



**education**

**DEPARTMENT: EDUCATION  
MPUMALANGA PROVINCE**

**BUSINESS STUDIES SUPPORT GUIDE FOR  
LEARNERS**

**EXAMINATION HINTS  
AND  
PRACTICE QUESTIONS AND ANSWERS**

**2017**



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1. Some helpful hints and a step by step walk into the examination room and how to approach your final examination paper

## EXAMINATION TIME!

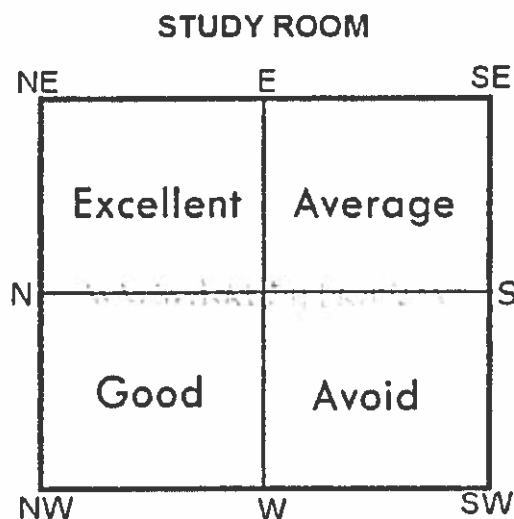
!



**‘THIS IS YOUR CHANCE TO  
CHANGE THE REST OF YOUR  
LIFE....MAKE USE OF IT!!’**

THE QUESTION IS ?????

**WHAT CAN I DO TO MAKE SURE I CAN WRITE THE LAST BUSINESS  
STUDIES PAPER BEFORE MY NEW LIFE STARTS?**



**HINT.....!**

**START BY HAVING YOUR OWN LITTLE CORNER AND ASK YOUR  
FAMILY TO SUPPORT YOU IN YOUR STUDIES**

**WORK OUT A STUDY TABLE AND STUDY 45 MINUTES THEN TAKE A 10 MINUTE BREAK**



**Get up and TACKLE YOUR NEXT STUDY SESSION WITH CALMNESS.....PURPOSE.....A WILL TO LEARN!!!**

## **2. Guidelines for answering the Business Studies Question paper from the National Examination Guideline for Business Studies**

**USE THE BUSINESS STUDIES EXAMINATION GUIDELINES 2015 AS A CHECKLIST TO ENSURE THAT YOU COVERED ALL TOPICS THAT CAN BE ASSESSED IN BUSINESS STUDIES**

### **● FOLLOW THE FORMAT OF THE BUSINESS STUDIES PAPER**

- Make sure that you know the structure/format of your paper.

**A brief outline:**

The paper is out of **300 marks**

You will have **3 hours** to complete the paper

The paper consists of 3 Sections:

Section A: Question 1:

Compulsory Short questions

Can be multiple choice, choose the correct word in brackets, matching columns or any other short question.

**SECTION B: In this section you MUST choose ANY 3 (THREE)  
QUESTIONS FROM A GIVEN 5 QUESTIONS**

**MARKS FOR SECTION B: 180 MARKS**

**You must choose between:**

Question 2: Main Topic 1- Business Environments

Question 3: Main Topic 2 - Business Ventures

Question 4: Main Topic 3 - Business Roles

Question 5: Main Topic 4 - Business Operations

Question 6: Miscellaneous which means a mix of questions  
equally from Main topic 1,2,3 and 4

To be able to make the best choices you must use the 10 minutes **reading time** when you receive your paper to **decide which 3 questions** you will be the best at.

**Important:** Make your decision and **STICK** to your decision. **DO NOT** waste time when the clock starts to change your choice!!

This will cost you marks!! Even if you do not answer one of the shorter questions too well **STICK** to your choice!! You simply do not have time to change.

**REMEMBER: ONLY WRITE THE REQUIRED 3 ANSWERS FOR SECTION B. ONLY THE FIRST 3 QUESTIONS OF SECTION B WILL BE MARKED!!! (IF,... ONLY IF...YOU CHANGE YOUR QUESTIONS NUMBER YOUR QUESTIONS VERY CLEARLY AND CANCEL THE ONE THAT YOU DO NOT WANT TO BE MARKED)**

## **SECTION C: ANSWER ONLY 2 QUESTIONS (FROM THE GIVEN 4 QUESTIONS)**

**You will have 2 choices from 4 questions.**

Apply the same rule as for Section B.

**Make your choice** during your **reading time** and **STICK** to your choice.

When answering your Essay questions:

**Remember:** A **SAME** fact that you write down in the introduction will not be marked again in the body or conclusion

### **NOW YOU ARE GOING TO START WRITING!**

YOU HAVE MADE YOUR CHOICES AND THE INVIGILATOR TEACHER SAYS ....'YOU MAY START'

SO BE READY AND MAKE BEST USE OF YOU KNOWLEDGE, TIME AND CONFIDENCE IN YOUR HARD WORK.

**Remember to number your questions clearly. If you number incorrectly your questions will NOT be marked!!!**

### **IMPORTANT: WHAT MUST I NOT DO?**

When starting a question make space for all sub-questions before starting a next question e.g.:

Do **NOT** answer in the following way:

**Question 2:**

2.3 xxxxx

2.4 xxxxx

2.5 xxxxx



**Question 3**

3.1 xxxx

3.2 xxxx

2.1 xxxx

2.2 xxxx

3.3 xxxx

**Question 4**

4.1

4.2

4.3

3.4

3.5

**CORRECT WAY OF ANSWERING**

**Section B.**

**Question 2.**

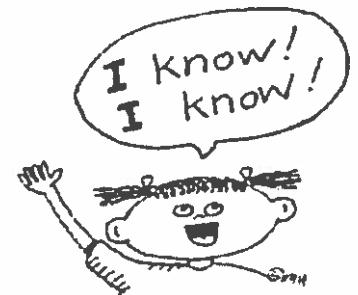
2.1 Leave a space for answering later

2.2 Leave a space for answering later

2.3 xxxxx

2.4 xxxxx

2.5 xxxxx



2.1 Space for answering later

## 2.2 Space for answering later

### MORE VALUABLE HINTS ON ANSWERING A BUSINESS STUDIES QUESTION PAPER

- It is recommended that you start answering **Section A: Question 1**  
**Remember you can get a definite 40 marks from this section!**

To prepare for this section you must

- Read and understand the statement/question given before you choose your answer.
- know your work really well
- answer as many previous question papers possible as well as answer practice questions in your textbook
- these questions will cover all your topics throughOUT the year.

- Try your best in this section.



### VERY IMPORTANT!!!!

- **TIME** – be aware of time. Think wise, number correctly.
- **WRITE** clearly. Do not scratch out. Draw a neat line through an answer you want to cancel. Answer in full sentences when required. Explain using relevant facts/points.
- **Write complete answers to a specific question.** When choosing Question 2. Do not start with 2.1, 2.2 and leave 2.3 out and answer it anywhere in the scripts for example behind Question 3. Rather leave a space for 2.3 and come back to the answer later.
- Follow the mark allocation and time allocated to a question in the front of the question paper. This serves as a guide to keep time and to complete your paper in time.
- Read all question carefully. If the question is not clear to you take a few minutes to read it again.
- Do not just write any answer you know when you see a topic you know. Read what is required about the topic then answer. If you write an answer you have memorized from a previous paper you will **NOT** benefit because many questions can be asked from the same topic.



- **In 2.2 below** is the Summary/format of the formal end-of-the-year Examination question paper for Business Studies extracted from the National Examination Guideline.
- Please take note of the cognitive levels that can be expected in the different sections.
- **In 2.3 Below** is the Classification of Sub-topics according to Main Topics. When Studying take note of which sub-topics belong to which Main Topics. This can make your choice easier when choosing questions for Section B and C. Remember that for Section A, a mixture of the different Main and Sub-topics will be asked.
- Guidelines for answering the Business Question paper from the National Examination Guideline for Business Studies must be used by the teacher when revising for the examination.
- At the end of this guide is a GLOSSARY of Business Studies concepts and terms that can help you to study. Remember these are only some but should be used as a guide to set up your own glossary when studying.
- Ensure that at the end of this revision the empty glossary spaces are completed and add lines if you still have other terms/concepts/terminology/definitions that you need to list.

## EXAMINATION TECHNIQUES FOR BUSINESS STUDIES

Apply of the pillars of English in Business Studies when writing an examination – the Planning and the Writing after Reading Questions from the Question paper

### Essay writing in Business Studies (SECTION C IN THE FORMAT OF THE END OF THE YEAR QUESTION PAPER)

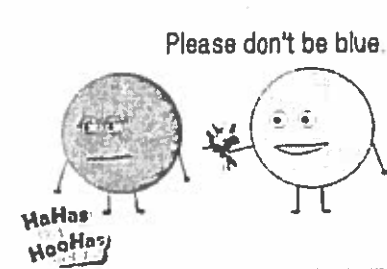
#### ESSAY TYPE QUESTIONS CONSIST OF:

1. An introduction
2. Body – Main content section: make use of heading, sub headings and paragraphs
3. Recommendation – when the question requires this only, write this as a new paragraph

#### USEFUL HINTS

- Make sure you use the layout of essay, correct grammar, use of heading, sub-headings, paragraphs and creative writing using subject knowledge.

- Marks (8), are allocated for the layout and structure, analysis, synthesis and the originality of the application which will be incorporated in the format for essay questions.
- Please note:
- The more you practice the writing of different questions the better you will perform in the final examination!



## EXAMINATION TECHNIQUES

- Different main-topics and sub-topics can be combined within one question
- Look for the verb(s) in the question:
  - Mention/List/Name/Suggest/Identify/Describe – give direct answers without discussions
  - Examples of these questions:
- Section B type questions e.g.

write down the full term for the abbreviations BBBEE. (2)

State 6 functions of the trade unions

Describe 5 characteristics of a successful team.(10)

- Discuss/Evaluate/Analyse – give more information on the fact(s) you have mentioned in List/Name type questions

- Examples of essay type questions:

- Describe the principles of ethical and professional behaviours. Evaluate the issues that pose challenges to the business environment in terms of ethical and professional behaviour and comment on its application in the business enterprise.
- ✓ Answering an essay question:

- ✓ **Before** Answering the question:

- **READ** and **UNDERSTAND** the question
- **Underline the verbs** – usually gives you the sub-headings in the main content section of the essay.

- **Describe** .....motivate....discuss.....motivate.....compare using examples.....evaluate.....comment.....suggest?????

## LINK

The question to the relevant content. AND decide what must be done with the content information.

Must I Discuss concepts?

Must I motivate concepts and/or give examples? Can I give examples?

Must I **Evaluate** the issues of the topics.....

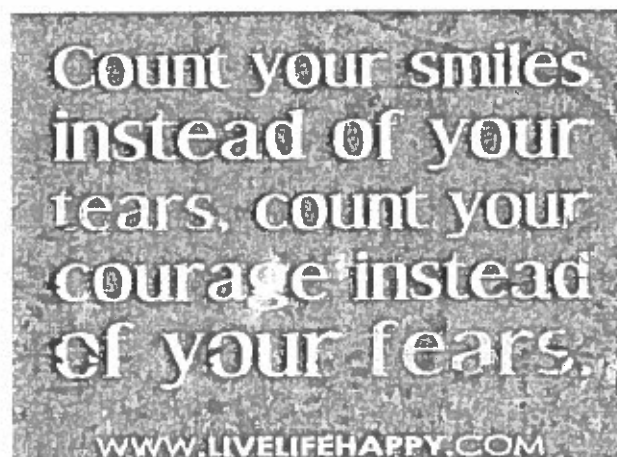
Can/must I **Comment** on the issues of the question raised???.....

If I analyse what are my decision/s/conclusion/s based on the facts given and discussion?

