



education

Department:
Education
REPUBLIC OF SOUTH AFRICA

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

BUSINESS STUDIES

NOVEMBER 2008

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 learning outcomes:

SECTION A: COMPULSORY

SECTION B: Consists of **THREE COMPULSORY** questions.

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.
4. Except where other instructions are given, answers must be written in full sentences.
5. Use the mark allocation and the nature of each question to determine the length of an answer.
6. Use the table below as a guide for marks and time allocation when answering each question.

QUESTION	SECTION	MARKS	TIME
1	A: Multiple-choice questions, True and False, Matching items COMPULSORY	40	30 minutes
2	B: THREE questions COMPULSORY	60	30 minutes
3		60	30 minutes
4		60	30 minutes
5	C: Essay questions Answer any TWO of the four questions.	40	30 minutes
6		40	30 minutes
7		40	30 minutes
8		40	30 minutes
TOTAL		300	180 minutes

7. Start the answer to **EACH** question on a **NEW** page, for example **QUESTION 1** – new page, **QUESTION 2** – new page, et cetera.



SECTION A (COMPULSORY)**QUESTION 1**

1.1 Four possible options are provided as 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 Which ONE of the following is a function of a workplace forum?
- A Ensuring that employers engage in social responsibility programmes
 - B Planning staff functions
 - C Joint participation by employers and employees in labour issues
 - D Negotiating loans on behalf of the enterprise
- 1.1.2 Jane borrows R20 000 from ABSA bank for one year at a rate of 18% p.a. The total amount payable would therefore be ...
- A R36 000.
 - B R3 600.
 - C R20 018.
 - D R23 600.
- 1.1.3 A candidate for a vacant post becomes an employee of the company as soon as the ...
- A employee receives his/her first salary.
 - B employment contract is signed.
 - C interview is concluded.
 - D recruitment agency calls him/her.
- 1.1.4 Frozen Foods (Pty) Ltd decides to add 'Chinese Stir-fry' to their existing product range. The best way to develop the new product will be through ...
- A the employment of more sales personnel.
 - B the sales of the competitors' products.
 - C increasing the product market.
 - D an analysis of the stages of the product development.
- 1.1.5 The business organisation has complete control over the ... environment.
- A market
 - B macro
 - C micro
 - D global



- 1.1.6 This form of ownership stipulates a maximum of ten members:
- A Close corporation
 - B Partnership
 - C Public company
 - D Private company
- 1.1.7 The best way to resolve conflicts is to ...
- A promote the affected worker.
 - B address conflicting issues and solve them.
 - C ignore the affected worker.
 - D transfer the affected worker.
- 1.1.8 An induction programme deals with ...
- A relocating an employee to a new department in a business.
 - B preparing employees for retirement.
 - C preparing staff functions.
 - D introducing new employees and preparing them for their new responsibilities.
- 1.1.9 The process of generating something new that is valuable and useful:
- A Stress management
 - B Creative thinking
 - C Conflict management
 - D Labour relations
- 1.1.10 Who is responsible for the selection of a suitable sales manager of a large company?
- A Chief Executive Officer
 - B Shareholder
 - C Managing Director
 - D Human Resources Manager
- (10 x 2) (20)



- 1.2 Choose a term from COLUMN B that matches a description in COLUMN A. Write only the letter (A – I) 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 Ensures that an amount is paid out to relatives when the insured person dies	A insubordination
1.2.2 Obtain specialists from outside the business enterprise to perform a particular task	B quality control
1.2.3 Resistance to or defiance of authority	C Skills Development Act
1.2.4 Measures to identify, eliminate and prevent deviations from set standards with regard to the production of a product or service	D Employment Equity Act
1.2.5 Compels employers to provide employees with opportunities to acquire new skills	E outsourcing
	F unit trusts
	G life assurance policy
	H shares
	I quality circle

(5 x 2) (10)

- 1.3 Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'true' or 'false' next to the question number (1.3.1 – 1.3.5) in the ANSWER BOOK.

- 1.3.1 Productive teams enjoy open communication.
- 1.3.2 A strategy is a systematic plan of action to achieve the objectives of a business.
- 1.3.3 The Labour Relations Act improves the employment opportunities of disadvantaged skilled workers.
- 1.3.4 The Delphi technique can be used by managers of businesses to solve problems.
- 1.3.5 All government employees are compelled by the Employment Equity Act, 1998 (Act 55 of 1998) to undergo an HIV/Aids test.

