four consecutive months after her baby was born.
- 2.3.2 Ashley, the supervisor, is entitled to take up to 21 days leave per year.
- 2.3.3 John, the financial clerk, was given permission to take three to five days off work to attend to his sick mother.
- 2.3.4 Zodwa, the production manager, brought a medical certificate for taking three days off to recover from flu. (8)
- 2.4 Explain the purpose of the Labour Relations Act (LRA), 1995 (Act 66 of 1995). (8)
- 2.5 Discuss any THREE consumer rights as stipulated in the Consumer Protection Act (CPA), 2008 (Act 68 of 2008). (9)
- 2.6 Read the scenario below and answer the questions that follow.

MEAT MARKET LTD

Meat Market Ltd specialises in supplying fresh meat to customers. The company gave some of its shares to their previously disadvantaged employees. They were also offered learnership programmes.

- 2.6.1 Name the Act that Meat Market Ltd is complying with in the scenario above. (2)
- 2.6.2 Identify TWO pillars of the Act identified in QUESTION 2.6.1 that Meat Market Ltd implemented. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 2.6.2.

PILLARS	MOTIVATION
1.	
2.	

(6)

- 2.7 Explain how the following PESTLE elements/factors may pose challenges to businesses:
- 2.7.1 Economic (4)
- 2.7.2 Social (4)
- 2.8 Suggest practical ways in which businesses may comply with the Employment Equity Act (EEA), 1998 (Act 55 of 1998). (8)
- [60]**

QUESTION 3: BUSINESS VENTURES

- 3.1 State FOUR types of preference shares. (4)
- 3.2 Outline the advantages of unit trusts as a form of investment. (8)
- 3.3 Read the scenario below and answer the questions that follow.

MOUNTAIN HOTEL (MH)

Sihle, the owner of Mountain Hotel, applies the democratic leadership style in managing his employees. He has a positive attitude and knows that there is always more to learn. Sihle models the behaviour that he wants to see in his followers.

- 3.3.1 Quote TWO roles of personal attitude in successful leadership displayed by Sihle in the scenario above. (2)
- 3.3.2 Advise Sihle on the impact of the democratic leadership style on MH as a business. (8)
- 3.4 Discuss the importance of insurance for businesses. (8)
- 3.5 Explain the following factors that may be considered when making investment decisions:
- 3.5.1 Return on investment (4)
- 3.5.2 Liquidity (4)
- 3.6 Read the scenario below and answer the questions that follow.

TOP TRADERS (TT)

Top Traders bought stock worth R400 000, but insured it for R300 000. A fire in the warehouse destroyed stock to the value of R60 000.

- 3.6.1 Name the insurance clause that is applicable to the scenario above. (2)
- 3.6.2 Calculate the amount that Top Traders will receive as compensation from the insurer. Show ALL calculations. (4)
- 3.7 Discuss the advantages of a non-profit company as a form of ownership. (8)
- 3.8 Advise businesses on how *management* and *legislation* could contribute to the success and/or failure of a public company. (8)
- [60]**

QUESTION 4: BUSINESS ROLES

- 4.1 State FOUR steps in problem-solving. (4)
- 4.2 Elaborate on the roles of the health and safety representatives in protecting the workplace environment. (6)
- 4.3 Read the scenario below and answer the question that follows.

NORMAN ACCOUNTING SERVICES (NAS)

The management of Norman Accounting Services employs both males and females. They also encourage older employees to be mentors for young employees to develop their full potential.

Identify TWO diversity issues that are applicable to NAS. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 4.3.

DIVERSITY ISSUES	MOTIVATION
1.	
2.	

- 4.4 Explain how businesses could apply the Delphi-technique to solve business problems. (8)
- 4.5 Discuss the advantages of creative thinking in the workplace. (6)
- 4.6 Read the scenario below and answer the questions that follow.

JUNE TRADERS (JT)

June Traders decided to invest their surplus profit in corporate social investments (CSI) projects. They invested in communities by donating school uniforms. Sporting facilities were also provided by JT to promote a healthy lifestyle.

- 4.6.1 Quote TWO ways in which JT contributed to the well-being of their communities. (2)
- 4.6.2 Discuss the impact of corporate social investment (CSI) on JT as a business. (6)
- 4.7 Explain how businesses can apply the King Code principles of *transparency* and *accountability* to improve their ethical business practices. (8)
- 4.8 Suggest ways in which businesses can deal with the following unethical/unprofessional business practices:
- 4.8.1 Pricing of goods in rural areas (4)
- 4.8.2 Abuse of work time (4)
- 4.9 Advise businesses on how they could promote the cultural rights of employees in the workplace. (6)

[60]

QUESTION 5: BUSINESS OPERATIONS

5.1 Name FOUR methods/sources of external recruitment. (4)

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

KHAN PRIVATE HOSPITAL (KPH) Khan Private Hospital has advertised a vacancy for a nurse. The advertisement includes the following aspects regarding the position: , Applicants must have a diploma in nursing as a minimum requirement. , Responsible for observing patients and giving medication. , Two years' experience in nursing will be an advantage. , Compiling daily reports on the progress of the patients. The advertisement indicates that only shortlisted candidates will be contacted for an interview.
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5.2.1 Quote TWO examples of job description and TWO examples of job specification in the scenario above.

Use the table below as a GUIDE to answer QUESTION 5.2.1.

JOB DESCRIPTION	JOB SPECIFICATION
1.	1.
2.	2.

