

AngloGold Ashanti
2008 Paper 1

No memo.



Welcome

AngloGold Ashanti Ltd's business is gold - we create value for everyone with a stake in the company by finding and mining gold and by developing the market for our product. AngloGold Ashanti has 21 operations in 10 countries and an extensive exploration programme spanning four continents.

We strive to be a company driven by values, which guides how we operate and is also a guide for how our employees conduct themselves.

The success of the company depends very much on our people.

AngloGold Ashanti employees would:

- Want to create value
- Share in both the risks and rewards of the business
- Innovate and create while being both accountable and responsible for their work
- Constantly learn and expand their skills
- Embrace cultural diversity
- Take absolute responsibility for their safety and for the safety of those around them
- Work to ensure communities are better-off for AngloGold Ashanti having been there.



Bobby Gotsell: CEO of AngloGold Ashanti and Sir Sam Joniah: President of AngloGold Ashanti

Bobby Gotsell on the attributes of potential AngloGold Ashanti employees. (video)

Entrusting AngloGold Ashanti with your career development

All recruitment is done in accordance with the company's policy on Fair Selection Practices for Appointment and Promotion and Employment Equity as well as in accordance with each host countries' legislative requirements.

SECTION A

[50]

QUESTION 1

(30)

Choose the correct answer and indicate the answer by making a cross (X) over the appropriate letter on the answer sheet on the inside cover of your answer book.

1.1 AngloGold Ashanti have put in place both AIDS and TB education and support programmes. These form part of:

- A Social factors
- B Political factors
- C Legal factors
- D Economic factors

1.2 Before Anglo can implement a management strategy, they need to follow a logical sequence. Arrange the following into the correct order:

- (i) Analyse the viability of each option.
- (ii) Define the business's vision and mission
- (iii) Plan the implementation of the chosen strategy
- (iv) Analyse the different business environments
- (v) Identify the various strategic options available and prepare them

Choose the correct option

- A (v), (i), (ii), (iii) and (iv)
- B (iv), (ii), (i), (v) and (iii)
- C (i), (iv), (v), (i) and (iii)
- D (ii), (v), (iii), (iv) and (i)

1.3 Primary research will include ...

- A raw facts
- B data from an original source e.g. interviews
- C research from Wikipedia
- D publications which are not protected by law.

1.4 "All recruitment is done in accordance with the company's policy on Fair Selection Practices for Appointment and Promotion and Employment Equity as well as in accordance with each host countries' legislative requirements"
 What legislation controls employment in AngloGold's South African Operations?:

- (i) The Labour Relations Act
- (ii) The Basic Conditions of Employment Act
- (iii) The Occupational Health and Safety Act
- (iv) The Employment Equity Act
- (v) The National Small Business Enabling Act

Choose the correct option

- A (i), (ii) and (iii)
- B (i) only
- C (i), (ii), (iii) and (iv)
- D all the above.

1.5 AngloGold Ashanti offers complete limited liability to the owner/s. What form of ownership does the company have?

- A Close Corporation
- B Public Company
- C Partnership
- D Sole owner

1.6 When the character of a person is judged rather than his actions, this forms the following theoretical approach to ethics:

- A Consequence based theory
- B Principle based theory
- C Narrative based theory
- D Virtue based theory

1.7 It is advisable that all employers become members of organizations such as which protects their rights and provides a service to them by giving legal information.

- A Cosatu
- B Naptosa
- C Cofesa
- D Numsa

1.8 Which of the following options most accurately describes AngloGold Ashanti's lower level of management?

- A Require technical skills, make operational decisions; are highly specialized in their fields.
- B Make tactical decisions; require human relations skills; are strongly involved in the task of activating.
- C Are strongly involved in the task of planning; translate goals into specific action programs; make operational decisions.
- D Focus is on the medium term future of the business; require technical skills; make tactical decisions.

1.9 An effective way for the company to recruit internally would be:

- A Advertisements in "The Star classified"
- B Internet recruitment sites
- C Job posting
- D Employment agencies.

1.10 A bureaucracy is an organizational structure which is ...

- A Simple and flexible.
- B Complex and centralized, but still flexible.
- C Rigid, complex and formal.
- D Simple, decentralized and formal

1.11 The SABS would provide the following services to AngloGold Ashanti:

- (i) Test imported products for quality
- (ii) Register trade marks of quality products
- (iii) Promote standardization in industry and commerce
- (iv) Prepare specifications and codes of practice

- A (i), (ii) and (iii)
- B (ii), (iii) and (iv)
- C (i), (ii) and (iv)
- D (i), (iii) and (iv)

1.12 Which of the following is NOT party to a unit trust investment

- A The unit trust Management Company
- B The trustee Company
- C The unit holder
- D The money market

- 2.5 The owners of a Public Company are delegated the management and control of the business in all aspects.
- 2.6 Sending a box of whisky to a prospective client can be seen as unethical business behaviour at organizational level.
- 2.7 The South African Revenue Services ensures that tax laws are complied with and that collection takes place with the correct amount at the correct time.