(5 x 2) (10)

TOTAL SECTION A: 40

SECTION B (COMPULSORY)**QUESTION 2**

- 2.1 The following questions are based on SETA (Sector Education and Training Authority).
- 2.1.1 Explain the contribution of SETAs towards ensuring that quality skills development takes place. Illustrate by using any TWO examples. (8)
- 2.1.2 Describe how SETAs are funded. (2)
- 2.2 The following questions are based on BBBEE.
- 2.2.1 What do the letters 'BBBEE' stand for? (2)
- 2.2.2 Justify the introduction of the BBBEE Act by explaining any TWO examples. (6)
- 2.2.3 Suggest TWO ways in which the BBBEE Act can be applied to a company that has a large forestry plantation. (4)
- 2.3 For each statement given below, identify the business sector to which it relates and give a reason for your answer.
- 2.3.1 A company that has a large forestry plantation (4)
- 2.3.2 A refinery where coal is processed into petrol (4)
- 2.4 Answer the following questions based on the Employment Equity Act, 1998 (Act 55 of 1998).
- 2.4.1 State the main purpose of the Employment Equity Act. (2)
- 2.4.2 Evaluate the impact of this Act on business operations. (4)
- 2.4.3 Propose TWO ways in which government can contribute to the successful implementation of this Act. (4)



2.5 Read the following case study and answer the questions that follow.

Grinaker-LTA's contribution to the community

Grinaker-LTA strives to ensure that its work benefits as many people as possible whilst providing stability and security for future generations. The Group has committed itself to spending 1% of annual earnings on Corporate Social Investment (CSI).

Significant funds have been committed to the National Business Initiative (NBI), an organisation created to enhance a business's contribution to South Africa's success. The NBI's three main pillars to improve the status of ordinary South Africans are education, economic growth and effective governance.

The group has recently allocated funding for educational material for the Maths Centre for Professional Teachers and the SAICE Schools Bridge-building competition, which aims to increase awareness and interest in the civil engineering profession amongst secondary school learners.

This is in addition to the assistance given to upgrading existing schools and building new schools in both urban and rural areas.

[Adapted from: www.grinaker-lta.com]

- 2.5.1 Identify TWO social responsibility programmes implemented by Grinaker-LTA for the community. (4)
- 2.5.2 Justify Grinaker LTA's decision to spend 1% of their annual earnings on CSI, with regard to both the company and the community. (8)
- 2.6 Umzinto Sugar Ltd has a vacancy for a financial accountant. You are the human resources manager of this company. Outline FOUR steps in the recruitment process that you, as human resources manager, will follow to fill this vacancy. (8)
- [60]**



QUESTION 3

3.1 With reference to ethics and professional behaviour, explain the following in the workplace or in industry. Use an example to illustrate each issue.

3.1.1 Unethical advertising (4)

3.1.2 Sexual harassment (4)

3.2 Read the extract below and answer the question that follows.

Are You Entrepreneurial Material?

Entrepreneurs are ...

1. optimistic and goal-setting people who have a strong focus on results.
2. able to rely on themselves and have a great deal of confidence, determination and dedication to do the best at all times.
3. able to interact effectively with people.
4. positive, pleasant and eager to meet people and satisfy them.
5. inquisitive, intuitive and enjoy new challenges.
6. ambitious and have the ability to judge and act on incomplete information.

[Adapted from: *Succeed*, December 2006]

Analyse any THREE qualities of a successful entrepreneur.
Use the examples from the extract to support your answer.

(12)

3.3 Bongani's General Dealer business is not insured. You are an insurance broker. Bongani approaches you to advise him on insurance. You complete a proposal form for Bongani's business. The monthly premium is calculated at R2 800 on a total value of goods amounting to R2 800 000.

3.3.1 Identify the type of insurance that Bongani needs and give ONE reason why this insurance is beneficial to him. (4)

3.3.2 Bongani states that the premium of R2 800 per month is not within his budget. What advice would you offer? Provide TWO suggestions. (4)



3.4 Study the following scenario and answer the questions that follow.

Investment Opportunities and Returns

Three family members, Bob, Sam and Rina, received R400 000, R200 000 and R300 000 respectively from their deceased grandfather's estate in January 2005.

