



# basic education

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Department:  
Basic Education  
**REPUBLIC OF SOUTH AFRICA**

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**BUSINESS STUDIES**

**NOVEMBER 2017**

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

1.1.1 The role of SETAs is to ...

- A train employees.
- B contribute 2% of their income to SARS.
- C eliminate discrimination in the workplace.
- D appoint accredited service providers.

1.1.2 This Act prevents unfair marketing practices:

- A Basic Conditions of Employment Act, 1997 (Act 75 of 1997)
- B Consumer Protection Act, 2008 (Act 68 of 2008)
- C Labour Relations Act, 1995 (Act 66 of 1995)
- D National Credit Act, 2005 (Act 34 of 2005)

1.1.3 A ... is the invitation by a company to the public to buy shares.

- A prospectus
- B share
- C dividend
- D debenture

1.1.4 The ... leadership theory encourages followers to accept immediate change in the workplace.

- A situational
- B leaders and followers
- C transformational
- D trait

1.1.5 A visual presentation of a set of sales figures shown as a series of rectangles:

- A Line graph
- B Bar graph
- C Table
- D Diagram

- 1.1.6 Thembi allows Joyce time to speak in an angry manner without attacking her. This is an example of dealing with a(n) ... personality.
- A complaining
  - B quiet
  - C expert
  - D aggressive
- 1.1.7 A business contributes towards the well-being of its employees by ...
- A providing recreational facilities.
  - B allowing them to work overtime without pay.
  - C encouraging those who are not physically fit for work to resign.
  - D excluding them from decision-making.
- 1.1.8 Which ONE of the following aspects is NOT included in an induction programme?
- A Introduction to senior management and close colleagues
  - B Information about the products of the business
  - C Overview of the business
  - D Counselling sessions
- 1.1.9 Businesses use quality ... to direct key processes so that the correct quality standards are met.
- A control
  - B management systems
  - C assurance
  - D performance
- 1.1.10 The ... procedure matches the requirements of a post with the strengths of a candidate.
- A remuneration
  - B recruitment
  - C placement
  - D induction
- (10 x 2) (20)

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

RSA Retail Savings Bonds; macro-; backward; norming; continuous improvement to processes and systems; micro-; horizontal; performing; management by facts; forward
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- 1.2.1 The business has no control over the ... environment.
- 1.2.2 A minimum of R1 000 is required to invest in ...
- 1.2.3 During the ... stage of team development, team members are motivated to work towards a common goal.
- 1.2.4 The TQM element of ... includes the application of the PDCA model.
- 1.2.5 Chunky Cheese Ltd chose the ... integration strategy when they took over Daisy Dairy Farm. (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	Creative thinking	A	provides training material for facilitators
1.3.2	National Skills Development Strategy	B	uses routine methods to solve problems
1.3.3	Production function	C	change in technology
1.3.4	Non-insurable risk	D	developing a moral compass for decision-making
1.3.5	Professionalism	E	improves access to training programmes
		F	selects reliable suppliers of raw materials
		G	property damage by natural disasters
		H	manufactures goods according to customers' specifications
		I	upholds the reputation of a business
		J	uses non-routine methods to solve problems

(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 ENVIRONMENTS**

- 2.1 Name THREE types of business sectors. (3)
- 2.2 Outline any FOUR steps in the development of a strategy. (8)
- 2.3 Read the scenario below and answer the questions that follow.

**MARTHA & JANE FURNITURE (MJF)**

Martha & Jane Furniture specialise in selling office furniture. The profitability of the business has decreased due to high inflation rates and low income levels of customers. MJF had to pay a hefty (heavy) fine because they did not renew their trading licence in time.

Redraw the table below in the ANSWER BOOK and then answer the questions that follow.

CHALLENGES (2.3.1)	PESTLE ELEMENT (2.3.2)	RECOMMENDATIONS (2.3.3)
(a)		
(b)		
(c)		

- 2.3.1 Quote THREE challenges for MJF from the scenario above. (3)
- 2.3.2 Identify the PESTLE element that links to EACH challenge, as quoted in QUESTION 2.3.1. (6)
- 2.3.3 Recommend ONE way in which MJF can deal with EACH challenge, as identified in QUESTION 2.3.1. (6)
- 2.4 Discuss THREE types of defensive strategies. (9)
- 2.5 Explain how businesses could apply the following forces from the Porter's Five Forces model:
  - 2.5.1 Bargaining power of buyers/Buyer power (4)
  - 2.5.2 Competitive rivalry (4)

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

**JOKO TRENDY BAGS (JTB)**

Joko Trendy Bags design and manufacture fashionable handbags. They employ 50 workers, who are allowed to join a trade union of their choice. The management of JTB resolves work-related disputes through statutory conciliation, mediation and arbitration.