QUESTION 3

(5)

Match the concepts in Column A with the description in Column B.
Do not rewrite the sentence, write down only the letter next to the appropriate question number.

Column A	Column B
3.1 Job analysis	A To determine if the staff is working efficiently and effectively for the benefit of the business.
3.2 Manpower planning	B A workshop to promote interaction and update skills.
3.3 Evaluation	C This is a systematic method of obtaining all relevant information related to a specific job.
3.4 Learnership	D An introduction to a new employee the general rules, expectations, fellow workers and task leaders.
3.5 Business Process Re-engineering	E The purpose of this is to determine how many new employees are required and the necessary skills required.
	F To assist employees to gain skills and the knowledge needed to improve productivity.
	G They fulfil a vital role by maintaining open communication channels between management and labour.
	H This indicates the minimum ability a worker must possess to fulfill a specific job.

- 1.13 AngloGold encourages their employees to be innovative and creative. Which of the following problem solving tools is used to show the different options available at points where decisions have to be made:

- A PESTLE
- B Flow Chart
- C Drill Down Analysis
- D Value Analysis

- 1.14 AngloGold Ashanti use the Balanced Score Card to look at various issues that impact on the businesses performance. Which of the following is not one of the traditional focus points of this concept.

- A The Financial Perspective
- B The Customer Perspective
- C The Learning and Growth Perspective
- D The Social Perspective.

- 1.15 In dealing with conflict, managers may use various techniques or methods of encouraging change. Which method is an autocratic leader most likely to use.?

- A Smoothing
- B Forcing
- C Avoidance
- D Compromise

QUESTION 2

(10)

Indicate whether the following statement is TRUE or FALSE. If you choose FALSE, give a reason why you have done so.

- 2.1 Social responsibility can be described as management's duty to protect and promote the profits of the business.
- 2.2 The main feature of the Labour Relations Act is that it recognizes collective bargaining as the most acceptable means of resolving disputes.
- 2.3 Employers who employ 30 or more workers are forced to adhere to affirmative action and submit employment equity plans to the government.
- 2.4 The Bill of Rights clearly states that all citizens in South Africa have the right to be protected, but citizens in turn have to uphold the laws and values noted in the Constitution and behave in a responsible manner.

	<p>I Communication with these people may be required to verify certain information supplied.</p> <p>J This is a summary of the duties, responsibilities and level of authority.</p> <p>K A radical improvement in the way things are done aimed at improving performance.</p> <p>L A NQF registered training program which allows trainees to get in house training while studying.</p>
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QUESTION 4

Write down only the missing word for each of the following.

- 4.1 A specific plan of action which indicates how resources are to be used effectively to achieve the aims of the organization.
- 4.2 The document that must be completed for the successful formation of a Close Corporation.
- 4.3 The form of leadership that is proactive, where the leader motivates others to do more than they originally intended and often achieve more than they thought possible.
- 4.4 If one believes that there is only one possible solution without being dependent on the situation or person involved, one supports moral _____.
- 4.5 The type of assurance (policy) taken out to provide an income or pension on reaching retirement age.

(5)

SECTION B

[150]

QUESTION 5

(50)

Minister waves the big stick on worker equity

The department of labour intended to double inspections of JSE-listed firms for "substantive compliance" with the country's employment equity legislation, labour minister Mcebisi Mdladlana said yesterday.

He warned that the carrot was not working and said "the stick has to come out".

Mdladlana said earlier this year that while he was pleased with the compliance of steel firms Exxaro and retail firm Vermark, he wanted to ensure that the big guns implemented the law.

"Many of these firms participate in the global economy. It is important that we are not found with our pants down with the International Labour Organisation," he said, noting these big firms represented South Africa, which had a human rights constitution.

The department is taking an increasingly tough stance on companies just as recent surveys show employment equity and affirmative action in general are viewed less seriously by business. A recent Grant Thornton report notes that less than 60 percent of firms felt black empowerment was an important issue in winning new business.

Although the latest employment equity report is not available, Mdladlana felt that the overall employment equity picture was bleak.

Pressby, D. 2008. Minister waves the big stick on worker equity. The Star. 16 May.