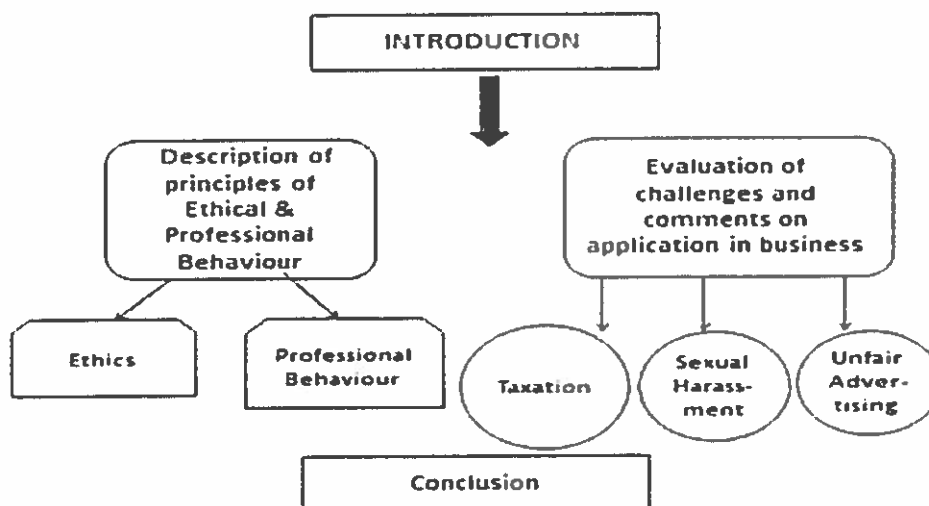
The main content section will now consist of three sections, namely

### ➤ **Start the essay with an introduction**

- Write two sentences introducing the topic/zoom into the question
- Use the verbs to separate your main content section into heading/sub-headings.
- Put enough flesh(explanation) into each paragraph by providing enough information to answer the question(s).
- Use a planning grid like for an English essay to prepare for the writing of the essay. See the planning grid below.



## EXAMPLE OF A PLANNING GRID



- Using the planning grid as reference, compile your answer.
- **Remember! Write in full sentences and answer the question. Do not write nonsensical sentences.**
- Determine if it is necessary to make recommendations or comments. If so, include another paragraph starting with: 'I recommend that .....
- Facts: Marks allocated to the introduction, main content section, recommendations (where required) and conclusion, to a maximum of 32 marks.
- Insight Marks will be awarded as follows:

**INSIGHT MARKS ARE ALLOCATED AS INDICATED IN THE TABLE BELOW WITH CAN ALSO BE REFERRED TO AS \*LASO MARKS – Layout, Analysis, Sythesis, Originality**

Content	Marks
Layout/Structure (Is there an introduction, main content sections using paragraphs and conclusion; is there a logical flow/link in the discussion?)	2
Analysis (refer to planning grid) Learners' ability to break down/make meaning of the question to show understanding of what is being asked)	2
Synthesis Combination of facts to come to an conclusion. What parts are to the questions would you have included in the questions?	2
Originality Examples, recent information, current trends and developments infused in your answer	2
Total marks for insight	8

**\*Please take note of the descriptions of each**

## **ESSAY ANSWER AN EXAMPLE OUTLINE**

**INTRODUCTION** (Share your ideas on this topic to interest and prepare the reader/marker that is going to read/mark your essay)

- Enterprises realise that they cannot exist in isolation, but interact with the various environments.
- Codes of practice have been developed to ensure that these issues are being addressed/

**CONTENTS** (Write down your headings and sub-topics you are going to elaborate on in the contents)

- Description of concepts/principles

Ethics refer to a set of values that are morally acceptable in society which define right, good and fair actions.

- Business ethics refers to rules and principles which influence the best business practice
- Professional behaviours:
- This is a set of standards of expected practices for example treating people with respect. Specific occupational practices have developed their own code of professionalism
- Taxation is a practical example of challenges businesses are faced with. Professional behaviour for business with regards to taxation would be not to evade paying tax which the government regards as revenue to provide essential services such as housing, education, medical care and infrastructure development. Tax evasion is illegal in South Africa and is regarded as a crime and a punishable offence with a fine or even a prison sentence.
- Tax collection has improved and exceeded budget expectations due to the implementation of the SAP system.
  
- Other challenges are sexual harassment, unfair advertising, unauthorized use of funds, abuse of working time and other factors (name and discuss them)
  
- **CONCLUSION (After your discussions and elaboration under the contents make**
- Policies and legislation which have been implemented must be continually monitored
- And improved to lead to a successful business.

**NOTE: Each challenge must be discussed in the same way as taxation.  
Remember to score insight marks and try to provide examples.**

## **ESSAY QUESTIONS TO PRACTICE**

### **Question 1:**

**Legislation in South Africa makes provision for THREE types of compulsory insurance which provided security and indemnity for claimants**

### **WHAT TO INCLUDE IN YOUR ANSWER**

Give a detailed explanation of the key provisions of any TWO compulsory insurance.

Distinguish between compulsory and non-compulsory insurance and explain why only certain types of insurance should be made compulsory.

**Question 2:**

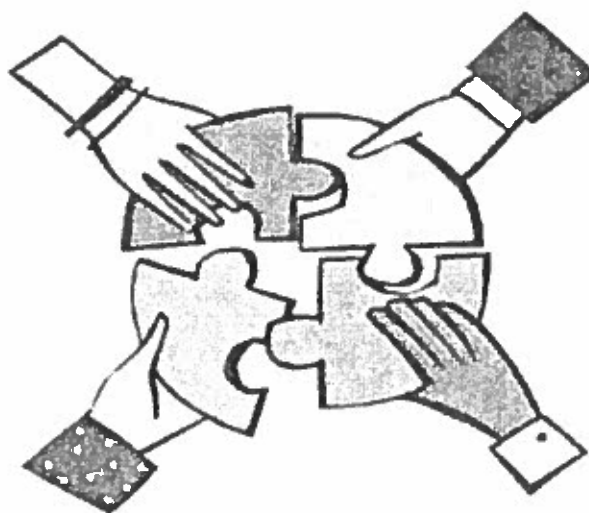
Briefly distinguish between management and leadership and then discuss **THREE** different management and leadership styles that bring outstanding success to the business. Use examples to explain the application of these styles in the workplace

**HINT**

Use the planning grid and the format for answering essay type questions, write the essays given for practice and have your teacher mark them for you.

**Suggestion:**

**You can form a study group and you can mark each other's essays and help each other to get it right!!!**





### 3 BUSINESS STUDIES PRACTICE QUESTIONS FOR SECTIONS A,B AND C PER MAIN TOPIC

**SECTION A QUESTIONS TO PRACTICE – REMEMBER THESE ARE PRACTICE QUESTIONS TO TEST YOUR KNOWLEDGE.**

#### TEST 1 - QUESTIONS

##### 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 – 1.1.5) in the answer book, for example 1.1.11 B.
- 1.1.1 A way recommended to confirm a candidate's information before an interview is conducted:
- A. Reference check
  - B. Psychometric test
  - C. Employment contract
  - D. Induction
- 1.1.2 A business that employs 50 or more employees should ...
- A. Submit an employment equity plan to the Department of labour.
  - B. Pay employees lower wages/salaries.
  - C. Develop a black empowerment strategy.
  - D. Not send their employees for skills development.
- 1.1.3 This Act allows a business to obtain information about blacklisted customers:
- A. Broad-Based Black Empowerment Act, 2003 (Act 53 of 2003)
  - B. Basic Conditions of Employment Act, 1997 (Act 75 of 1997)
  - C. Employment Equity Act, 1998 (Act 55 of 1998)
  - D. National Credit Act, 2005 (Act 34 of 2005, as amended)
- 1.1.4 The scorecard system includes elements that measure the ...
- A. CCMA.
  - B. BBBEE pillars.
  - C. National Consumer Tribunal.
  - D. Parliament of South Africa.

1.1.5 Which ONE of the following could be regarded as an unethical business practice?

- A. Employment of unskilled workers
- B. Selling substitute products to avoid competition
- C. Promoting second-hand products as new products
- D. Increasing the price when the product is not always available

(5 x 2) (10)

1.2 Choose a term from COLUMN B that matches a description in COLUMN A. Write only the letter (A – G) next to the question number (1.2.1 – 1.2.5) in the ANSWER BOOK, for example 1.3.6 H.

COLUMN A	COLUMN B
1.2.1 Succession planning	A. This ensures that designated groups have equal opportunities in the workplace.
1.2.2 Affirmative action	B. Contains codes for expected behaviour in specific occupations.
1.2.3 Code of conduct	C. Employers may not exclude applicants for work on the grounds of physical challenges.
1.2.4 Workplace forum	D. Formed in any business with more than 100 employees.
1.2.5 Collective bargaining	E. Identifies and trains employees for future leadership positions.
	F. Refers to negotiations between management and employees representatives.
	G. The process of setting goals and developing them.

(5 x 2) (10)

**TOTAL SECTION A: (20)**

## TEST 1 - ANSWERS

### QUESTION 1

1.1

- 1.1.1 A✓✓
- 1.1.2 A✓✓
- 1.1.3 D✓✓
- 1.1.4 B✓✓
- 1.1.5 C✓✓

(5 x 2) (10)

1.2

- 1.2.1 E✓✓
- 1.2.2 A✓✓
- 1.2.3 B✓✓
- 1.2.4 D✓✓
- 1.2.5 F✓✓

(5 x 2) (10)

## TEST 2 QUESTIONS

### QUESTION 1

- 1.3 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 – 1.1.5) in the answer book, for example 1.1.11 B.
- 1.3.1 A problem-solving technique where a team of experts are given questionnaires to obtain their opinions without bringing them together:
- E. Force-field
  - F. Brainstorming
  - G. Empty chair
  - H. Delphi
- 1.3.2 Which ONE of the following is an advantage of corporate social responsibility?
- E. Reduce the BBBEE ratings
  - F. Makes reporting in financial statements more difficult
  - G. Is not the main activity of the business
  - H. Attracts investors
- 1.3.3 When a dairy farmer sets up his own milk shop, it is called ....
- E. Horizontal
  - F. Backward
  - G. Forward
  - H. Vertical
- 1.3.4 Business venture are required by law to charge customers for plastic packaging. This is one of the ways in which the business addresses .... Issues.
- E. Human rights
  - F. Environmental
  - G. Disability
  - H. Gender equity
- 1.1.5 The production manager cannot find suppliers of quality raw materials. This is a challenge in the....environment.
- E. Market
  - F. Micro
  - G. Macro
  - H. Primary

(5 x 2)(10)

## TEST 2 - ANSWERS

### QUESTION 1

1.1

1.1.1 D✓✓

1.1.2 D✓✓

1.1.3 C✓✓

1.1.4 B✓✓

1.1.5 A✓✓

(5 x 2) (10)

1.2

1.2.1 D✓✓

1.2.2 E✓✓

1.2.3 B✓✓

1.2.4 A✓✓

1.2.5 F✓✓

(5 x 2) (10)

**TOTAL SECTION A: 20**

## TEST 3 - QUESTIONS

### 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 – 1.1.5) in the answer book, for example 1.1.11 B.

1.1.1 Collaboration means that team members ....

- A. Work effectively on their own
- B. Do not rely on each other
- C. Are held accountable for their actions
- D. Agree to co-operate in working towards a common goal

1.1.2 The general manager of Bakomo Butchery gives orders to staff members and does not allow them to give any inputs with regard to decision-making. This leadership style is best described as ....

- A. Democratic
- B. Charismatic
- C. Laissez-faire
- D. Autocratic

- 1.1.3 Businesses are required by law to charge customers for plastic packaging. This is one of the ways in which the business addresses .... Issues.
- A. Human rights
  - B. Gender equity
  - C. Environmental
  - D. Disability
- 1.1.4 This business function is directly involved in the sale of manufactured products in a company:
- A. Marketing
  - B. Production
  - C. Human resource
  - D. Finances
- 1.1.5 Which ONE of the following does not forms part of the major activities of management?
- A. Planning
  - B. Conflict resolution
  - C. Leading
  - D. Controlling

(5 x 2) (10)

**TEST 3 - ANSWERS****QUESTION 1**

1.1

1.1.1 D✓✓

1.1.2 D✓✓

1.1.3 C✓✓

1.1.4 A✓✓

1.1.5 B✓✓

(5 x 2) (10)

1.2

1.2.1 C✓✓

1.2.2 E✓✓

1.2.3 D✓✓

1.2.4 G✓✓

1.2.5 B✓✓

(5 x 2) (10)

**TOTAL SECTION A: 20**

## EXAM 1 – PRACTICE QUESTIONS OF SECTION A IN REAL EXAM FORMAT

### 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 process of finding and appointing new employees.

- A. Employment
- B. Selection
- C. Recruitment
- D. Induction

1.1.2 Which ONE of the following does not forms part of the major activities of management?

- A. Planning
- B. Leading
- C. Conflict resolution
- D. Controlling

1.1.3 This Act allows a business to obtain information about blacklisted customers.

- A. Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003)
- B. Basic Conditions of Employment Act, 1997 (Act 75 of 1997)
- C. Employment Equity Act, 1998 (Act 55 of 1998)
- D. National Credit Act, 2005 (Act 34 of 2005, as amended)

1.1.4 This refers to the ability to produce work that is new and useful.

- A. teamwork
- B. leadership
- C. creativity
- D. supervision

1.1.5 If a clothing manufacturer makes use of the advantage of economies of scale, they will have to...

- A. Retrench employees during an economic decline.
- B. Produce fewer clothes.
- C. Expand the business by acquiring other premises.