2.6.1 Identify the Act that applies to JTB. Quote from the scenario above to support your answer. (3)

2.6.2 Discuss the negative impact of the Act identified in QUESTION 2.6.1 on JTB as a business. (8)

2.7 Suggest THREE practical ways in which businesses can comply with the National Credit Act (NCA), 2005 (Act 34 of 2005). (6)  
**[60]**

**QUESTION 3: BUSINESS VENTURES**

3.1 Name FIVE factors that could be considered when making investment decisions. (5)

3.2 Outline FOUR rights of preference shareholders. (8)

3.3 Identify the leadership style applied by Kobus Limited in EACH case below.

3.3.1 Employees are allowed to make their own decisions as long as they do not violate the company's policies. (2)

3.3.2 Employees are requested to give inputs during planning sessions. (2)

3.3.3 Employees are rewarded for meeting sales targets and punished for not meeting deadlines. (2)

3.4 Explain the role of personal attitude in successful leadership. (6)

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

**KADIJAH PRINTERS (PTY) LTD (KP)**

Kadijah Printers (Pty) Ltd needed large amounts of capital for expansion. Their management decided to convert the company into another type of company, so that they would be able to sell shares to the public on the JSE.

3.5.1 Identify the form of ownership of Kadijah Printers (Pty) Ltd before they were converted to another type of company. Motivate your answer. (3)

3.5.2 Explain the functions of the JSE where KP can sell their shares. (10)



- 3.6 Thabo has to prepare a business presentation to management.
    - 3.6.1 Discuss the factors that Thabo should consider before doing his presentation. (8)
    - 3.6.2 Advise Thabo on aspects to be considered when designing a multimedia presentation. (6)
  - 3.7 Motivate why a state-owned company (SOC) is important. (8)
- [60]**

**QUESTION 4: BUSINESS ROLES**

- 4.1 Name FIVE components of corporate social responsibility (CSR). (5)
- 4.2 Discuss the benefits of corporate social investment (CSI) for businesses. (8)
- 4.3 Distinguish between *corporate social responsibility (CSR)* and *corporate social investment (CSI)*. (4)
- 4.4 Read the scenario below and answer the questions that follow.

**SIBIYA CASH AND CARRY (SCC)**

Some employees of Sibiya Cash and Carry downloaded music and movies using the business Internet. Cindy, a manager, promised Anton a promotion if he agreed to have a relationship with her.

Redraw the table below in the ANSWER BOOK and then answer the questions that follow.

UNETHICAL BUSINESS PRACTICES (4.4.1)	TYPES (4.4.2)	SUGGESTIONS (4.4.3)
(a)		
(b)		

- 4.4.1 Quote TWO unethical business practices from the scenario above. (2)
- 4.4.2 Identify the type of unethical business practice for EACH ONE quoted in QUESTION 4.4.1. (4)
- 4.4.3 Suggest practical ways that SCC could introduce to deal with the unethical business practices identified in QUESTION 4.4.2. (8)
- 4.5 Describe THREE criteria for assessing successful team performance. (9)

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

**SMOOTH FURNITURE LTD (SF)**

Smooth Furniture Ltd wanted to change the design of some of their furniture. Employees were requested to suggest new ideas in a large group without working individually. These ideas were used to inspire new thoughts. The management of SF evaluated the advantages and disadvantages of each idea.

4.6.1 Identify TWO problem-solving techniques used by Smooth Furniture Ltd. Quote from the scenario above to support your answer. (6)

4.6.2 Discuss the advantages of ONE problem-solving technique identified in QUESTION 4.6.1. (4)

4.7 Mr Cloete was treated unfairly in the workplace and decided to stay away from work. Advise Mr Cloete on the correct procedure to deal with his grievance. (10)  
**[60]**

**QUESTION 5: BUSINESS OPERATIONS**

5.1 State FOUR aspects that should be included in the employment contract. (4)

5.2 Outline the selection procedure as an activity of the human resources function. (8)

5.3 Read the job advertisement below and answer the questions that follow.

**VACANCY: FINANCIAL MANAGEMENT**

<i>Job title:</i>	Municipal financial manager
<i>Qualifications:</i>	BCom degree
<i>Experience:</i>	At least six years' financial management at middle level
<i>Key performance areas:</i>	Prepare budgets and manage income and expenditure
<i>Total package:</i>	R353 920 per annum
<i>Other:</i>	Pension fund, medical aid fund and housing subsidy

5.3.1 Identify TWO examples of job description and TWO examples of job specification in the advertisement above. (4)

5.3.2 Give TWO examples of fringe benefits in the scenario above. (2)

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

5.4 Distinguish between the *piecemeal* and the *time-related* method of salary determination. (4)

5.5 Describe any FOUR quality indicators of the purchasing function. (8)

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

**COCO FRUIT LTD (CFL)**

Coco Fruit Ltd supplies fruit juices. Speedy Supermarket complained to CFL that the juices go sour soon after delivery.

Investigations at CFL revealed that most of their employees are not trained properly, equipment is outdated, an effective organisational structure is not in place and management is ignoring issues. Speedy Supermarket decided to change to another supplier.