Bob immediately invested his R400 000 in fixed property in Ballito, a coastal resort in KwaZulu-Natal. In September 2007, the local government gave the go-ahead for the construction of the new King Shaka International Airport and this boosted the demand for residential property in the surrounding area. In December 2007, Bob received an offer of R500 000 from an estate agent and sold his property.

Sam, on the other hand, invested his R200 000 in Gold Reef Shares. He purchased 20 000 shares at R10 each in January 2005. In December 2007 Sam sold all his shares at R20 each.

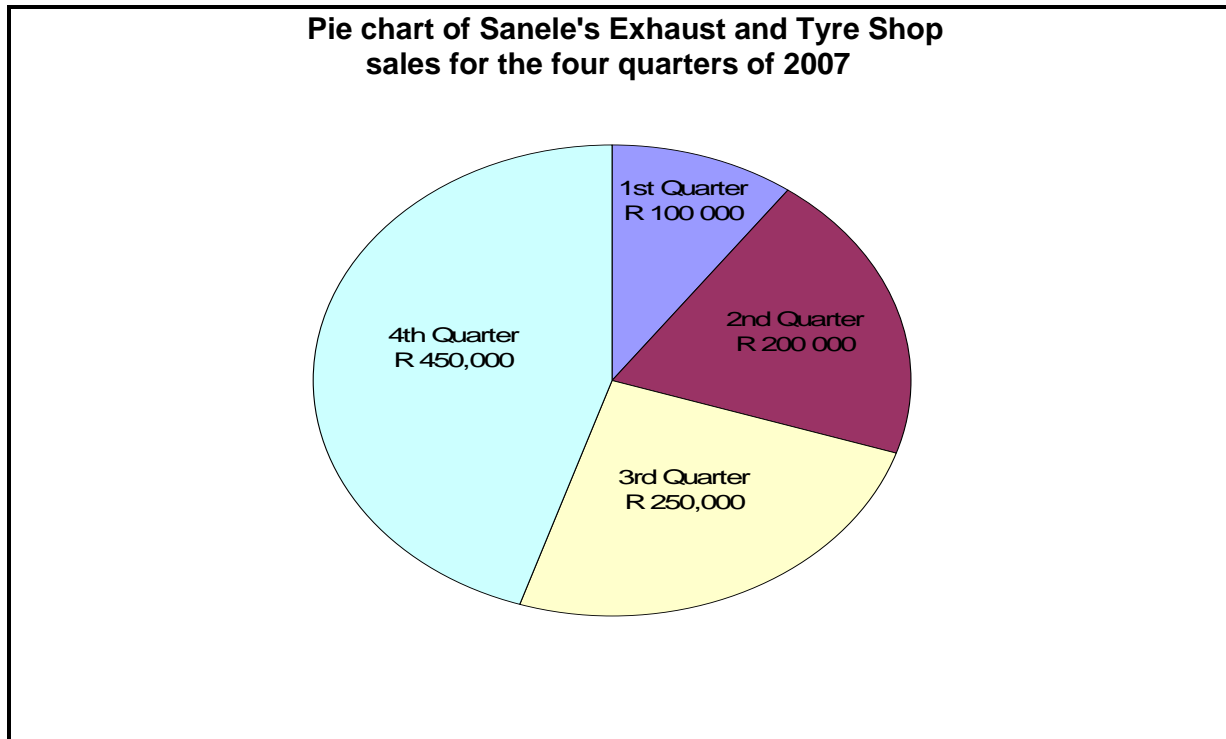
Rina invested her R300 000 for two years in a fixed deposit account at a commercial bank at an interest rate of 15% p.a.

- 3.4.1 Analyse each family member's investment in terms of the risk factor for the two-year period. (6)
- 3.4.2 Determine which investment earned the highest return. Show calculations to substantiate your answer. (10)
- 3.4.3 Name the institution that buys and sells shares in South Africa. (2)
- 3.4.4 Name TWO functions of the institution mentioned in QUESTION 3.4.3. (4)
- 3.4.5 Recommend TWO ways of investing in this institution. (4)



- 3.5 Fanie Botha is an advertising consultant. He is the owner of Advertising Solutions, in Sandton. He wants to promote his advertising business and has invited marketing managers to a presentation.