D. Produce and sell more clothes.

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

- A. increase in manager's salary
- B. sponsoring an HIV/AIDS orphanage.
- C. increasing profits
- D. discounting the prices of its products

1.1.7 If an employee was dismissed because of regular absenteeism and late coming, he was dismissed ...

- A. on grounds of incapacity
- B. for operational reasons
- C. on grounds of retrenchment
- D. on grounds of misconduct

1.1.8 Internal recruitment can be done by advertising ...

- A. On staff notice boards.
- B. In national newspapers.
- C. On regional radio stations.
- D. On the internet.

1.1.9 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.

1.1.10 a group of workers who meet on a regular basis to discuss quality-related matters at the workplace

- A. Total Quality Management
- B. Shop steward
- C. Quality circles
- D. Quality control group

(10x2)

(20)

1.2 Choose the correct word(s) from those given in brackets. Write only the word(s) next to the question number (1.2.1 – 1.2.5) in the answer book.

- 1.2.1 The (Manpower commission/Sector Education and Training) is most likely to offer learnerships in insurance.
- 1.2.2 (Resignation/retrenchment) is when an employment contract is voluntarily terminated by the employee.
- 1.2.3 The (Chief Executive Officer/human resource manager) is responsible for the selection of a suitable sales manager of a large company.
- 1.2.4 An employee who has been unfairly dismissed can refer his/her dispute to the (SAQA/CCMA) for a remedy.
- 1.2.5 When a manager tells staff what to do, but leaves it over to them to decide how they do it, he/she uses (autocratic/participative) leadership style.

(5 X 2) (10)

1.3 Choose a description from COLUMN B that matches a term 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
1.2.1 Insubordination	A. introducing new employees and preparing them for their new responsibilities.
1.2.2 induction	B. all employees receives the same treatment
1.2.3 Equity	C. disciplinary rules and procedures
1.2.4 Employment contract	D. a problem solving technique used by managers to establish the main activities that give them competitive advantage above competitors.
1.2.5 Teamwork	E. relocation of an employee to a new department in a business.
	F. Resistance to or defiance of authority.
	G. greater output through collaboration is attained.

(5x2) (10)

**TOTAL SECTION A : [40]**



**EXAM 1: ANSWERS****QUESTION 1**

- 1.1    1.1.1 C✓✓  
       1.1.2 C✓✓  
       1.1.3 D ✓✓  
       1.1.4 C ✓✓  
       1.1.5 D✓✓  
       1.1.6 B ✓✓  
       1.1.7 D ✓✓  
       1.1.8 A✓✓  
       1.1.9 A✓✓  
       1.1.10 C✓✓

(10X2)            (20)

- 1.2    1.2.1 Sector Education and Training Authority✓✓  
       1.2.2 Resignation✓✓  
       1.2.3 Human Resource Manager✓✓  
       1.2.4 CCMA✓✓  
       1.2.5 Autocratic✓✓

(5X2)            (10)

- 1.3    1.3.1 F✓✓  
       1.3.2 A✓✓  
       1.3.3 B✓✓  
       1.3.4 C ✓✓  
       1.3.5 G✓✓

(5X2)            (10)

**TOTAL SECTION A :            40**

**BREAKDOWN OF MARKS**

QUESTION 1	MARKS
1.1	20
1.2	10
1.3	10
<b>TOTAL</b>	<b>40</b>

## SECTION B AND C TYPE OF QUESTIONS PER MAIN TOPIC

### MAIN TOPIC 1: BUSINESS ENVIRONMENTS

#### Section A (Short type questions)

**QUESTION 1: REVISE A WIDE VARIETY OF THIS TYPE OF QUESTIONS FROM PREVIOUS QUESTION PAPERS.**

#### SECTION B (Paragraph type questions)

**QUESTION 2** (± 30 minutes) (NEW PAGE, PLEASE!!!)

2.1 Read the case study and answer the questions that follow.



#### **CROCODILE TRANSPORT SERVICES**



In the year 2010 John and Thubane established a transport business in Komatipoort. They got a loan from Standard Bank. During February the Governor of the South African Reserve Bank announced an increase of 2% in the interest rate. The petrol price increased by 66 cents per liter in April. The reason for increasing the petrol price is that there was an increase in the price of crude oil.

*CrocodileTransport Services* had to increase the rate they charge per kilometer.

*CrocodileTransport Services* is an enterprise specialising in the distribution of meat to restaurants. Dylan's Steakhouse has informed *CrocodileTransport Services* that it intends using another transport company, Sivu's Transport Services which charges less per kilometer.

*CrocodileTransport Services* has been looking to recruit a new financial manager, but due to skills shortages in the financial industry, Paul has not yet been successful in his recruitment efforts. The business is committed to EE.

*CrocodileTransport Services* is a responsible corporate citizen that does a lot to support the growth of the country. They believe in building the nation while building the business and therefore does much to make a meaningful difference to the communities in which it operates.

2.1.1 As the Accountant of the business, identify **FOUR** challenges that this business is facing and classify them according to the three business environments. (12)

- 2.1.2 Identify the business sector in which *CrocodileTransport Services* operates. (2)
- 2.1.3 Name TWO ways in which the petrol price can influence businesses. (4)
- 2.1.4 Explain the extent to which *CrocodileTransport Services* can control the skills shortages in the financial Industry. (2)
- 2.1.5 Discuss any two implications of employment equity on the business. (4)
- 2.1.6 *CrocodileTransport Services* has not yet been successful in their recruitment efforts. Provide them with a possible strategy to fill the vacancy. (2)
- 2.1.7 State whether the following are strengths, weaknesses, opportunities or threats for *CrocodileTransport Services*
- 2.1.7.1 *CrocodileTransport Services* is in competition with Sivu's Transport Services.
- 2.1.7.2 Some employees turn up late for work on a regular basis.
- 2.1.7.3 An increase in the price of petrol (6)
- 2.2 Explain the acronym BBBEE and name THREE other pillars of BBBEE. (12)  
(40)

## SECTION C: ESSAY TYPE QUESTION

### QUESTION 3:INSTRUCTIONS FOR THIS EXERCISE

Follow the format of an essay question and do the following:

- Write a proper Introduction to fit the question asked.
- Draw a mind map ( Planning Grid) to analyse the way you are going to answer your essay question. (Refer to p.12 for the planning grid)
- Write a proper Conclusion to summarize your answer related to the question set and to fit the topic

The skills Development Act, 1998(Act 97 of 1988(SDA) prescribes different ways of vocational learning by promoting learnership, skills programmes and through the Sector Education and Training Authorities (SETA's). SETA's aim at implementing the National Skills Development Strategy and Human Resources Development Strategy.

As a labour law expert, you are required to compile a report on skills development. The following aspects should be included in your report:

- Explain the purpose of the SDA
- Evaluate the impact of this Act on businesses and employees

- Outline the role of SETA's
- Describe the National Skills Development Strategy and Human Resources Development Strategy
- Recommend TWO ways in which businesses can comply with this Act.

[40]

## **MAIN TOPIC 2: BUSINESS VENTURES (TOPIC: Leadership Styles/Theories)**

### **Section A (Short type questions)**

**QUESTION 1: REVISE A WIDE VARIETY OF THIS TYPE OF QUESTIONS FROM PREVIOUS QUESTION PAPERS.**

### **Section B (Paragraph type questions)**

#### **Question 2**

2.1. The Johannesburg Security Exchange is a physical market where shares of the public company can be bought or sold.

Differentiate between FOUR types of shares so that the meaning of each can be understood by potential investors

(12)

## **SECTION C: ESSAY TYPE QUESTION**

### **QUESTION 3: INSTRUCTIONS FOR THIS EXERCISE**

**Follow the format of an essay question and do the following:**

- Write a proper Introduction to fit the question asked.
- Draw a mind map ( Planning Grid) to **analyse** the way you are going to answer your essay question. (Refer to p.12 for the planning grid)
- Write a proper Conclusion to summarize your answer related to the question set and to fit the topic

### QUESTION 3

Read the scenario below and explain the questions that follow:

#### **Leaders vs. Managers**

Recent studies find it is dangerous to differentiate between leaders and managers because one is not subordinate to the other.

Entrepreneurs in small businesses and large organisations, can be successful leaders and effective managers.

Both management and leadership studies is tertiary courses and can be acquired through studying at an higher institution.

Compare leadership with management and evaluate the democratic and Laissez Faire leadership styles. Explain situational and transformational management and leadership theories as well as briefly describe a situation in which these two theories above may be applied in the business.

[40]

### MAIN TOPIC 3: BUSINESS ROLES.

#### 1 Section A (Short type questions)

#### 2 QUESTION 1: REVISE A WIDE VARIETY OF THIS TYPE OF QUESTIONS FROM PREVIOUS QUESTION PAPERS.

#### SECTION B – Paragraph Type questions

##### Question 2

- 2.1 Suggest ways in which a business can create an environment that promotes creative thinking. (8)
- 2.2 Discuss ways in which professional, ethical and effective business practices should be conducted in a challenging business environment. (10)
- 2.3 Recommend ways in which businesses can address the following socio-economic issues through corporate social investment (CSI):

- 2.3.1 HIV/Aids (4)
- 2.3.2 Unemployment (4)
- 2.4 Tabulate the differences between ethics and professionalism. (8)

## SECTION C (ESSAY TYPE QUESTION)

### INSTRUCTIONS FOR THIS EXERCISE

Follow the format of an essay question and do the following:

- Write a proper Introduction to fit the question asked.
- Draw a mind map ( Planning Grid) to analyse the way you are going to answer your essay question. (Refer to p.12 for the planning grid)
- Write a proper Conclusion to summarize your answer related to the question set and to fit the topic

### QUESTION 3

Ben Potgieter owns Phola B&B, a bed and breakfast guest house in a local township. He is not only interested in operating a business, but also wants to uplift the community in which he operates.

Advise Ben Potgieter on how he can fulfil his corporate social responsibility (CSR) dreams by addressing the following :

- Explain the nature of CSR
- Discuss the benefits of CSR for the business
- Describe possible challenges of CSR for the community.
- Recommend ways in which Ben can contribute time and effort to advance the well-being of the community from the business point of view.

(40)

## **MAIN TOPIC 4: BUSINESS OPERATIONS:**

### **1 Section A (Short type questions)**

### **2 QUESTION 1: REVISE A WIDE VARIETY OF THIS TYPE OF QUESTIONS FROM PREVIOUS QUESTION PAPERS.**

### **QUESTION 2: PARAGRAPH TYPE QUESTIONS**

#### **2.1 Explain what is meant by:**

2.1.1 Total client satisfaction (4)

2.1.2 Monitoring and evaluation of quality processes. (4)

2.2 Explain the impact of a total quality management system on small and large businesses with reference to continuous skills development. (12)

## **SECTION C: ESSAY TYPE QUESTION**

### **QUESTION 3: INSTRUCTIONS FOR THIS EXERCISE**

Follow the format of an essay question and do the following:

- Write a proper Introduction to fit the question asked.
- Draw a mind map ( Planning Grid) to analyse the way you are going to answer your essay question. (Refer to p.12 for the planning grid)
- Write a proper Conclusion to summarize your answer related to the question set and to fit the topic

### **QUESTION 3**

The human resource manager wants to appoint a new receptionist and has received various applications after advertising the post

Explain the human resources procedures of selecting and interviewing that the HR manager can apply in order to identify the most suitable candidate. Discuss the legalities of the employment contract that both the employer and new employees should sign. Briefly outline the contents that should appear in the employment contract.

# 1. 2016 MEMO TO CORE QUESTIONS – REVISION GR 12 BUSINESS STUDIES

## MAIN TOPIC 1: BUSINESS ENVIRONMENTS

### SECTION B: CASE STUDY AND PARAGRAPH QUESTIONS

#### QUESTION 2

#### 2.1.1 Identify FOUR challenges that and classify them according to the

Three business environments.