- 5.6.1 Quote FOUR reasons from the scenario why Speedy Supermarket changed to another supplier. (4)
- 5.6.2 Explain to CFL the advantages of monitoring and evaluating quality processes as an element of total quality management (TQM). (6)
- 5.6.3 Advise CFL on the benefits of a good quality management system. (8)

5.7 Discuss the importance of quality circles in TQM. (4)  
**[60]**

**QUESTION 6: MISCELLANEOUS TOPICS**

**BUSINESS ENVIRONMENTS**

- 6.1 Identify the provision of the Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997) that Faaried Bakeries complied with in EACH case below.
- 6.1.1 Employees are required to work eight hours a day for six days.
- 6.1.2 One of the male employees took three days' leave after the birth of his child.
- 6.1.3 Employees are allowed to take a 60-minute break after working for five hours.
- 6.1.4 Management does not employ workers who are younger than 16 years old.
- 6.1.5 Employees are generally not allowed to work more than ten hours extra a week. (10)
- 6.2 Explain the advantages of intensive strategies in addressing business challenges. (6)

**BUSINESS VENTURES**

- 6.3 Tabulate the differences between *compound interest* and *simple interest*. (8)
- 6.4 Read the scenario below and answer the questions that follow.

**DITSEPE & SONS TRADING (DST)**

Ditsepe & Sons Trading is a successful partnership, but the partners want to change to a form of ownership where it will be compulsory to audit financial reports.

- 6.4.1 Name a new form of ownership that will be suitable for DST. (2)
- 6.4.2 Discuss the advantages of the form of ownership named in QUESTION 6.4.1. (6)

**BUSINESS ROLES**

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

**LIZEL CLOTHING MANUFACTURER (LCM)**

The management of Lizel Clothing Manufacturer has appointed health and safety representatives. They will be responsible for checking the effectiveness of LCM's health and safety measures and for identifying potential dangers in the workplace.

- 6.5.1 Quote TWO roles of the health and safety representatives from the scenario above. (2)
- 6.5.2 Describe TWO other roles of health and safety representatives in the workplace. (4)
- 6.5.3 Explain the responsibilities of workers in promoting human health and safety in the workplace. (4)
- 6.5.4 Recommend TWO ways in which LCM can protect the environment and human health. (4)

**BUSINESS OPERATIONS**

- 6.6 Identify the total quality management (TQM) element applied by Imvelo Logistics in EACH case below.
- 6.6.1 Regular market research is conducted to determine the needs of consumers.
- 6.6.2 Sufficient capital and equipment are available to render quality service.
- 6.6.3 Employees are regularly trained to use the latest technology.
- 6.6.4 The CEO participates in decision-making at all levels of the company. (8)
- 6.7 Discuss the negative impact on businesses if TQM is poorly implemented. (6)
- [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, for example QUESTION 7 on a NEW page, QUESTION 8 on a NEW page, et cetera.

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

The Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003) (amended in 2013) was introduced to overcome the challenges of Black Economic Empowerment (BEE). Businesses are now compelled to comply with this Act. The government also uses the Skills Development Act (SDA), 1998 (Act 97 of 1998) to support the implementation of the BBBEE.

You specialise in guiding businesses in the implementation of the BBBEE. Write an essay on the following aspects:

- Distinguish between *BEE* and *BBBEE*.
- Evaluate the impact of BBBEE on businesses.
- Discuss the implications of ownership, management and ESD (enterprise and supplier development) as BBBEE pillars of businesses.
- Analyse the effectiveness of the SDA in supporting the successful implementation of the BBBEE.

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

Insurance companies offer a variety of insurance products that are vital to businesses. Some businesses argue that insurance and assurance decrease their profit, while others feel that insurance products provide peace of mind for any eventuality. Businesses are also required to contribute to compulsory insurance.

With reference to the scenario above, write an essay on the following aspects:

- Distinguish between *insurance* and *assurance*.
- Discuss the THREE types of compulsory insurance.
- Elaborate on the meaning of the average clause and explain how it is calculated.
- Evaluate the positive impact of insurance on businesses.

**[40]**

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

Businesses are not only required to observe human and cultural rights in the workplace, but also to ensure that the workplace is diverse and inclusive. Many businesses respect and uphold the Constitution of South Africa.

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

- Discuss the implications of the following human rights in the workplace:
  - Privacy
  - Equity
  - Freedom of speech and expression
  - Information
- Explain how businesses could deal with any THREE diversity issues in the workplace.
- Elaborate on the benefits of diversity in the workplace.
- Recommend ways in which businesses could promote cultural rights in the workplace.

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

Human resources managers invest a lot of time, effort and funds to recruit and select the best employees. They realise that their goals and objectives can only be achieved by employing skilled and qualified employees. They are also mindful of the fact that their recruitment policies need to comply with the Employment Equity Act (EEA), 1998 (Act 55 of 1998).

Provide a detailed account of the following human resources aspects:

- Explain the meaning of *recruitment*.
- Analyse the impact of external recruitment on businesses.
- Discuss the role of the interviewer and the interviewee during the interview.
- Suggest ways in which the human resources function could comply with the EEA.

**[40]**

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