



GRADE 11 EXAMINATION  
NOVEMBER 2007

## BUSINESS STUDIES: PAPER II

Time: 2 hours

100 marks

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**This exam paper covers the four learning outcomes for Business Studies:**

LO1 – Business Environments

LO2 – Business Ventures

LO3 – Business Roles

LO4 – Business Operations

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### PLEASE READ THESE INSTRUCTIONS CAREFULLY

1. The paper consists of 3 pages. Please check that your question paper is complete.
  2. The paper comprises **TWO** longer type questions. You must answer **BOTH**.
  3. Read the questions carefully and plan the length of your answers in relation to the marks allocated for each question. Take time to plan answers, e.g. 15 minutes planning and 45 minutes writing.
  4. Refer to the case study when required.
  5. Use your own words and insight when answering questions.
  6. Answer each new question on a new page.
  7. Number your answers as the questions are numbered on the exam paper.
  8. Candidates are advised to pay special attention to the use of language.
  9. It is in your own interest to write legibly and present your work neatly.
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Look at the case study while keeping in mind that details provided here do not represent the complete list of SPAR's CSR (Corporate Social Responsibility) activities.

### QUESTION 1

Analyse and critically evaluate the citizenship roles and responsibilities that SPAR need to perform within a business environment. Also refer in your analysis and evaluation to strategies that SPAR can implement to control and/or manipulate elements in the micro, market and macro environment when carrying out their CSR. **Hint:** It may help you to also think about the *Wave Theory of Management* to describe how attitudes towards CSR are changing.

SPAR was first introduced in the Netherlands in 1932 and traded under the name of DESPAR, which is an abbreviation of the Dutch slogan meaning, "All will benefit from united co-operation". Although the name was later changed to SPAR, this philosophy of co-operation and synergy still remains central to the SPAR-way-of-doing things.

The **SPAR Mission Statement** is "To control and develop the voluntary trading group in Southern Africa through strategically placed Distribution Centres and to create wealth for members and shareholders while ensuring the development of all the people that make up the SPAR family".

For many years, SPAR has played an active and meaningful role in socio-economic development with a special focus on health, hunger, crime prevention and more specifically AIDS related projects.

Through SPAR's sponsorships and donations they continue to reach underprivileged people with various initiatives. These include Self-help projects such as feeding schemes, education, care for the aged and skills training for the care of the terminally ill.

Some of the SPAR CSR initiatives include:

- ↪ A joint venture with the "Unite Against Hunger" program (The Tiger Brands social responsibility programme) that focuses specifically on food security and hunger relief within South Africa. SPAR joined this worthy cause and announced that they would make a donation towards this Fund for every All Gold Tomato Sauce and Canned Tomato product sold in SPAR stores over the promotional period. Charities that benefited from this initiative included African Children's Feeding Scheme, MNC Care Village and Areboakeng Child Care Centre.
- ↪ Business Against Crime which was the direct result of former President, Nelson Mandela, appealing to business leaders to join forces with government in combating crime in South Africa. A non-profit organisation called Business Against Crime was formed as a result. SPAR took up the challenge and participated by donating a percentage from every SPAR Brand item purchased to fight crime.
- ↪ Participation in the Flood relieve program in the Eastern Cape in August 2006. The day following the flood disaster, SPAR was able to hand over to the Red Cross a cheque for R500 000 plus the food, blankets and clothing kindly donated by the public. Eighty-four SPAR stores across the region volunteered to act as collection points on behalf of the Red Cross rescue initiative. Through joined initiatives with their customers and suppliers such as Garry Stone of Melbro Retail Services, SPAR was able to donate 5 000 litres of mineral water and 5 000 blankets to The Red Cross.

**50 marks**

**QUESTION 2**

You have just been appointed as the New Business Development Manager of a local fast food franchisor. The franchisor has decided that as part of the Corporate Social Responsibility Program, students from the local high school will be invited to spend a week at the franchisor's business to help them to gain an understanding of the business world.

The school has contacted you and informed you that their top Business Studies candidate would be spending her time in your division as she has to do a Portfolio assignment on franchises. Part one of the assignment is to investigate entrepreneurial and intrapreneurial opportunities in a franchise, while part two of the assignment looks at franchising as a method of distribution and the impact of this on the remaining three P's of the marketing mix.

Write a dialogue in which you formulate the questions you expect to be asked by the student on the above topics as well as your answers in this regard.

<b>50 marks</b>
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**Total: 100 marks**

**HINT:**

You may consider including some of the following questions in the dialogue and then provide the appropriate answers. However, feel free to include any other question that you think may be relevant!

**Part 1:**

- ↵ What is the difference between intrapreneurship and entrepreneurship?
- ↵ Is franchising more suitable to intrapreneurship or entrepreneurship?
- ↵ How does ... (use a franchise name of your choice) encourage intrapreneurship?
- ↵ What are some entrepreneurial qualities that will also apply to an intrapreneur?
- ↵ Does ... (use the franchise name of your choice) use the information in the GEM-report to encourage and develop entrepreneurs/intrapreneurs? Why / why not?

**Part 2:**

- ↵ Why is franchising considered to be a method of distribution and not a form of ownership?
- ↵ Does franchising provide the entrepreneur with more flexibility or less flexibility in terms of the remaining three P's of marketing (product policy, pricing policy and promotion)? Motivate your answer. This can be used as three different questions – each time referring to a different "P".