Loan – interest increased with 2 %	macro
Petrol price – increased with 66 cent/litre	macro
Recruitment of new financial manager – skills shortages	micro
Increase in running costs	micro
Competition – Sivu's transport services	market
Increasing transportation costs	macro
Change to a new distributor	micro
Loss of customers due to high prices	market
(name and explain = 2, environment = 1)	Any 4 x 3 = (12)

#### 2.1.2 Identify the business sector in which *CROCODILE TRANSPORT SERVICES* operates. (2)

Tertiary sector ✓✓

#### 2.1.3 Name TWO ways in which the petrol price can influence businesses.

- Less profits
- Loss of jobs
- Find new distributors – to build new relationships
- Makes products more expensive – increased production costs
- Sales decrease
- May lead to bankruptcy

2 x 2 = 4)

(any

#### 2.1.4 Extent to control the skills shortages in the financial industry.

It is part of the micro environment – they have full control

If they can't find a suitable candidate, appoint one that is not 100 % suitable and do some training. ✓✓

(2)



### 2.1.5 Discuss any two implications of EE on the business.

- Business battle to find people with the necessary skills and experience.
- A constraint that the macro environment places on a business – buildings must be adapted to accommodate wheelchairs.
- Can be seen as a cost burden – procedures are time consuming.
- Training requirements have cost implications, but does add value.
- Deals are concluded because of EEA – mergers and acquisitions
- Time, effort and resources have to be spent to recruit and train people.
- Diversity in the workplace leads to creativity and innovative thinking.

Any 2 x 2 = (4)

### 2.1.6 Provide them with a possible strategy to fill the vacancy.

Advertising, Head-hunting, contact employment agencies,  
contact educational institutions and give bright students opportunities  
to become part of your business, or any relevant answer

(2)

### 2.1.7

#### 2.1.7.1 *HELDERBERG TRANSPORT SERVICES* is in competition with *Sivu's Transport Services*.

THREAT √√

#### 2.1.7.2 Some employees turn up late for work on a regular basis.

WEAKNESS √√

#### 2.1.7.3 An increase in the price of petrol

THREAT √√

(6)

### 2.2.1 In the above they mentioned two of the seven pillars of the BBBEE. Explain the acronym BBBEE

BROAD-BASED BLACK ECONOMIC EMPOWERMENT √√

(2)

Or:

DEF: **Creating opportunities for black owners (shareholders) and  
management participation.**

To facilitate the meaningful participation of black people in  
owning/managing a business.

Any relevant answer

(any 1 x 2 = 2)

Name the other **FIVE** pillars.

- Equity Ownership – black ownership, shareholders, partners
- Management – Black presentation on the Board of Directors
- Employment Equity – Equal representation in all categories and levels of the workforce.
- Skills development – Invest in Human resources and the training of Black people.  
Develop skills of black people
- Enterprise development -
- CSI – Invest money in communities and help with upliftment.

5 x 2 = (10)

## SECTION C -

### QUESTION 3

#### INSTRUCTIONS:

Briefly explain the concepts human rights, inclusivity and environmental issues in the workplace and elaborate on criteria that businesses can be evaluated with regard to these matters.

**INTRODUCTION:** (May explain the concepts?????)

-

#### **HUMAN RIGHTS:**

Human rights are basic rights and freedoms to which all human beings are entitled. Human rights must be respected by all - employers, employees and businesses.

#### **INCLUSIVITY:**

Including all population groups. Discrimination is not allowed.

#### **ENVIRONMENTAL ISSUES**

Businesses use resources from the natural environment in their daily operations.

#### **HUMAN RIGHTS INCLUDE:**

- To be treated in a dignified manner
- Freedom of speech
- Fair remuneration (payment package)
- Be treated equally and fairly
- Practice your own religion
- Freedom of movement
- Security and safety

any 2 x 2 = 4 examples

Human rights are protected in the Bill of Rights, which is part of the Constitution. ✓✓

If a person is discriminating against employees in terms of age, race, gender, culture, religion, pregnancy, disability or political opinion, the business is violating that person's human rights. ✓✓

Trade unions help to protect the rights of employees ✓✓

**BUSINESS STUDIES SUPPORT GUIDE FOR LEARNERS**  
(HINTS AND PRACTICE QUESTIONS AND ANSWERS)

**CONSUMER RIGHTS INCLUDE:**

- Right to information
- Right to choose
- Right to safety
- Rights to healthy environment
- Right to compensation
- Right to be represented

(mention consumer rights  
and give 1 example) ✓✓

**EMPLOYEE RIGHTS INCLUDE:**

- Right to fair payment
- Right to fair treatment
- Not to be discriminated against
- Right to be included in the decision-making process that has an influence on you.

(mention employee  
rights and give  
1 example) ✓✓

**INCLUSIVITY:**

Government enterprises prefer doing business with businesses that are BEE compliant. ✓✓

Regulations ensure that the requirements of the different acts are complied with. ✓✓  
The workforce must be representative of the population of the country. ✓✓

**PURPOSE:**

- The right not to be discriminated against. – to address unfair discrimination
- To support woman and create opportunities in the workplace
- To ensure no discrimination against people with disabilities (physical challenged)
- To redress the imbalances of the past
- To address gender discrimination

(any 2 x 2 = 4)

Complaints regarding inclusivity issues are handled by the HUMAN RIGHTS COMMISSION!!!!

**In SA there is legislation to promote inclusivity:**

- Employment Equity Act / affirmative action
- BBBEE Act
- Skills Development Act

(any 2 x 2 = 4)

**HOW TO DEAL WITH DISCRIMINATION IN THE WORKPLACE**

- Inform the employees about their rights
- Draw up policies and discuss it with employees
- Ensure mutual respect between employees and employers

(any 2 x 2 = 4)



## MAIN TOPIC 2: BUSINESS VENTURES (LEADERSHIP VS. MANAGERS)

### SECTION B

#### Question 2

Ordinary shares	Preference shares	Founders shares	Bonus shares
<p>Ordinary shares are sold to the public by companies listed on the JSE✓✓</p> <p>Shareholders of ordinary shares receives dividends after preference shareholders received their dividends✓✓</p> <p>Shareholders of ordinary shares have voting rights.✓✓</p> <p>If a company is liquidated, ordinary shareholders share in proceeds after creditors and preference shareholders have been paid.✓✓</p>	<p>Preference shares are sold to the public by companies listed on the JSE✓✓</p> <p>Preference shareholders receive dividends payments before ordinary shareholders✓✓</p> <p>Preference shareholders have no voting rights✓✓</p> <p>If the company is liquidated , preference shareholders share in proceeds after creditors have been paid, but before ordinary shareholders✓✓</p>	<p>Founders shares are issued to the founders of a company✓✓</p> <p>Holders of founders shares will be the last to receive dividends✓✓</p>	<p>Bonus shares are a gift or a payment in the form of shares to shareholders. Bonus shares are not sold; shareholders are issued the shares without being required to pay for them.✓✓</p> <p>Bonus shares are compensation to shareholders when no dividend is declared✓✓</p>

Max (12)

## SECTION C

### QUESTION 3

#### Introduction

- Good leaders are also good managers, as both can inspire/energise people and bring about change. ✓
- Leaders and managers can create opportunities and motivate people to be productive which lead to successful businesses. ✓
- Managers are also good leaders with excellent management skills. ✓
- Leadership theories guide leaders on how to address/manage certain situations. ✓
- Any other relevant introduction related to management and leadership styles/theories.

Max (2)

#### 3.2 comparisons between leadership and management

Leadership	Management
• Influences human behaviour. ✓✓	• Guides human behaviour. ✓✓
• Communicates by means of interaction/behaviour/vision/ values charisma. ✓✓	• Communicates through management functions, e.g. line function. ✓✓
• Innovates new ideas to increase productivity. ✓✓	• Administers plans/programs /tasks to reach targets. ✓✓
• Inspire staff to trust and support each another. ✓✓	• Controls systems and procedures to get the job done. ✓✓
• Focuses on what and why. ✓✓	• Focuses on when and how. ✓✓
• Does the right thing ✓✓	• Does things right. ✓✓
• Focuses on the long term. ✓✓	• Focuses on short and medium term. ✓✓
• Leaders are born with natural /instinctive leadership skills. ✓✓	• A person becomes a manager because of the position in which he/she is appointed. ✓✓
• Guides /leads people to become active participants. ✓✓	• Manages the process of getting things done/ exercises responsibility. ✓✓
• Leaders have power/ influence because of his/ her knowledge/ skills/ intelligence. ✓✓	• Managers have power because of the position of authority into which they are appointed. ✓✓
• Always trying to find more efficient ways of completing tasks. ✓✓	• Enforce rules on subordinates / ensure that tasks are completed. ✓✓
• Motivational/ inspirational approach. ✓✓	• Instructional approach. ✓✓
• people orientated. ✓✓	• Task orientated. ✓✓
• Lead by example/trust/respect. ✓✓	• Manage planning /organising/leading and control. ✓✓
Sub max (4)	Sub max (4)

Note: 1. the comparison must be clear.

2. If the comparison is not clear. Then award a maximum of four (4)



### 3.3 Leadership Styles:

#### 3.3.1 Autocratic

##### Positives

- Quick decisions can be taken without consulting /considering followers/ employees.√√
- Work gets done in time/on schedule.√√
- Line of command/communication is clear as it is up-down/followers know exactly what to do.√√
- Direct supervision and strict control ensure high quality products/services.√√
- Provide strong leadership which makes new employees feel confident and safe.√√
- Works well in large companies where consultation with every employee is impractical.√√
- Clear guidance can be given to low-skilled/inexperienced/new staff.√√
- Useful in a crisis/urgent situation, e.g. after an accident/meeting tight deadlines.√√

##### AND/OR

##### Negatives

- Leaders and followers may become divided and may not agree on ways to solve problems.√√
- Workers can be de -motivated as their opinions /ideas are not considered.√√
- De-motivated workers impact negatively on productivity.√√
- New/creative/cost reducing ideas may not be used /implemented/never be considered.√√
- Followers may feel that they are not valued- cause high absenteeism and high employee turnover.√√
- Experienced and highly skilled workers will resist an autocratic leadership style because it results in less growth, participation and creativity.√√

**Sub max (8)**

#### 3.3.2 Democratic

##### Positives

- Leaders allow followers/employees to participate in the decision-making process.√√
- Staffs give a variety of ideas/inputs/feedback/viewpoints, before final decisions are made by leaders/ managers.√√
- Variety of ideas can lead to innovation/result in an increase in productivity.√√



- Clear/two way communication ensures group commitment to final decisions.√√
- Authority is delegated which can motivate/inspire workers to be more productive.√√
- Complex decisions can be made with inputs for specialists/skilled workers.√√
- Workers feel empowered as they are involved in decision-making process.√√

#### **Negatives'**

- Incorrect decisions may be made if staff is inexperienced /not fully informed.√√
- Decision-making may be time consuming because stakeholders have to be consulted.√√
- Employees may feel discouraged if their opinions/inputs are not considered.√√
- Leaders can rely too much on the input of the followers and fail to make a final decision.√√
- Not effective in times of crisis/when quick decisions need to be made.√√
- Some employees only pretend to participate in decision making and their feedback may not always be accurate.√√

Sub max (8)

### **3.3.3 Laissez-Faire Style**

#### **Positives**

- Workers are allowed to make decisions on their own policies/ methods.√√
- Subordinates have maximum freedom and can work independently.√√
- Leader motivates workers by trusting them to do things on their own.√√
- Authority is delegated, which can be motivating to competent workers and increase productivity.√√
- Subordinates are experts and know what they want and can take responsibility for their actions.√√
- Suitable for coaching to motivate employees to achieve more/ better things.√√
- It can be empowering for competent followers as they are completely trusted to do their job.√√
- Individual team members may improve develop leadership skills.√√
- Individual team members may develop leadership skills.√√

**AND/OR**

#### **Negatives**

- Lack of clear leadership may lead to demoting to employees.√√
- Employees can be held responsible for their own work which may lead to underperformance.√√
- Could lead to conflict when some team member ask as leaders and dedicate to other team members.√√

- Workers are expected to solve their own conflict situations.√√
- Productivity may be compromised with a lack of tight control over workers not meeting deadlines.√√
- Productivity might be low, if employees lack the necessary knowledge or skills.√√

**Sub max (8)**

**Max (24)**

### **3.4 Leadership Theories**

#### **3.4.1 Situational Theory**

- Different leadership characteristics are needed for different situations.√√
- The task dictates the leadership style that should be applied, so leaders are adaptable / flexible/ self-assured.√√
- Relationships between leaders and employees are based on mutual trust/respect/loyalty/integrity/honesty.√√
- Leaders have the ability to 'read' the situation and get the most suitable people in the right positions to complete the tasks successfully.√√
- It enables leaders to use different leadership styles to accomplish their goals.√√
- Leaders analyse group members/objectives/ time constraints. Then adopt a suitable/ relevant leadership style.√√
- May lead to conflict when leaders use different leadership styles when managing employees in different situations.√√
- Its successes depends on the kind of relationships that exists between the leader and employees.√√

