

Time: 1½ Hours

Marks: 150

Instructions

1. This paper consists of 7 pages. Please check that your question paper is complete.
2. Read the questions carefully.
3. All answers should be written on the answer booklet provided.
4. Please answer in **pencil**.
5. It is in your own interest to write legible.
6. The allocation of marks and the appropriate time to be taken for each question are as follows:

Question	Topic	LO: AS	Marks	Time
Section A				
1.	Multiple choice	LO 1, LO 2, LO 3	10	6 min
2.	True and False	LO 1, LO 2, LO 3	8	5 min
3.	Match the columns	LO 1, LO 2, LO 3	10	6 min
4.	Fill in the missing words	LO 1, LO 2, LO 3	7	4 min
Section B – Data response and short questions				
5.	Business Environments	LO 1	36	22 min
6.	Business Ventures	LO 2	16	9 min
7.	Business Roles	LO 3	28	17 min
Section C – Long questions (Answer either Q8 OR Q9) -				
8.	Franchising	LO 2	20	12 min
9.	Forms of Ownership			
10.	SWOT	LO 2	15	9 min
			150	90

The following two cases will be referred to throughout the exam.

Case 1:

Anglo American

Anglo American is one of the world's leading mining companies. It is a UK public limited company and operates on a global scale. Anglo American operates mainly in the primary sector of the world economy. This, as the name suggests, covers industries involved in the first stage of economic activity, such as mining and agriculture.



Anglo American operates throughout the world. It has extensive operations in Africa, where 76% of its employees live. It is also a major employer in Europe. Its Tarmac aggregates and construction products business employs nearly 7,000 people in the UK.

As a primary producer, Anglo American plays an important role in the world economy.

Anglo American produces five main types of raw material.

Anglo American products				
Base metals	Ferrous metals	Platinum	Coal	Industrial materials
These include copper, zinc and nickel. Copper is used in wires, cables, tubes and pipes.	Iron ore, used to make steel.	Used in jewellery and products such as auto-catalysts. These reduce the pollution from vehicle emissions.	Used to generate about 40% of the world's electricity.	Tarmac produces aggregates and asphalt used in road building as well as ready-mixed concrete.

Mining operations can have a big impact on the environment and on the societies where they work. Since most mineral resources belong to nation states, mining companies largely depend upon a licence to operate from governments. This allows them to extract and process minerals in return for investment and the payment of taxes and royalties. Increasingly it is also important to get the consent of local communities to mining development – a 'social licence' to operate.

Like all businesses, mining companies are under increasing scrutiny from pressure groups as well as the general public. Anglo American seeks to adopt fair and sound business practice. The company believes that it has an important role to play in building the capabilities of the communities where it works. Issues such as combating corruption and promoting revenue transparency are high on the company's business agenda.

Case 2

Sipho Leshaba is the owner of a business called Leshaba Jewellers CC. The business was established in 1997 and now consists of 3 branches located in Durban, Joburg and Cape Town.

80% of all raw materials purchased by Leshaba Jewellers CC are purchased from Anglo American.

Sipho is considering a variety of options to expand his business further but has various concerns that he has asked you to address.

SECTION A

Question 1: Multiple choice

(10 marks, 6 minutes)

INSTRUCTIONS:

Answer each question by writing the letter corresponding to the answer of your choice next to the correct question number provided in your answer book.

- 1.1. The eight (8) functional areas of the business form part of:
 - a. Micro environment
 - b. Market environment
 - c. Macro environment
 - d. All of the above

- 1.2. The following forms of ownership allow for there to be only one (1) owner:
 - a. Sole trader, partnership, close corporation
 - b. Sole trader, close corporation, public company
 - c. Sole trader, close corporation, private company
 - d. Sole trader, public company, private company

- 1.3. The founding statement is used to establish the –
 - a. Partnership
 - b. Close corporation
 - c. Private company
 - d. Public company

- 1.4. Which one of the following is false? An entrepreneur is someone who –
 - a. Takes unnecessary risks
 - b. Leads other people
 - c. Is flexible to change
 - d. Raises funds to start his own business

- 1.5. Goals should be
 - a. Specific, Measurable, Achievable, Relevant, Time-bound
 - b. Specific, Meaningful, Achievable, Realistic, Time-bound
 - c. Specific, Measurable, Achievable, Realistic, Time-bound
 - d. Specific, Measurable, Applicable, Relevant, Time-bound

(5 x 2 = 10)

Question 2: True and false

(8 marks, 5 minutes)

INSTRUCTIONS:

Decide whether each statement is true or false by writing your answer next to the appropriate number in the answer book. If false, give a reason for your answer.

- 2.1. A sudden change in government will have an impact on the macro-environment of a business.
- 2.2. The auditors of Anglo American will form part of the Tertiary Sector.
- 2.3. An advantage of a partnership is that the partners have unlimited liability for the debts of the business.
- 2.4. Determining and defining the nature and size of your target market is part of the operational plan of the Business Plan.
- 2.5. Within a team a strong friendship between two people might have a positive effect if others in the group feel excluded.

(8 marks)

Question 3: Match the columns

(10 marks, 6 minutes)

INSTRUCTIONS:

Match the concept in column A with the appropriate definition from column B. Place only the correct letter next to the number in the answer book.