- 5.1 The Employment Equity Act was passed by Parliament in 1998. Explain what the purpose of this Act is and why it was created. (10)
- 5.2 Why does the Minister of Labour make the comment "the stick has to come out"? (4)
- 5.3 Why is it important that South African firms need to follow the constitution - particularly related to Human Rights if they are involved in the global economy? (6)
- 5.4 Name and explain the type of reporting that is recommended by the King II report (6)
- 5.5 How does the Skills Development Act aim to deal with inclusivity which is one of the basic rights in the constitution? (4)
- 5.6 What does NEDLAC stand for and how does it play an important role in the formulation of the Labour Relations Act? (6)

- 6.6 Distinguish between a protected strike and an unprotected strike. (4)
- 6.7 Differentiate between misconduct and poor performance. (4)
- 6.8 Explain why it is important to set work standards for employees. (2)
- 6.9 i) Give a definition for the term "ethics" (2)
ii) What is the emphasis of the Virtue based ethical theory (4)

QUESTION 7 (50)

Astrapak to pull back on investments as debt soars

Astrapak would "slow down a lot" on capital investments and acquisitions this year in an effort to minimize its exposure to high interest rates, the plastics packaging firm said yesterday. This would in turn assist in improving its margins in the 2008/09 year.

Chief executive Ray Crewe-Brown said Astrapak's debt repayments had risen substantially with the rising interest rates because the company had invested heavily in new acquisitions and needed more working capital. "We spent over R300 million investing in capital-enhancing projects and acquisitions".

Sales grew 27 percent to R2.8 billion but profit fell to R111.3 million from a restated R132.5 million, hurt by high oil prices and load shedding.

Crewe-Brown said he was optimistic because new plants in the East would lift supply and the projects Astrapak had invested in should generate income.

Investec Asset Management analyst John Thompson said the results were worse than expected, and rectifying its poor trading situation would be an uphill battle.

"This is a classic example of a lack of pricing power"

- 7.1 Draw a bar graph that shows the growth in sales and also the fall in profit as described in the article above. **IMPORTANT** – Remember the requirements of good statistical data when producing the graph. (16)
- 7.2 Give formulas for the following: (6)
 - 7.2.1 Profitability
 - 7.2.2 Solvency
 - 7.2.3 Acid Test Ratio

- 5.7 Explain what impact the above legislative processes have on big businesses and whether they are behaving in an ethical manner in the business environment by not adhering to the laws set out by government. (10)
- 5.8 It is evident that large companies are all involved with Corporate Social Responsibilities. Do you believe that this is sufficient for the advancement of the people of South Africa. (4)

QUESTION 6 (50)

SABC boss fights 'unlawful' suspension

The SABC board gave Dali Mpofo just one minute's notice of its emergency meeting last week, told him he wasn't invited and then suspended him.

Hours later, when the board's meeting ended, Mpofo was finally summoned and issued with a letter of suspension.

He was also handed "a barely legible copy" of the board's memorandum criticizing him, which had been published in the media earlier but was the first time the board had given him a copy.

That's what SABC group CEO Mpofo was due to tell the Joburg High Court today in his urgent application contesting his suspension.

In an affidavit supporting his application, Mpofo claimed the emergency meeting on Tuesday night last week was unlawful because it wasn't properly constituted, so its decisions were invalid.

He also argued that his suspension was unfair because he had not been given a chance to respond beforehand and the board was acting on political instructions to get rid of him.

Flanagan, L. 2008. SABC boss fights 'unlawful' suspension. The Star, 15 May.

- 6.1 Give FIVE instances where, under the Labour Relations Act, an employee is unfairly dismissed by an employer. (10)
- 6.2 Explain how the Trade Union can assist and protect Mpofo. (5)
- 6.3 Mpofo claims that his suspension was unlawful due to procedural unfairness. Explain what is meant by this and what the correct procedure would include. (10)
- 6.4 Discuss the procedure that an employee must follow if they feel that they have been dismissed unfairly. (6)
- 6.5 List the THREE collective bargaining structures. (3)

- 7.3 Identify TWO macro environmental factors which has affected Astrapak negatively and explain the challenges they have created. (12)
- 7.4 Explain how the political instability within South Africa and the neighbouring states can affect businesses such as Astrapak. (11)
- 7.5 Could Astrapak insure themselves against the effects of the high fuel price and inflation? Give a reason for your answer. (3)
- 7.6 Investec Asset Manager John Thompson mentioned "Blue Chip Shares" during his interview (not included in the case study)
What do you understand by this term? (2)