**Sub max (4)**

#### **3.4.2 Transformational Theory**

- The passion/vision/personality of leaders inspire employees to change their expectations/perceptions/ motivations to work towards a common goal.√√
- Strategic thinking leaders develop a long term vision for the organisation and sell it to subordinates/employees.√√
- Leaders have the trust of their subordinates.√√
- Leaders promote intellectual stimulation/ problem solving which result in the development /success of the business.√√
- Followers are coached so that they can share their ideas freely.√√
- Leaders will encourage followers to explore new thing an opportunities.√√
- Leaders lead by example and make workers interested in their work.√√
- Leaders have strong charismatic personalities and are very good at motivating staff to achieve results.√√

- Enable employees to take greater ownership for their work and to know their strengths and weaknesses.√√

**Sub Max (4)**

**Max (8)**

### **3.5 Application Theory**

#### **3.5.1 Situational Theory**

- Application of the theory depends on the particular situation that prevails within the business.√√
- Used when it matches the needs of the employees, e.g. inexperienced employees require a different form of leadership than more experienced employees.√√
- Applied to address conflict in the workplace.√√

**Sub max (2)**

#### **3.5.2 Transformational Theory**

- May be applied when workers have a low morale/ underperforming.√√
- Applied during the strategic planning process, where vision/mission/ objectives have to be developed/ changed.√√
- When a business is restructuring and exploring new ways of doing things.√√

**Sub max (2)**

**Max (4)**

### **3.6 Conclusion**

- A positive leader will motivate his followers to improve themselves and achieve their own personal goals.√√
- Managers can also be successful leaders if they focus on the tasks as well the workers who execute the task.√√
- Leaders who understand the various leadership styles and theories may be able to lead effectively and handle any situation.√√

**Max (2)**

**[40]**

### Breakdown of Mark Allocation

Details	Maximum	Total
Introduction	2	MAX 32
Leadership and management	8	
Leadership styles	(3x8) 24	
Leadership theories	(2x4) 8	
Application of theory	4	
Conclusion	2	
Insight <ul style="list-style-type: none"> <li>• Layout</li> <li>• Analysis, interpretation</li> <li>• Synthesis</li> <li>• Originality, Examples</li> </ul>		2 2 2 2
<b>Total Marks</b>		<b>40</b>

LASO for each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

## MAIN TOPIC 3: BUSINESS ROLES

### QUESTION 2

#### 2.1 Creative thinking

- Emphasise the importance of creative thinking to ensure that all staff know that you want to hear their ideas.
- Encourage staff to come up with new ideas/opinions.
- Make time for brainstorming sessions to generate ideas.
- Place suggestion boxes around the workplace and keep communication channels open for new ideas.
  - Train staff in innovative techniques/creative problem solving skills.
  - Encourage job swaps within the organizations/studying how other businesses are doing thing .
  - Encourage alternative ways of working/doing things.
  - Reward creativity with reward schemes for teams which come up with creative ideas.

Max (8)

## 2.2 Professional, ethical and effective business practices.

- Treat all employees equally.
- Plan properly and put preventative measures in place.
- Pay fair wages/salaries which is in line with the minimum requirements of the BCEA.
  - Remunerate employees for working overtime and during holidays.
  - Refrain from starting a business using other businesses' ideas that are protected by law.
  - Engage in environmental awareness programmes.
  - Business decisions and actions should be clear/transparent to all stakeholders.

## 2.3 Programmes to deal with socio-economic issues

### 2.3.1 HIV/Aids

- Counseling programmes/train counselors to provide counseling to infected and affected persons/employees.
- Roll out anti-retroviral (ARV) treatment programmes.
- Encourage employees to form HIV/Aids support groups.
- Conduct workshops on HIV/Aids programmes.

### 2.3.2 Unemployment

- Provide skills development through learnership programmes.
- Offer bursaries to the community to improve the level of education.
- Create jobs for members of the community.
- Support existing small businesses to create more employment opportunities.
- Provide entrepreneurial programmes that can promote self-employment.

## 2.4 Differences between ethics and professionalism

ETHICS	PROFESSIONALISM
- Conforms to a set of values that morally are acceptable	- Set of expected behaviour
- Applying a code of conduct set by a profession or business	- Forms part of a Code of Conduct to guide employees to act professionally.
- Focuses on upholding the reputation of a business/profession	- Focuses on developing a moral compass to use in decision making.
- Involves following the principles of right or wrong in business activities/practices/dealings	- Includes guidelines on employees' appearances/communications/attitudes/responsibilities.

## SECTION C

### QUESTION 3

#### 4.1 Introduction

- CSI is a component of CSR , where social responsibility is the intention and social investment is the action. ✓
- Corporate social responsibility (CSR) is the way a business conducts itself, ethically and morally, regarding their use of human resources, physical resources and their funds. ✓
- Businesses are corporate citizens and therefore have a responsibility towards society. ✓
- Businesses should consider the importance of the wellbeing of the community in relation to profitability and productivity. ✓
- Any other relevant introduction related to CSR and CSI.

Max (2)

#### 4.2 Nature of CSR

- CSR programmes are internal programmes that businesses use to comply with laws and ethics. ✓✓
- CSR aims at creating a safe working environment for workers. ✓✓
- CSR programmes and activities the business undertakes have to contribute positively to the community in which the business operates. ✓✓
- CSR may take the form of a monetary donation to support local organization. ✓✓
- Business operations address Triple Bottom line through CSR programmes by considering its impact on people, profit and planet. ✓✓
- Businesses seek to promote public interest and don away with harmful practices without the need for any formal legislation. ✓✓

Max (10)

#### 4.3 Benefits of CSR for businesses

- The business enjoys the goodwill and support of communities/attracts consumers.
- CSR helps to attract investors. ✓✓
- CSR programmes promote teamwork within businesses. ✓✓
- Gives businesses tax advantages such as tax reduction/rebates.
- Assists in solving socio-economic issues like poverty . ✓✓
- It helps to retain staff/lower staff turnover as employees' health and safety are considered. ✓✓
- Promotes customer loyalty resulting in increased sales and profit. ✓✓
- Businesses can use CSR as a marketing strategy to promote their products/services. ✓✓
- Any other relevant answer related to the benefits of CSR for businesses.

Max (12)

#### 4.4 Challenges of CSR for the community

- Distribution of scarce resources to selected beneficiaries in the community may cause problems such as discrimination. √√
- Less money is available for community projects during unfavourable economic conditions. √√
- The benefits of the programmes may not filter to the intended persons within the community. √√
- Businesses cannot meet the longer term needs of the society/Businesses cannot deliver sustainable CSR programmes. √√
- Spending money on CSR means the business has to recover expenses through higher prices which have a negative impact on the economy. √√
- Consumers are not convinced that a business is acting in the best interest of the community and the environment. √√
- Businesses are not always equipped to address social problems. √√
- Hand-out programmes discourage locals from taking their own initiatives by making them depended on CSI programmes. √√
- Any other relevant answer related to the challenges of CSR for the community.

Max (12)

#### 4.5 Recommendations on advancing the wellbeing of communities

- Sponsor housing/Offer free accommodation for their employees. √√
- Ensure that the product they supply do not harm consumers. √√
- Participate in community projects involving HIV/AIDS, education, counseling and other useful causes. √√
- Donate money to a community project/Run a project to uplift the community. √√
- Encourage people to stay fit and healthy by getting them involved in health activities to minimize substance abuse. √√
- Provide transport for their employees who work unusually long hours. √√
- Start a nutritional programme so that employees can enjoy one meal per day to keep them in a healthy condition. √√
- Give time to staff to get involved in projects they choose/Allow staff to use some of the working hours to participate in the projects of their choice. √√
- Any other relevant recommendations related to ways in which Phola B&B can contribute time and efforts to advance the well being of others.

Max (12)

#### 4.6 Conclusion

- Businesses use CSR programmes and CSI projects to comply with laws and ethics. √√
- Corporate social responsibility is an obligation required by law and benefits both business and society. √√
- CSR programmes and CSI projects allow businesses to influence people's lives in many ways. √√
- Any other relevant conclusion on CSR and the wellbeing of the community.

Max (2)  
[40]

#### BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	32
Nature of CSR	10	
Benefits to business	12	
Challenges for the community	12	
Recommendations	12	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality		2
TOTAL MARKS		40

LASO – For each component

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met.



## MAIN TOPIC 4: BUSINESS OPERATIONS

### QUESTION 2: PARAGRAPH TYPE QUESTIONS

#### 2.1

##### 2.1.1 Total client satisfaction:

- takes place when the customer is happy with the product or service purchased. √√
- It means that it meets all his/her requirements, and he/she had a good experience dealing with the company involved. √√

(4)

##### 2.1.2 Monitoring and evaluation of quality processes.

- It is essential to continuously monitor the process and reflect on the effectiveness of the process of total quality management . √√
- If necessary changes and adaptations should be ongoing to ensure Continuous quality of the products and/or services rendered to clients.

(4)

#### 2.2 Explain the impact of a total quality management system on small and large businesses with reference to continuous skills development. (12)

Small business	Large businesses
<b>Positives</b> <ul style="list-style-type: none"> <li>- There may be a more holistic (bigger) approach to training due to a limited number of employees. √√</li> <li>- Promotes individual and personal development resulting in improved productivity. √√</li> </ul>	<b>Positives</b> <ul style="list-style-type: none"> <li>- The human resources department is dedicated to skills training and development. √√</li> <li>- Human resources experts ensure that training programmes are relevant to ensure increased customer satisfaction. √√</li> </ul>
<b>Negatives</b> <ul style="list-style-type: none"> <li>- It is difficult to train employees because they are often not permanently in the business. √√</li> <li>- It is not possible for employees to specialise since they are involved in various business activities. √√</li> <li>- It is expensive to use training consultants.</li> <li>- Any other relevant responses related to the impact of continuous skills development on small businesses √√</li> </ul>	<b>Negatives</b> <ul style="list-style-type: none"> <li>- Poor communication system may prevent effective training from taking place. √√</li> <li>- Trained employees may leave for better jobs after they gained more skills. √√</li> <li>- Demotivate employees, if they do not receive recognition for training. √√</li> <li>- Any other relevant responses related to the impact of continuous skills development on large businesses. √√</li> </ul>
Submax (6)	Submax (6)

### QUESTION 3: ESSAY TYPE QUESTION

#### 3.1 Introduction

- The human resources manager is responsible for recruiting and appointing competent and skilled employees. ✓
- It is important that the human resources manager follows correct and fair procedures in selecting and interviewing. ✓
- Selection and interviewing must be properly done to be able to appoint the best candidate for the job. ✓
- Any other relevant introduction related to the human resources function.

(Any 2 x 1 = 2)

#### 3.2 Procedures for selecting and interviewing

##### 3.2.1 Receive documentation ✓✓

- Applicant submit the application forms, curriculum vitae and certified copies of personal documents such as ID and proof of qualifications. ✓

##### 3.2.2 Screen applicants ✓✓

- Candidates who obviously meet the requirements are separated from those who do not. ✓

##### 3.2.3 Evaluate CVs and create a shortlist ✓✓

- Applicants are evaluated against pre-set requirement. ✓
- Applicants are ranked from most suitable less suitable candidates. ✓
- Candidates with the highest ranked order are placed on a shortlist. ✓
- The shortlist should contain between 3 and 5 candidates. ✓

##### 3.2.4 Check information supplied in CVs. ✓✓

- The candidates' qualifications and their employment history are checked and confirmed. ✓
- Referees are contacted to verify or testify to the person's character, abilities and skills.

##### 3.2.5 Conduct interviews

- Candidates whose names appear on the short list, are invited to a personal interview, usually on the premises of the business. ✓
- Interview is a formal meeting between employer and candidate. ✓
- The meeting allows the employer to get information about the candidates and to evaluate the candidates further. ✓

- Candidates have a chance to assess their possible workplace and can get more information about the post and the business. ✓

- It is possible that more than one round of interview will be conducted as part of the process. ✓

### 3.2.6 Assess the candidates ✓✓

- It is possible that various assessments must be completed before the best candidate is chosen. ✓
- Personality, interest and aptitude test may be conducted. ✓
- Shortlisted candidates may be required to take medical and skills tests. ✓

### 3.2.7 Offer employment ✓✓ (Letter of appointment)

- A written offer is made to the selected candidate. ✓
- Candidates that are selected must accept the offer in writing. ✓
- An employment contract will be negotiated and if agreed upon signed by the new employee and the employer. ✓
- Candidates who are unsuccessful may be informed, unless otherwise stated in the job advertisement. ✓
- Any other relevant answer related to the selection and interviewing of suitable candidates.