Column A	Column B
3.1. GDP	A. The document used to establish a company
3.2. Ubuntu	B. A written invitation to the general public to buy shares in a public company
3.3. Prospectus	C. The sum total of all profit achieved by all organisations within the borders of South Africa in one year
3.4. Founding Statement	D. I am what I am because of who we all are.
3.5. Inflation	E. The document used to establish a close corporation
	F. A written invitation to the general public to buy shares in a private company
	G. I am what I am because of who you are
	H. The increased buying power of money
	I. The sum total of all goods and services provided by all organisations within the borders of South Africa in one year
	J. The decreased buying power of money

(5 x 2 = 10)

Question 4: Fill in the missing words

(7 marks, 4 minutes)

INSTRUCTIONS:

Fill in the missing words in order to complete each sentence appropriately. Write down your answer next to the appropriate number in the answer book.

- 4.1. The function of administration is to ensure accurate record-keeping and processing of ___4.1.1.____ into relevant ___4.1.2.____ for the decision making process.
- 4.2. The secondary aim of any business is to provide ___4.2.1.____ and ___4.2.2.____ necessary for the satisfaction of human needs within a particular community or society.
- 4.3. Conflict can be defined as an open clash or natural disagreement between two opposing ___4.3.____.
- 4.4. The following are characteristics of a good team: A good team has a high ___4.4.1.____ rate, and will learn from ___4.4.2.____.

(7 x 1 = 7)

[SECTION TOTAL: 35 marks]

SECTION B

All questions in section B must be answered. Answer in the space provided in your answer book.

Question 5: Business environments

(36 marks, 22 minutes)

- 5.1. What business sector does Anglo American fit into? Give a reason for your answer. (3)
- 5.2. The marketing department of Anglo American plays an important role in the success of the business. What are the four (4) P's of the marketing function that need to be focused on in order to ensure that the marketing strategy is successful? (4)
- 5.3. Identify four (4) components that make up the Market environment and give a brief definition of each. (8)
- 5.4. Within South Africa, Anglo American will be affected by a number of socio-economic issues. Identify four (4) of these issues, discussing each one briefly explaining the impact of each on Anglo American in the current economic environment. (Answer in point form) (16)
- 5.5. The world has limited resources available to satisfy the demand of human needs. Anglo American, as a mining enterprise, extracts and supplies Natural Resources. Name the other three (3) factors of production and highlight which of the four factors is the most important. (4)
- 5.6. The Repo rate is the rate at which the Reserve Bank lends money to commercial banks. What is the current Repo rate in South Africa? (1)

[36]

Question 6: Business ventures

(16 marks, 9 minutes)

- 6.1. Define the following two terms with reference to a business plan:
- 6.1.1. Competitive advantage (2)
 - 6.1.2. Target market (2)
- 6.2. When employing staff Anglo American will be required to comply with two (2) acts, the LRA and the BCEA.
- 6.2.1. What do these two acronyms stand for? (2)
 - 6.2.2. Discuss briefly what the main purpose of each act is. (4)
- 6.3. What is the difference between a lease agreement and a hire-purchase agreement? (6)

[16]

Question 7: Business roles

(28 marks, 17 minutes)

- 7.1. Identify the three (3) steps in self management. (3)
- 7.2. List five (5) symptoms of bad time management. (5)
- 7.3. The board of directors at Anglo American have created a highly professional corporate image. This starts with each individual. One aspect of creating this image has been a drive by the board members to improve and develop interactive qualities. What four (4) interactive qualities could Siphso (case 2) work on to be more effective? (4)
- 7.4. Siphso feels that he is working under more and more stress each year.
- 7.4.1. List five (5) causes of stress in a business. (5)
 - 7.4.2. What five (5) strategies could Siphso put in place to better manage his stress? (Please ensure that strategies mentioned are work-related, i.e. getting enough sleep will NOT constitute a valid answer.) (5)
- 7.5. Identify 2 factors that will influence the effectiveness of teamwork. (2)
- 7.6. Name the four (4) steps in forming groups/teams. (4)

[28]

[SECTION TOTAL: 80 marks]

SECTION C

All questions from this section relate to Case 2 (p2 of this exam). Only 2 of the 3 questions from this section must be answered. You must answer EITHER Question 8 OR Question 9. Question 10 is compulsory and MUST be answered.

Question 8: Franchises (Optional)

(20 marks, 12 minutes)

One alternative of expansion being considered by Siphso is to establish a franchise chain. He feels that he could convince the current branch managers to each buy a franchise (the branch they currently manage).

Write a report to Siphso detailing the advantages and disadvantages that potential investors (franchisees) may encounter. Your report should include an introductory paragraph, the content (in bullet form) and a concluding paragraph.

(20)

Question 9: Forms of ownership (Optional)

(20 marks, 12 minutes)

Only answer this question if you have chosen NOT to answer question 8.

One alternative of expansion being considered by Siphso is to convert the CC into a Public Company. In this way he could finance the establishment of at least 3 new branches, with more to follow. He intends taking up 51% of issued shares in order to retain a controlling interest in the company.

Write a report to Siphso detailing the advantages and disadvantages that a Public Company will have over a CC as a form of ownership. Your report should include an introductory paragraph, the content (in bullet form) and a concluding paragraph.

(20)

Question 10: SWOT (Compulsory)

(15 marks, 9 minutes)

Perform a SWOT analysis on Leshaba Jewellers CC taking into account the current economic climate within South Africa. List at least three (3) points per area of analysis. You are required to provide a total of 15 points.

(15)

[SECTION TOTAL: 35 marks]

GRAND TOTAL: 150 Marks