(4)

5.2.2 Explain the role of the interviewee/applicant during the interview. (8)

5.3 Discuss the implications of the Skills Development Act (SDA), 1998 (Act 97 of 1998) on the human resources function. (6)

5.4 Evaluate the impact of fringe benefits on businesses. (8)

5.5 Elaborate on the meaning of *quality performance*. (4)

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

PURPLE ENTERPRISE (PE) Purple Enterprise is a large retail business that provides a variety of products. They prepare their own accounting records to ensure accurate tax payments. PE responded quickly when one of their clients was not happy with their service.

Identify TWO business functions that are applicable to PE. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 5.6.

BUSINESS FUNCTIONS	MOTIVATION
1.	
2.	

(6)

5.7 Discuss the impact of TQM if poorly implemented by businesses. (8)

- 5.8 Explain the advantages of continuous improvement to processes and systems on large businesses. (6)
- 5.9 Recommend ways in which the quality of performance of the purchasing function could contribute to the success of the business. (6)
- [60]**

QUESTION 6: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

- 6.1 Name THREE types of business environments and state the extent of control businesses have over EACH of these environments.

Use the table below as a GUIDE to answer QUESTION 6.1.

BUSINESS ENVIRONMENTS	EXTENT OF CONTROL
1.	
2.	
3.	

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

LEGEND PROJECTS (LP)
The management provided the Commissioner with false information regarding serious accidents that took place at Legend Projects. They also bribed one of their employees not to report injuries sustained while performing his/her duties.

- 6.2.1 Identify the Act that is applicable in the scenario above. (2)
- 6.2.2 Quote TWO actions that can be regarded as discriminatory according to the Act identified in QUESTION 6.2.1. (2)
- 6.2.3 Advise the management of LP on penalties they could face for non-compliance with the Act identified in QUESTION 6.2.1. (4)

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- 6.3 Identify the types of business investment opportunities that were used by Prime Plumbers in EACH statement below:
- 6.3.1 Prime Plumbers invested R50 000 for six months at 12% interest with a financial institution.
- 6.3.2 Prime Plumbers received dividends for their portion of ownership in Blue Range Ltd. (4)
- 6.4 Outline the functions of the Johannesburg Securities Exchange Ltd (JSE). (6)
- 6.5 Discuss the *situational leadership theory*. (6)

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- 6.6 State TWO criteria for successful team performance. (2)
- 6.7 Explain how businesses could deal with HIV/Aids as a socio-economic issue. (6)
- 6.8 Recommend ways in which businesses could create an environment that stimulates creative thinking in the workplace. (8)

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- 6.9 Name any THREE steps of the PDCA model/cycle. (3)
- 6.10 Read the scenario below and answer the questions that follow.

SKY LTD

Helen has been working for Sky Ltd for the past 30 years. The management terminated her employment contract when she reached the age of 65.

- 6.10.1 Identify the reason why Helen's employment contract was terminated. Motivate your answer by quoting from the scenario above. (3)
- 6.10.2 Explain other reasons for the termination of an employment contract. (4)
- 6.11 Discuss the purpose of induction as a human resources activity. (4)
- [60]**

TOTAL SECTION B: 180

SECTION C

Answer ANY TWO questions in this section.

NOTE: Clearly indicate the QUESTION NUMBER of each question chosen. The answer to EACH question must start on a NEW page, e.g. QUESTION 7 on a NEW page, QUESTION 8 on a NEW page.

QUESTION 7: BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)

Businesses realise the importance of the strategic management process when devising suitable business strategies. Some businesses maintain that Porter's Five Forces model plays an important role in remaining competitive in the market environment.

Write an essay on business strategies in which you include the following aspects:

- , Describe the strategic management process.
- , Discuss the THREE types of defensive strategies that businesses may use to address challenges in the macro environment
- , Explain how businesses could apply Porter's Five Forces model to analyse the market environment.
- , Advise businesses on the steps they should consider when evaluating strategies.

[40]**QUESTION 8: BUSINESS VENTURES (PRESENTATION AND INSURANCE)**

Mr Meyer, a sales representative, planned to make a presentation on the principles of insurance. He decided to use a PowerPoint slideshow to enhance his presentation. However, the presentation was unsuccessful due to his inability to handle feedback in a professional manner.

Keeping the above scenario in mind, write an essay on presentation in which you include the following aspects:

- , Outline the factors that Mr Meyer should consider during his presentation.
- , Discuss any THREE principles of insurance.
- , Evaluate the impact of a PowerPoint presentation.
- , Advise Mr Meyer on how he can improve on his next presentation.

[40]

QUESTION 9: BUSINESS ROLES (TEAM PERFORMANCE AND CONFLICT MANAGEMENT)

Businesses encourage employees to work in teams, which may lead to conflict sometimes. For this reason, it is important for businesses to familiarise themselves with the stages of team development. They should also find ways to deal with conflict and difficult people in the workplace.

Write an essay on team performance and conflict management in which you address the following aspects:

- , Describe FOUR stages of team development.
- , Discuss the causes of conflict in the workplace.
- , Explain how businesses could handle conflict in the workplace.
- , Suggest ways in which businesses could deal with difficult people in the workplace.

[40]**QUESTION 10: BUSINESS OPERATIONS (TOTAL QUALITY MANAGEMENT)**

Total quality management (TQM) enables businesses to strive for continuous growth and customer satisfaction. The effective implementation of TQM elements will enable businesses to keep abreast with changes and to reduce the cost of quality.

Write an essay on total quality management (TQM) in which you address the following aspects:

- , Outline the benefits of a good quality management system.
- , Distinguish between *quality control* and *quality assurance*.
- , Discuss the impact of the following elements of TQM on large businesses:
 - o Total client/customer satisfaction
 - o Continuous skills development
 - o Adequate financing and capacity
- , Suggest ways in which TQM can reduce the cost of quality.

[40]

TOTAL SECTION C: 80
GRAND TOTAL: 300