(Max 16)

### 3.3 Legalities of the employment contract

- An employment contract is an agreement between the employer and the employee and is legally binding. ✓✓
- The contract may not contain any requirements that are in conflict with the BCEA. ✓✓
- Certain aspects of the employment contract can be re-negotiated during the course of employment. ✓✓
- Employer and employee must agree to any changes to the contract. ✓✓
- No party may change aspects of the employment contract unilaterally. ✓✓
- The employment contract must include a code of conduct and code of ethics. ✓✓
- The terms and conditions of the employment contract to the employee by the HR manager. ✓✓
- The conditions of employment, duties and responsibilities of the employees must be clearly stipulated. ✓✓
- Benefits must be clearly stipulated. ✓✓
- All company policies, procedures and disciplinary codes/rules can form part of the employment contract. ✓✓
- employers must allow the employees to thoroughly read through the contract before it is signed. ✓✓
- Any other relevant answer related to the legalities of the employment contract.

(Max:12)

### 3.4 Contents of the employment contract

#### **Details of the employer ✓**

- The employment contract must contain the contact details and address of the business. ✓

#### **Personal details of the employee ✓**

- The contract must have the physical address, contact details as well as other personal information of the employee e.g. age, full name(s) ID number. ✓

#### **Job title and job description ✓**

- The contract must state clearly the job title and the duties and responsibilities of the employee. ✓

#### **Working hours ✓**

- Hours of work, in line with the BCEA, must be clearly outlined in the contract. ✓

#### **Overtime ✓**

- Overtime hours per day and per week must be clearly specified in the contract. ✓
- Work time that will be regarded as overtime should be explained in detail, e.g. Sundays and public holidays. ✓

#### **Remuneration package ✓**

- The contract must stipulate the amount payable to the employee ✓
- It should state whether it is a weekly wage or monthly salary, how the amount will be calculated, bonuses, fringe benefits (e.g. clothing allowance, car allowance, etc) and any other agreements in terms of remuneration. ✓

#### **Leave ✓**

- The employment contract must stipulate the different types of leave and the number of days allowed for each type of leave. ✓
- It should also specify when leave is regarded as paid leave. ✓

#### **Termination of the contract ✓**

- The employment contract must stipulate the different types of leave and the number of days allowed for each type of leave. ✓
- Any other answer relevant to the termination of the contract. ✓

(Max:10)

### 3.5 Conclusion

- Businesses cannot achieve their goals without suitable qualified and skilled employees. √√
- It is important that the workforce is motivated, trained and committed to their work. √√
- Any other relevant conclusion to related to importance of the HR function to provide an employment contract to suit both the employee and the employer.

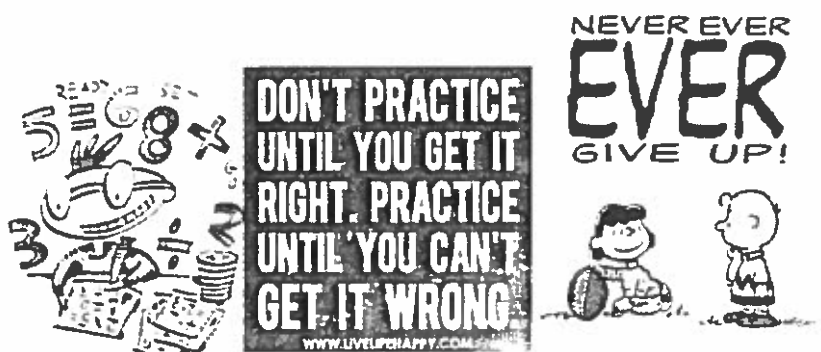
(Any 1 x 2 = 2)

**YOU ARE READY TO WORK OUT FULL PREVIOUS QUESTION PAPERS NOW.**

Previous question papers and memorandums are available on the website of the National Department of Education under: Previous examination papers for Business Studies.

Practice to answer as many previous question papers as you can.

**REMEMBER! PRACTICE MAKES PERFECT!!**



#### 4. EXTRA PRACTICE IN THE CALCULATIONS

##### CALCULATE SIMPLE INTEREST AND COMPOUND INTEREST

Simple interest is interest that is calculated *ONLY* on the initial amount that was invested.

The formula for calculating simple interest is:

Total simple interest = Initial investment amount X Annual rate X time period

OR

$I = P \times I \times n$  where

P = start amount

I = interest rate

N = years

Apply and practice this formula using the examples below:

1. First try to calculate the given question/case study without looking at the answer.
2. If you don't find the correct answer use the amounts used with the formula to find the same solution.
3. Cover the answer again try it again by yourself.
4. If you found the correct answer TACLE the next example in the same way.
5. Practise, practice, practice MAKES Perfect!!!!

SIMPLE AND COMPOUND INTERESTSIMPLE INTEREST / ENKELVOUDIGE RENTE:

<u>Example 1</u>	<u>Voorbeeld 1</u>
<p>Jane invests R20 000 with ABSA Bank for one year at a rate of 18 % per annum ( pa ).</p> <p>1.1 What is the interest that will be paid to her? (Show ALL workings.)</p> <p>1.2 What is the total amount that will be paid to her? (Show ALL workings.)</p>	<p>Jane belê R20 000 by Absa Bank vir een jaar teen 'n koers van 18% per jaar (p.j).</p> <p>1.1 Wat is die rente wat aan haar betaal sal word? (Wys ALLE bewerkings.)</p> <p>1.2 Wat is die totale bedrag wat aan haar betaal sal word? (Wys ALLE bewerkings.)</p>
<p>1.1</p> $I = P \times i \times n$ <p>where</p> $P = 20\,000$ $i = 18\% \text{ or } \frac{18}{100} = 0.18$ $n = 1$ $\therefore I = P \times i \times n$ $= 20\,000 \times 0.18 \times 1$ $= R3\,600$ <p>1.2</p> <p>Total Amount = Start amount + Interest amount</p> $= 20\,000 + 3\,600$ $= R23\,600$	<p>1.1</p> $I = P \times i \times n$ <p>waar</p> $P = 20\,000$ $i = 18\% \text{ of } \frac{18}{100} = 0.18$ $n = 1$ $\therefore I = P \times i \times n$ $= 20\,000 \times 0.18 \times 1$ $= R3\,600$ <p>1.2</p> <p>Totale bedrag = Begin bedrag + Rente bedrag</p> $= 20\,000 + 3\,600$ $= R23\,600$



Example 2	Voorbeeld 2
<p>Basil invested R10 000 of his annual bonus in a fixed-deposit account at Standard Bank, earning an interest rate of 12% p.a.</p> <p>2.1 Using the simple interest method, calculate the interest earned by basil over a period of 12 months. (Show ALL workings.)</p> <p>2.2 What is the total amount that will be paid to him? (Show ALL workings.)</p>	<p>Basil belê R10 000 van sy jaarlikse bonus in 'n vastedeposito rekening by Standard Bank, teen 'n rentekoers van 12% per jaar.</p> <p>2.1 Deur gebruik te maak van die enkelvoudige rente metode, bereken die rente wat verdien word deur Basil oor 'n tydperk van 12 maande. (Wys ALLE bewerkings.)</p> <p>2.2 Wat is die totale bedrag wat aan hom betaal sal word? (Wys ALLE bewerkings.)</p>
<p>2.1</p> $I = P \times i \times n$ <p>where</p> $P = 10\,000$ $i = 12\% \text{ or } \frac{12}{100} = 0.12$ $n = 12 \text{ months} = 1 \text{ year} = 1$	<p>2.1</p> $I = P \times i \times n$ <p>waar</p> $P = 10\,000$ $i = 12\% \text{ of } \frac{12}{100} = 0.12$ $n = 12 \text{ maande} = 1 \text{ jaar} = 1$
$\therefore I = P \times i \times n$	$\therefore I = P \times i \times n$
$= 10\,000 \times 0.12 \times 1$ $= R1\,200$ <p>2.2</p> <p>Total Amount = Start amount + Interest amount</p> $= 10\,000 + 1\,200$ $= R11\,200$	$= 10\,000 \times 0.12 \times 1$ $= R1\,200$ <p>2.2</p> <p>Totale bedrag = Begin bedrag + Rente bedrag</p> $= 10\,000 + 1\,200$ $= R11\,200$

Example 3	Voorbeeld 3
<p>Pravin invested R40 000 in a savings account at Standard Bank for 3 years at an simple interest rate of 8% p.a.</p> <p>3.1 What is the interest that will be paid to him? (Show ALL workings.)</p> <p>3.2 What is the total amount that will be paid to him? (Show ALL workings.)</p>	<p>Pravin belê R40 000 in 'n spaarrekening by Standard Bank vir 3 jaar teen 'n enkelvoudige rentekoers van 8% p.a.</p> <p>3.1 Wat is die rente wat aan hom betaal sal word? (Wys ALLE bewerkings.)</p> <p>3.2 Wat is die totale bedrag wat aan hom betaal sal word? (Wys ALLE bewerkings.)</p>
<p>3.1</p> $I = P \times i \times n$ <p>where</p> $P = 40\,000$ $i = 8\% \text{ or } \frac{8}{100} = 0.08$ $n = 3$ $\therefore I = P \times i \times n$ $= 40\,000 \times 0.08 \times 3$ $= R9\,600$ <p>3.2</p> <p>Total Amount = Start amount + Interest amount</p> $= 40\,000 + 9\,600$ $= R49\,600$	<p>3.1</p> $I = P \times i \times n$ <p>waar</p> $P = 40\,000$ $i = 8\% \text{ or } \frac{8}{100} = 0.08$ $n = 3$ $\therefore I = P \times i \times n$ $= 40\,000 \times 0.08 \times 3$ $= R9\,600$ <p>3.2</p> <p>Totale bedrag = Begin bedrag + Rente bedrag</p> $= 40\,000 + 9\,600$ $= R49\,600$

Example 4	Voorbeeld 4
<p>Patricia won R50 000 in the Lotto draw. She invested the money in a fixed deposit account for two years, earning simple interest of 14% p.a.</p> <p>4.1 What is the interest that will be paid to her? (Show ALL workings.)</p> <p>4.2 What is the total amount that will be paid to her? (Show ALL workings.)</p>	<p>Patricia het R50 000 in die Lotto-trekking gewen. Sy belê die geld in 'n vastedeposito rekening vir twee jaar, en verdien 14% enkelvoudige rente per jaar.</p> <p>4.1 Wat is die rente wat aan haar betaal sal word? (Wys ALLE bewerkings.)</p> <p>4.2 Wat is die totale bedrag wat aan haar betaal sal word? (Wys ALLE bewerkings.)</p>
<p>4.1</p> $I = P \times i \times n$ <p>where</p> $P = 50\,000$ $i = 14\% \text{ or } \frac{14}{100} = 0.14$ $n = 2$ $\therefore I = P \times i \times n$ $= 50\,000 \times 0.14 \times 2$ $= R14\,000$	<p>4.1</p> $I = P \times i \times n$ <p>waar</p> $P = 50\,000$ $i = 14\% \text{ or } \frac{14}{100} = 0.14$ $n = 2$ $\therefore I = P \times i \times n$ $= 50\,000 \times 0.14 \times 2$ $= R14\,000$
<p>4.2</p> <p>Total Amount = Start amount + Interest amount</p> $= 50\,000 + 14\,000$ $= R64\,000$	<p>4.2</p> <p>Totale bedrag = Begin bedrag + Rente bedrag</p> $= 50\,000 + 14\,000$ $= R64\,000$

Example 5	Voorbeeld 5
<p>Anele invested R5 000 for three years, at 10% interest per year, with Capital Bank.</p> <p>5.1 Calculate the amount Anele will receive after three years. (Show ALL workings.)</p> <p>5.2 Calculate the amount of interest that Anele will earn. (Show ALL workings.)</p>	<p>Anele belê R5 000 vir drie jaar, teen 10% rente per jaar, by Capital Bank.</p> <p>5.1 Bereken die bedrag wat Anele sal ontvang na drie jaar. (Wys ALLE bewerkings.)</p> <p>5.2 Bereken die rente wat Anele sal verdien. (Wys ALLE bewerkings.)</p>
<p>5.1</p> $I = P \times i \times n$ <p>where</p> $P = 5\,000$ $i = 10\% \text{ or } \frac{10}{100} = 0.10$ $n = 3$ $\therefore I = P \times i \times n$ $= 5\,000 \times 0.10 \times 3$ $= R1\,500$ <p>5.2</p> <p>Total Amount = Start amount + Interest amount</p> $= 5\,000 + 1\,500$ $= R6\,500$	<p>5.1</p> $I = P \times i \times n$ <p>waar</p> $P = 5\,000$ $i = 10\% \text{ of } \frac{10}{100} = 0.10$ $n = 3$ $\therefore I = P \times i \times n$ $= 5\,000 \times 0.10 \times 3$ $= R1\,500$ <p>5.2</p> <p>Totale bedrag = Begin bedrag + Rente bedrag</p> $= 5\,000 + 1\,500$ $= R6\,500$

