



BUSINESS STUDIES: PAPER II

Time: 2 hours

100 marks

PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY

1. This exemplar consists of 3 pages. Please check that your exemplar is complete.
 2. This exemplar covers the four Learning Outcomes for Business Studies:

LO 1 – Business Environments
LO 2 – Business Ventures
LO 3 – Business Roles
LO 4 – Business Operations
 3. Answer all the questions in the exemplar.
 4. Read the questions carefully and spend 1 hour on each question. Take time to plan your answer.
 5. Refer to the case studies when required.
 6. Use your own words and insight when answering the questions.
 7. Neatness and a systematic presentation of facts is essential.
 8. It is in your interest to write legibly and to present your work neatly.
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QUESTION 1

Read through the following case study and then answer the question that follows:

JOB MONOTONY THREATENS PRODUCTIVITY

The 63 employees at Voltco, an electrical manufacturer, are doing heartbreaking work.

When buying the business in Benmore from Denel, the weapons manufacturer, a year ago, the managing director, Kenneth Mqanqo, and the financial and operations director, Les Griffin, realised that assembling multiplugs everyday can become boring.

Still, most of the employees had done this work for longer than 10 or 15 years.

According to Griffin, management identified the monotony of the job as a threat to productivity, and prioritised staff training and development.

The staff were semi-skilled and most were aged between 30 and 40 years.

Productivity was marred by more visits to the in-house clinic.

Sometimes 20% of their staff would be away from the workbench, due to visits to the clinic. Voltco management contracted Sol-Tech, the training arm of the trade union Solidarity, and Sol-Tech's skills development facilitator Adele Liebenberg, who performed skills audit to identify training needs.

"During staff interviews I explained that we don't want to raise unrealistic expectations. The company wants to know what their training needs are, but that management will decide the way forward," Liebenberg says.

The audit showed a lack of supervisory training at line management level, and a need for training in subjects outside the job, Griffin says.

Although supervisory training was top priority for management, the company approached peak production period in the last quarter of 2006, they decided to offer lifestyle training first.

(Adapted from Gauteng Business 27 February – 12 March 2007 issue)

Kenneth Mqanqo, the managing director has approached you with a series of concerns:

- The outsourcing of the skills development to Sol-Tech has been an expensive exercise and he wondered if the problem of lower productivity could have been resolved by simply changing their production system from a batch production system to a mass production system. Surely the change would also have other added benefits and the services of Sol-Tech would not be needed.
- Workers at Voltco had a tendency to resist training that was not related to skills development. I fear they would not effectively participate in the lifestyle training. What strategies could I implement to overcome their resistance to the lifestyle training?
- As a managing director, I am required to present these proposals to my board of directors. I do not have the time to attend courses on effective presentation skills.

Write a report to Kenneth in which you give him advice on the above-mentioned concerns.

50 marks

QUESTION 2

Read through the following article and then answer the questions that follow:

A LICENCE TO SELL YET MORE CARS

New car sales rose to a record 714 340 vehicles in 2006. And Brand Pretorius, chairman of Mc Carthy Motor Holdings, expects sales in 2007 to increase close to 8%.

The Toyota Corolla range of passenger vehicles were the best sellers last year, although only marginally ahead of the Volkswagen Polo range and the Toyota Yaris.

Toyota topped the list of best selling manufacturers, ahead of Volkswagen and General Motors.

In the light commercial sector, Toyota again headed the list with its Hilux, ahead of the Corsa Utility and Isuzu KB. The sales of the Toyota models were helped by:

- Strong economic growth;
- Enhanced affordability and relatively low interest rates;
- High levels of business and consumer confidence;
- Strong demand from rental companies;
- Aggressive marketing because of intense competition; and
- An increase in buying power of black people.

Most of these factors will continue into the current year, according to Pretorius.

The managing director of Toyota South Africa is delighted with the marketing position of his product on the market. He attributes the success to the entrepreneurial input of his marketing team towards its marketing communication mix. He feels that there is more that the company could do to address socio-economic issues facing the company.

He is required to present a slide presentation to his shareholders at the next annual general meeting and needs your assistance.

You are required to prepare a report to the managing director of Toyota South where you highlight how the effective use of the various components of the marketing communication mix can have a part to play in the increased sales of the product. Mention how he could present a proposal that part of the revenue earned car sales could be used to boost an ethics programme for all levels of management and address two socio economic issues from the macro environment. Detail what both the ethics and socio economic programmes would entail.

Your report will be used by the managing director as a basis for his preparation for the slide presentation at the AGM.

50 marks**Total: 100 marks**