He makes a presentation based on the sales figures of Sanele's Exhaust and Tyre Shop, which has been a client of his advertising agency for the past two years.



- 3.5.1 Give ONE reason why Fanie used the sales figures of Sanele's Exhaust and Tyre Shop. (2)
- 3.5.2 What, in your opinion, has influenced the sales figures? Motivate your answer. (4)
- [60]**

QUESTION 4

4.1 Read the case study below and answer the questions that follow.

Rainbow Car Sales

Rainbow Car Sales is a well-established car dealership situated in Bisho in the Eastern Cape. This dealership specialises in the sales of new as well as used vehicles. During the past year, Rainbow Car Sales appointed two new workers in the sales department. Both employees were African females. The sales department also has three male employees consisting of two whites and one coloured.

Many of these employees purchased their new vehicles from Rainbow Car Sales. After a few months, the African female employees achieved the best sales figures compared to the previous years.

Based on this performance, one of the African females, Ms Beauty Khuzwayo, was promoted to the position of sales manageress. This caused serious problems within the sales team, where employees grouped themselves on racial lines during the breaks. There was open conflict regarding performance of duties between the sales manageress and staff under her supervision. They did not show cooperation and lacked motivation.

Ms Beauty Khuzwayo printed business cards and visited all the local companies to promote Rainbow Car Sales while the other sales personnel waited for 'walk-in' business. They did not leave the business premises to market Rainbow Car Sales.

Unhappy employees handed a written complaint to management about the promotion and about the negligence of the well-being of employees. They accused management of overlooking senior sales personnel in the promotion process. They requested a written response from management.

- 4.1.1 Describe THREE causes of conflict within Rainbow Car Sales. Use the information from the case study to support your answer. (6)
- 4.1.2 Assume you are the manager of Rainbow Car Sales. List any FIVE steps that you would follow to resolve the conflict. (10)
- 4.1.3 Rainbow Car Sales employees do not belong to a trade union. Advise the employees on whether they should join a trade union. State FOUR reasons to support your decision. (10)
- 4.1.4 Recently, one of the employees of Rainbow Car Sales was dismissed from work. It was alleged that management had accused him of being under the influence of alcohol whilst on duty. The employee was not consulted and had to leave with immediate effect. Give SIX reasons why you consider this dismissal to be unfair. (12)
- 4.1.5 One of the complaints to Rainbow Car Sales was that management did not consider the well-being of its employees in the workplace. Explain any TWO ways in which you would improve this situation. (6)



4.2 Study the following advertisement and answer the questions that follow.

**DEPARTMENT OF WORKS
KWAZULU-NATAL**

**Female persons and people with disabilities are encouraged to apply
to meet the departmental targets on employment equity**

HUMAN RESOURCES PRACTITIONER: PROVISIONING

SALARY: R132 054 per annum
CENTRE: HEAD OFFICE (PIETERMARITZBURG)

REQUIREMENTS:

- A recognised National Diploma in Human Resources Management or equivalent qualification with majors in Human Resources, Personnel Management or Industrial Psychology plus sound knowledge of Human Resources Management OR Senior Certificate with two years' experience in human resources environment.
- A valid code EB driver's licence and computer literacy.

SKILLS:

- Knowledge of Persal system, communication, research and writing skills.
- Knowledge of prescripts governing Human Resources in the public service, ability to interpret prescripts and relevant legislation.
- Analytical thinking and conflict resolution skills.
- Good administration skills.

KEY PERFORMANCE AREAS:

- Coordinate recruitment process.
- Prepare submissions to top management for filling vacant posts.
- Give advice and assistance to Regional Offices on matters pertaining to provisioning and related policies.
- Develop and ensure adherence as well as proper implementation of all Human Resources provisioning policies.
- Conduct job evaluation within the Department.
- Give input to Human Resources Planning.

ENQUIRIES: Ms CG Sikhakhane Tel. 033 897 6383

THE PROVINCIAL ADMINISTRATION: KWAZULU-NATAL IS AN EQUAL OPPORTUNITY, AFFIRMATIVE ACTION EMPLOYER.