Example 6	Voorbeeld 6
<p>Nyathi's Lodge on Moretele farm does not generate enough profit anymore. Nyathi decided to invest R40 000 as a fixed deposit at 8.5% interest per year.</p> <p>6.1 How much will he get over a period of 3 years if the interest is calculated using the simple interest method? (Show ALL workings.)</p>	<p>Nyathi se Lodge op Moretele plaas genereer nie genoeg wins nie. Nyathi het besluit om R40 000 te belê as 'n vaste deposito teen 8.5% rente per jaar.</p> <p>6.1 Hoeveel sal hy kry oor 'n tydperk van 3 jaar indien die rente bereken word met behulp van die enkelvoudige rente metode? (Wys ALLE bewerkings.)</p>
<p>6.1</p> $I = P \times i \times n$ <p>where</p> $P = 40\,000$ $i = 8.5\% \text{ or } \frac{8.5}{100} = 0.085$ $n = 3$	<p>6.1</p> $I = P \times i \times n$ <p>waar</p> $P = 40\,000$ $i = 8.5\% \text{ of } \frac{8.5}{100} = 0.085$ $n = 3$
$\therefore I = P \times i \times n$ $= 40\,000 \times 0.085 \times 3$ $= R10\,200$	$\therefore I = P \times i \times n$ $= 40\,000 \times 0.085 \times 3$ $= R10\,200$
<p>6.2</p> <p>Total Amount = Start amount + Interest amount</p> $= 40\,000 + 10\,200$ $= R50\,200$	<p>6.2</p> <p>Totale bedrag = Begin bedrag + Rente bedrag</p> $= 40\,000 + 10\,200$ $= R50\,200$

**COMPOUND INTEREST / SAAMGESTELDE RENTE:**

<b>Example 1</b>	<b>Voorbeeld 1</b>
<p>Jane borrows R20 000 from ABSA Bank for one year at a rate of 18 % per annum ( pa ) compounded annually.</p> <p>1.1 What is the total amount that will be paid to her? (Show ALL workings.)</p> <p>1.2 What is the interest that will be paid to her? (Show ALL workings.)</p>	<p>Jane leen R20 000 by Absa Bank vir een jaar teen 'n koers van 18% per jaar (p.j) jaarliks saamgestel.</p> <p>1.1 Wat is die totale bedrag wat aan haar betaal sal word? (Wys ALLE bewerkings.)</p> <p>1.2 Wat is die rente wat aan haar betaal sal word? (Wys ALLE bewerkings.)</p>
<p>1.1</p> $A = P(1+i)^n$ <p>where</p> $A = ?$ $P = 20\,000$ $i = 18\% \text{ or } \frac{18}{100} = 0.18$ $n = 1$ $\therefore A = P(1+i)^n$ $= 20\,000(1+0.18)^1$ $= 20\,000(1.18)^1$ $= 20\,000(1.18)$ $= 23\,600$	<p>1.1</p> $A = P(1+i)^n$ <p>waar</p> $A = ?$ $P = 20\,000$ $i = 18\% \text{ of } \frac{18}{100} = 0.18$ $n = 1$ $\therefore A = P(1+i)^n$ $= 20\,000(1+0.18)^1$ $= 20\,000(1.18)^1$ $= 20\,000(1.18)$ $= 23\,600$

<b>1.2</b>  Interest amount = Total Amount – Start amount = 23 600 – 20 000 = R3 600	<b>1.2</b>  Rente bedrag = Totale bedrag – Begin bedrag = 23 600 – 20 000 = R3 600
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Example 2	Voorbeeld 2
<p>Basil invested R10 000 of his annual bonus in a fixed-deposit account at Standard Bank, earning an interest rate of 12% p.a, compounded annually.</p> <p>2.1 Calculate the interest earned by basil over a period of 36 months. (Show ALL workings.)</p>	<p>Basil belê R10 000 van sy jaarlikse bonus in 'n vastedeposito rekening by Standard Bank, teen 'n rentekoers van 12% per jaar, jaarliks saamgestel.</p> <p>2.1 Bereken die rente wat verdien word deur Basil oor 'n tydperk van 36 maande. (Wys ALLE bewerkings.)</p>
<p>2.1</p> $A = P(1+i)^n$ <p>where</p> $A = ?$ $P = 10\,000$ $i = 12\% \text{ or } \frac{12}{100} = 0.12$ $n = 36 \text{ months} = 3 \text{ years} = 3$ $\therefore A = P(1+i)^n$ $= 10\,000(1+0.12)^3$ $= 10\,000(1.12)^3$ $= 10\,000(1.404928)$ $= R14\,049.28$ <p>Interest amount = Total Amount – Start amount  <math>= 14\,049.28 - 10\,000</math>  <math>= R4\,049.28</math></p>	<p>2.1</p> $A = P(1+i)^n$ <p>waar</p> $A = ?$ $P = 10\,000$ $i = 12\% \text{ of } \frac{12}{100} = 0.12$ $n = 36 \text{ maande} = 3 \text{ jaar} = 3$ $\therefore A = P(1+i)^n$ $= 10\,000(1+0.12)^3$ $= 10\,000(1.12)^3$ $= 10\,000(1.404928)$ $= R14\,049.28$ <p>Rente bedrag = Totale bedrag – Begin bedrag  <math>= 14\,049.28 - 10\,000</math>  <math>= R4\,049.28</math></p>



Example 3	Voorbeeld 3
<p>Pravin invested R40 000 in a savings account at Standard Bank for 3 years at a compounded interest rate of 8% p.a.</p> <p>3.1 What is the total amount that will be paid to him? (Show ALL workings.)</p> <p>3.2 What is the interest that will be paid to him? (Show ALL workings.)</p>	<p>Pravin belê R40 000 in 'n spaarrekening by Standard Bank vir 3 jaar teen 'n saamgestelde rentekoers van 8% p.a.</p> <p>3.1 Wat is die totale bedrag wat aan hom betaal sal word? (Wys ALLE bewerkings.)</p> <p>3.2 Wat is die rente wat aan hom betaal sal word? (Wys ALLE bewerkings.)</p>
<p>3.1</p> $A = P(1+i)^n$ <p>where</p> $A = ?$ $P = 40\,000$ $i = 8\% \text{ or } \frac{8}{100} = 0.08$ $n = 3$ $\therefore A = P(1+i)^n$ $= 40\,000(1+0.08)^3$ $= 40\,000(1.08)^3$ $= 40\,000(1.259712)$ $= \text{R}50\,388.48$ <p>3.2</p> <p>Interest amount = Total Amount – Start amount</p> $= 50\,388.48 - 40\,000$ $= \text{R}10\,388.48$	<p>3.1</p> $A = P(1+i)^n$ <p>waar</p> $A = ?$ $P = 40\,000$ $i = 8\% \text{ of } \frac{8}{100} = 0.08$ $n = 3$ $\therefore A = P(1+i)^n$ $= 40\,000(1+0.08)^3$ $= 40\,000(1.08)^3$ $= 40\,000(1.259712)$ $= \text{R}50\,388.48$ <p>3.2</p> <p>Rente bedrag = Totale bedrag – Begin bedrag</p> $= 50\,388.48 - 40\,000$ $= \text{R}10\,388.48$

Example 4	Voorbeeld 4
<p>Patricia won R50 000 in the Lotto draw. She invested the money in a fixed deposit account for two years, earning compound interest of 14% p.a.</p> <p>4.1 What is the total amount that will be paid to her? (Show ALL workings.)</p> <p>4.2 What is the interest that will be paid to her? (Show ALL workings.)</p>	<p>Patricia het R50 000 in die Lotto-trekking gewen. Sy belê die geld in 'n vastedeposito rekening vir twee jaar, en verdien 14% saamgestelde rente per jaar.</p> <p>4.1 Wat is die totale bedrag wat aan haar betaal sal word? (Wys ALLE bewerkings.)</p> <p>4.2 Wat is die rente wat aan haar betaal sal word? (Wys ALLE bewerkings.)</p>
<p>4.1</p> $A = P(1+i)^n$ <p>where</p> $A = ?$ $P = 50\,000$ $i = 14\% \text{ or } \frac{14}{100} = 0.14$ $n = 2$ $\therefore A = P(1+i)^n$ $= 50\,000(1+0.14)^2$ $= 50\,000(1.14)^2$ $= 50\,000(1.2996)$ $= \text{R}64\,980$ <p>4.2</p> <p>Interest amount = Total Amount – Start amount</p> $= 64\,980 - 50\,000$ $= \text{R}14\,980$	<p>4.1</p> $A = P(1+i)^n$ <p>waar</p> $A = ?$ $P = 50\,000$ $i = 14\% \text{ of } \frac{14}{100} = 0.14$ $n = 2$ $\therefore A = P(1+i)^n$ $= 50\,000(1+0.14)^2$ $= 50\,000(1.14)^2$ $= 50\,000(1.2996)$ $= \text{R}64\,980$ <p>4.2</p> <p>Rente bedrag = Totale bedrag – Begin bedrag</p> $= 64\,980 - 50\,000$ $= \text{R}14\,980$

Example 5	Voorbeeld 5
<p>Anele invested R5 000 for three years, at 10% interest per year, compounded annually, with Capital Bank.</p> <p>5.1 Calculate the amount Anele will receive after three years. (Show ALL workings.)</p> <p>5.2 Calculate the amount of interest that Anele will earn. (Show ALL workings.)</p>	<p>Anele belê R5 000 vir drie jaar, teen 10% rente per jaar, jaarliks saamgestel, by Capital Bank.</p> <p>5.1 Bereken die bedrag wat Anele sal ontvang na drie jaar. (Wys ALLE bewerkings.)</p> <p>5.2 Bereken die rente wat Anele sal verdien. (Wys ALLE bewerkings.)</p>
<p>5.1</p> $A = P(1+i)^n$ <p>where</p> $A = ?$ $P = 5\,000$ $i = 10\% \text{ or } \frac{10}{100} = 0.10$ $n = 3$ $\therefore A = P(1+i)^n$ $= 5\,000(1+0.10)^3$ $= 5\,000(1.10)^3$ $= 5\,000(1.331)$ $= \text{R}6\,655$ <p>5.2</p> <p>Interest amount = Total Amount – Start amount</p> $= 6\,655 - 5\,000$ $= \text{R}1\,655$	<p>5.1</p> $A = P(1+i)^n$ <p>waar</p> $A = ?$ $P = 5\,000$ $i = 10\% \text{ of } \frac{10}{100} = 0.10$ $n = 3$ $\therefore A = P(1+i)^n$ $= 5\,000(1+0.10)^3$ $= 5\,000(1.10)^3$ $= 5\,000(1.331)$ $= \text{R}6\,655$ <p>5.2</p> <p>Rente bedrag = Totale bedrag – Begin bedrag</p> $= 6\,655 - 5\,000$ $= \text{R}1\,655$

INSURANCE / VERSEKING

COMPENSATION: FORMULA	VERGOEDING: FORMULA
$\text{Compensation} = \frac{\text{Insured amount}}{\text{Market Value}} \times \text{Loss}$	$\text{Vergoeding} = \frac{\text{Versekerde bedrag}}{\text{Mark waarde}} \times \text{Verlies}$

Example 1	Voorbeeld 1
<p>Peter bought a house with a market value of R750 000 at Malalane Estates. He insured his house for R500 000. A Year later his house burnt down and the damages were estimated at R650 000.</p> <p>1.1 Calculate how much the insurance company will pay Peter for the fire damages.</p>	<p>Peter koop 'n huis met 'n markwaarde van R750 000 op Malalane Landgoed. Hy verseker sy huis vir R500 000. 'n Jaar later het sy huis afgebrand en die skade was geskat op R650 000.</p> <p>1.1 Bereken hoeveel die versekeringsmaatskappy Peter sal betaal vir die vuur skade.</p>
<p>1.1</p> $\begin{aligned}\text{Compensation} &= \frac{\text{Insured amount}}{\text{Market Value}} \times \text{Loss} \\ &= \frac{500\,000}{750\,000} \times 650\,000 \\ &= 0.6666666667 \times 650\,000 \\ &= 433\,333.33\end{aligned}$	<p>1.1</p> $\begin{aligned}\text{Vergoeding} &= \frac{\text{Versekerde bedrag}}{\text{Mark waarde}} \times \text{Verlies} \\ &= \frac{500\,000}{750\,000} \times 650\,000 \\ &= 0.6666666667 \times 650\,000 \\ &= 433\,333.33\end{aligned}$

<u>Example 2</u>	<u>Voorbeeld 2</u>
<p>Karen Jones owns a retail outlet at the Century City Shopping Centre in Cape Town. She sells imported ladies' garments. The business is insured against fire for R800 000. The market value of her business enterprise is R1 000 000 (one million rand). Fire caused damage to her business, which was assessed at R300 000.</p> <p><b>2.1 Calculate the compensation that Karen Jones will receive from the insurance company.</b></p>	<p>Karen Jones besit 'n kleinhandelsbesigheid by die Century City Inkopiesentrum in Kaapstad. Sy verkoop ingevoerde damesuitrustings. Die besigheid is teen brand verseker vir R800 000. Die markwaarde van haar besigheidsonderneming is R1 000 000 (een miljoen rand). Brandskade aan haar besigheid is vasgestel op R300 000.</p> <p><b>2.1 Bereken die vergoeding wat Karen Jones van die versekeringsmaatskappy sal ontvang.</b></p>
<p><b>2.1</b></p> $\begin{aligned}\text{Compensation} &= \frac{\text{Insured amount}}{\text{Market Value}} \times \text{Loss} \\ &= \frac{800\,000}{1\,000\,000} \times 300\,000 \\ &= 0.8 \times 300\,000 \\ &= 240\,000\end{aligned}$	<p><b>2.1</b></p> $\begin{aligned}\text{Vergoeding} &= \frac{\text{Versekerde bedrag}}{\text{Mark waarde}} \times \text{Verlies} \\ &= \frac{800\,000}{1\,000\,000} \times 300\,000 \\ &= 0.8 \times 300\,000 \\ &= 240\,000\end{aligned}$

Example 3	Voorbeeld 3
<p>The property of Turbo Distillers has a current market value of R300 million. The warehouse was partly damaged by fire. Damages were assessed at R60 million. The Insurance company is not prepared to pay the full amount of the claim because Turbo Distillers insured the property for only R200 million.</p> <p>3.1 Calculate the compensation that Turbo Distillers will receive from the insurance company. Show ALL the calculations.</p>	<p>Die eiendom van Turbo Distilleerders het 'n huidige markwaarde van R300 miljoen. Die pakhuis is gedeeltelik deur brand beskadig. Skade is op R60 miljoen geraam. Die versekeringsmaatskappy is nie bereid om die volle bedrag van die eis te betaal nie omdat Turbo Distilleerders die eiendom vir slegs R200 miljoen verseker het.</p> <p>3.1 Bereken die vergoeding wat Turbo Distilleerders van die versekeringsmaatskappy sal ontvang. Toon AL die berekeninge.</p>
<p>3.1</p> $\begin{aligned}\text{Compensation} &= \frac{\text{Insured amount}}{\text{Market Value}} \times \text{Loss} \\ &= \frac{200\,000\,000}{300\,000\,000} \times 60\,000\,000 \\ &= 0.6666666667 \times 60\,000\,000 \\ &= 40\,000\,000\end{aligned}$	<p>3.1</p> $\begin{aligned}\text{Vergoeding} &= \frac{\text{Versekerde bedrag}}{\text{Mark waarde}} \times \text{Verlies} \\ &= \frac{200\,000\,000}{300\,000\,000} \times 60\,000\,000 \\ &= 0.6666666667 \times 60\,000\,000 \\ &= 40\,000\,000\end{aligned}$

## 6. DEVELOP A GLOSSARY OF BUSINESS STUDIES TERMINOLOGY

### GLOSSARY

#### SOME BUSINESS STUDIES CONCEPTS AND TERMS PER MAIN TOPIC:

The list given below is not exhaustive (there are many more concepts). This can assist you to make a list of concepts when studying to help you to remember the different concepts and terms used in Business Studies. If you want to look up a word quickly and you have access to the internet you will find the Business Studies concepts below and many more on the following website: [www.thutong.doe.gov.za](http://www.thutong.doe.gov.za) and refer to Business Studies.

#### MAIN TOPIC 1: BUSINESS ENVIRONMENT

WORD/PHRASE	DEFINITION/EXPLANATION	PRINCIPLES/EXAMPLES /ILLUSTRATIONS/APPLICATION
Micro environment	This refers to the internal environment which is the environment within the business. This includes the people who work in the business, the equipment and technology they use, and the systems they have developed to manage their work and how they function from within the business environment	Vision and mission statements and business objectives; organizational resources, organizational culture and the Eight business functions namely – General management - Production - Purchasing, - Marketing, - Financial, - Human Resources - Administration and - Public Relations
Vision statement	A vivid idealized description of a desired outcome that inspires, energized and helps you create a mental picture of your target,	The best vision statements for result areas describe outcomes that are five (medium term) to ten years(long term)
Mission statement	A statement of the purpose of a company. The missions statement should guide the actions of the organization, spell out its overall goal, provide a path and guide decision-making.	In writing missions statements, you are creating a brief description of what you want to focus on and what you want to accomplish in a particular area of your life over a period.



		A mission statement sets out the business vision and values and that enables employees, managers, customers and even suppliers to understand the underlying basis for the actions of the business.
Aims and goals	An aim is where the business wants to go in the future, its goals. It is a statement of purpose	Example of the aim of a business: "We want to grow the business into Europe and America".
Business objectives	These are the stated, measurable targets of how to achieve business aims.	For instance, we want to achieve sales of R10 million in European markets in 2015. Objectives give the business a clearly defined target. Plans can then be made to achieve these targets. This can motivate the employees. It also enables the business to measure the progress towards its stated aims.
Market environment	The Market environment influences the organization directly. It includes sectors with which the organization interacts directly and that have a direct impact on the organization's ability to achieve its goals.	Suppliers, Customers/consumers/clients, intermediaries, Competitors, Civil society (e.g. community based organizations (CBOs) and non-governmental organizations (NGOs), Regulators, strategic allies and unions give rise to particular opportunities and threats. Business has limited control over the factors.
Macro Business Environment or the Macro Environment	The major external and uncontrollable factors that influence an organization's decision making, and affect its performance and strategies.	Natural/physical environment, economic environment, social, cultural and demographic environment, the political and legal, the technological and the international. (PESTLE) Examples of macro

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Backward vertical integration	Integration strategy – where one business further forward in the chain of production buys another business which is further back in the chain	A newspaper company buying a printing company
Conglomerate merger	Where two businesses merge which have no common business interests	A newspaper company merging with a food beverage company
External growth	An increase in the size of a business achieved through the purchase of other businesses	A newspaper company buying other media companies for growth or taking over other companies
Forward vertical integration	Integration strategy – where one business further back in the chain of production buys another business which is further forward in the chain	A newspaper company buying newsagents
Horizontal integration	Integration strategy – where two businesses join together thorough merger or takeover which is at the the same stage in the chain of production	A textile company merges with another textile company
Internal growth	An increase in the size if a business which is not achieved through a take-over of the business but due to the existing business's increasing profits, sales and employment	For example: 2010/11 Shoprite showed an increased growth through profits from increased sales
Merger	When two or more businesses join together to form a large business	For example: Wal-Mart acquire 51% stake in Massmart – controlling shareholding
Take-over	When one business buys another business and takes it over	The acquisition of one company by another, sometimes a hostile situation, by a large creditors a the objection of the current owner
Private sector enterprise	A business owned and controlled by private individuals and businesses	<ul style="list-style-type: none"> <li>• Sole proprietors</li> <li>• Partnerships</li> <li>• Public companies</li> <li>• Private companies</li> </ul>
Public sector enterprise	A business owned and controlled by the state or goverment	State-owned companies: <ul style="list-style-type: none"> <li>• SA Post office</li> <li>• Transnet</li> <li>• Sasol</li> <li>• Eskom</li> </ul>
Primary industry	Activities which mine, grow, collect or cut down raw materials, such as in mining or agriculture	<ul style="list-style-type: none"> <li>• Mining,</li> <li>• Forestry</li> <li>• Fishing</li> <li>• Agriculture</li> </ul>
Investment	In finance, the purchase of a financial product	In business, the purchase

	or other item of value with an expectation of favorable future returns. In general terms, investment means the use of money in the hope of making more money.	by a producer of a physical good, such as durable equipment or inventory, in the hope of improving future business.
Dividend	A payment made to shareholders out of the profits that a firm makes, in return for their investment in the company.	A share of the profits of a company received by people who own shares.
Equity or equity capital	The monetary value of a business which belongs to the business owners. In a company this would be the value of their shares. Equity comes from investment in the business by the owners, plus accumulated net profits of the business that have not been paid out to the owners.	Refers to the difference between the total assets and the total liabilities of a company. It essentially represents amounts owed to the owners. Equity accounts are balance sheet accounts. Relates to the funds raised through the selling of shares. Often referred to as share capital.
Bond	A debt instrument issued for a period of more than one year with the purpose of raising capital by borrowing. The central government, states, cities, corporations, and many other types of institutions sell bonds, e.g. RSA retail bonds. Generally a bond is a promise to repay the principal along with interest (coupons) on a specified date (maturity).	Some bonds do not pay interest, but all bonds require a repayment of principal. When an investor buys a bond, he/she becomes a creditor of the issuer. However, the buyer does not gain any kind of ownership rights to the issuer, unlike in the case of equities. On the other hand, a bond holder has a greater claim on an issuer's income than a shareholder in the case of financial distress (this is true for all creditors). Bonds are often divided into different categories based on tax status, credit quality, issuer type, maturity and secured/unsecured.
Unit trusts	A unit trust is a form of collective investment constituted under a trust deed. A unit trust is the pooled money of many investors that is invested in the financial markets through a single collective investment scheme – called a	Stokvels, mutual funds, equity funds, unit trusts – to thousands of South African investors all of these are more or less the

	Unit Trust. Unit trusts invest in different markets and market sectors, while some invest across markets. You can make or lose money in unit trust funds, but the risk of losing money depends on where and how the fund invests.	same thing. To a certain extent they are quite right. Many individual cannot accumulate large enough pools of money to give them access to an expensive service of product. In the case of Stokvels – the individual then uses the pooled money to buy goods in bulk at a lower price, or to negotiate better returns or loans at low rate of interest. Unit trusts work in very much the same way. They obtain something that is almost impossible for individual – blue chip shares.
Interest	Interest is the cost of borrowing money. Interest is a fee paid on borrowed assets. It is the price paid for the use of borrowed money, or, money earned by deposited funds. When you take a loan out from a bank, or wherever, they will expect you to pay interest. It is a percentage charged on the principle amount for a period of a year – usually. This means that you pay back what you took out on a loan, plus extra money.	For example, if you took a loan out for R500, and let/s say you have to pay it back with 15% interest, you would pay back R575, that is: $R500 \times 15 \text{ divide by } 100\% = R75$ $R500 + R75 = R575$
Simple interest	It is the money charged on the fixed amount by the lender for lending the money to the borrower for the certain period of time. The interest charged in case of simple interest remains fixed for all the year.	The formulae for simple interest = $p \times i \times n$ Where: p = principal (original amount borrowed or loaned) i = interest rate for one period n = number of periods
Compound interest	Compound interest is calculated each period on the original principal and all interest accumulated during past periods. Compound interest is the concept of adding accumulated interest back to the principal, so that interest is earned on interest from that moment on. The act of declaring interest to be principal is called compounding (i.e. interest is compounded).	Formulae for Compound Interest = $\text{Principal} \times (1 + \text{Rate}/N)^{(N \times \text{Time})} - \text{Principal}$ . Where N is the Number of times within one year that the Principal should be reinvested.
Add your own words and		

	Unit Trust. Unit trusts invest in different markets and market sectors, while some invest across markets. You can make or lose money in unit trust funds, but the risk of losing money depends on where and how the fund invests.	same thing. To a certain extent they are quite right. Many individual cannot accumulate large enough pools of money to give them access to an expensive service of product. In the case of Stokvels – the individual then uses the pooled money to buy goods in bulk at a lower price, or to negotiate better returns or loans at low rate of interest. Unit trusts work in very much the same way. They obtain something that is almost impossible for individual – blue chip shares.
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Compound interest	Compound interest is calculated each period on the original principal and all interest accumulated during past periods. Compound interest is the concept of adding accumulated interest back to the principal, so that interest is earned on interest from that moment on. The act of declaring interest to be principal is called compounding (i.e. interest is compounded).	Formulae for Compound Interest = $\text{Principal} \times (1 + \text{Rate}/N)^{(N \times \text{Time})} - \text{Principal}$ . Where N is the Number of times within one year that the Principal should be reinvested.
Add your own words and		