Applications must be submitted on the prescribed Z83 form, obtainable from any Public Service department and must be accompanied by a comprehensive curriculum vitae. Certified copies of qualifications, ID and driver's licence to be attached.

Applications that do not comply with the above instruction will be disqualified. Faxed copies will not be considered.

Direct your application and the name of the publication in which you saw the advertisement to: Head: Works, Private Bag X9142, Pietermaritzburg, 3200, clearly marked for the attention of Mr IM Meyiwa.

Candidates are advised not to send their applications through registered mail as the Department will not take responsibility for non-collection of these applications.

Please note that due to the large number of applications we envisage receiving, applications will not be acknowledged. Should you not be advised by this office within three (3) months of the closing date of this advertisement, kindly consider your application unsuccessful.

It is the applicant's responsibility to have foreign qualifications assessed for equivalence by the South African Qualifications Authority (SAQA).

CLOSING DATE: 7 SEPTEMBER 2007

[Adapted from: *Career Alliance*, 28 Aug. – 3 Sept. 2007]



- 4.2.1 State the job title. (2)
- 4.2.2 Assume you are applying for this position. Name any TWO significant aspects that are of relevance to you. Give reasons for your answer. (6)
- 4.2.3 Calculate the monthly gross salary for the advertised position. (4)
- 4.2.4 How does this advertisement comply with the government's initiative of inclusivity? Give TWO reasons for your answer. (4)
- [60]**

TOTAL SECTION B: 180



SECTION C

Answer any TWO of the four questions in this section.

QUESTION 5

Read the following case study and answer the question that follows on the next page.

Gugulethu Furniture Manufacturers

Gugulethu Furniture Manufacturers is situated near Cape Town. The entrepreneur receives his income by selling manufactured household furniture such as tables, chairs and kitchen units which are sold to consumers in the Western Cape. Recently, management has noticed that sales have declined. The entrepreneur holds a meeting between management and workers on 22 September 2008

The workers make the following input:

1. Employees are unhappy with management because there is no trade union to take up labour grievances with management.
2. Employees state that cheap imports of household furniture are affecting the company and will, in the future, affect their employment.
3. Workers receive no medical attention or support for those infected with HIV/Aids.
4. Workers complain about the noise levels of the machinery which affect their hearing.

Management states the following:

1. Veld fires during the dry winter season had a serious impact on the supply of raw materials which hampered production.
2. The new Credit Act had a negative effect on credit applications and many of the clients did not meet the minimum requirements.
3. Gugulethu Furniture Manufacturers secured a loan of R500 000 from African Bank at 16% interest p.a. The monthly repayment has increased as a result of a higher interest rate.
4. Sales personnel are not presenting manufactured items for sale persuasively enough.
5. Recently, a competent employee resigned from the factory and opened his own furniture manufacturing business in Gugulethu, which is situated (located) five kilometres away.

Identify the challenges raised and classify them according to the THREE business environments. Suggest practical ways or strategies that this manufacturer can use to control or overcome these challenges. Make recommendations to Gugulethu Furniture Manufacturers on whether it should continue to operate in this sector.

[40]



QUESTION 6

Various criteria influence the success or failure of a business enterprise. Potential business people must give due consideration to these criteria when choosing the form of ownership.

Discuss the impact of capital, management, division of profits and legislation as factors that can contribute to the success or the failure of a sole trader and a close corporation.

Based on the above factors, make a recommendation regarding type of ownership to an entrepreneur starting a small business selling shoes. Justify your recommendation.

[40]**QUESTION 7**

In South Africa, many business people are highly successful in their business ventures. This can be attributed to the different management and leadership styles adopted by them in their particular business organisation.

Briefly distinguish between management and leadership and then discuss THREE different management and leadership styles that bring outstanding success to the business. Use examples to explain the application of these styles in the workplace.

[40]**QUESTION 8**

Jabula Supermarket has certain business and management functions which are performed by the managers of the various departments within the organisation. At the annual general meeting, Mr N Nkosi, as general manager, reported that the quality of performance within these business functions can contribute significantly to the success

Identify and discuss any FIVE business functions. Analyse how the quality of performance of these functions can contribute towards making the business more profitable. Include in your answer whether you agree with Mr Nkosi's statement.

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