

Time: 2 Hours

Marks: 200

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 answered in the answer booklet provided.
4. It is in your own interest to write legible.
5. 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 | LO1, LO2, LO3, LO4 | 10 | 6 min |
| 2. | True and False | LO1, LO2, LO3, LO4 | 10 | 6 min |
| 3. | Match the columns | LO1, LO2, LO3, LO4 | 10 | 6 min |
| 4. | Fill in the missing words | LO1, LO2, LO3, LO4 | 10 | 6 min |
| Section B – Data response and short questions | | | | |
| 5. | Business Ventures & Business Sectors | LO1, LO2 | 30 | 18 min |
| 6. | Business Roles | LO3 | 48 | 29 min |
| 7. | Business Operations | LO4 | 42 | 25 min |
| Section C – Long questions | | | | |
| 8. | Forms Of Ownership | LO2 | 40 | 24 min |
| | | | 200 | 120min |

Case Studies:

Case Study A:

Human Settlements Minister Tokyo Sexwale is "sharpening his pencil" to root out corrupt contractors and officials who build shoddy houses for the poor.

A National Housing Audit headed by the Special Investigations Unit (SIU) had been instituted to find the culprits who had caused "chronic" and "massive" problems in housing, he told journalists in Pretoria.

"The audit deals with issues where the law had been broken."

Sexwale said recent visits to all provinces, where he heard the concerns of those on the receiving end of low cost housing, and of those on waiting lists, had highlighted the need for an audit.

In the Northern and Eastern Cape alone 3000 houses would have to be destroyed as a result of "shoddy" and corrupt workmanship.

"In response to the situation we face, we have decided that we need to take a rigorous look at housing delivery, from top to bottom.

"We need to focus on issues we know are specific impediments:

fraud, delays, corruption, absentee contractors, ghost houses, shoddy workmanship again and corruption around waiting lists."

Case Study B:

Southern African countries are expected to hold an extraordinary summit on the political crisis in Zimbabwe, Tsvangirai said on Friday, in a bid to keep the unity government from crumbling.
REUTERS

Rights abuses in Zimbabwe diamond fields are set to dominate talks opening today by the global system charged with preventing trade in the gems from fuelling armed conflicts.

Zimbabwe poses a key test for the international scheme known as the Kimberley Process, named after a South African mining town, under mounting criticism for failing to effectively stem the trade in "conflict diamonds".

Civil society groups which are part of the process are demanding the suspension of Zimbabwe's international diamond trade, after a Kimberley team documented "horrific" abuses by the army against civilians in the eastern Marange diamond fields.

"At the meeting ... KP member governments must agree to suspend Zimbabwe from importing and exporting rough diamonds," said Annie Dunnebacke from Global Witness, a British group that monitors exploitation of natural resources.

Also on the agenda are concerns about smuggling from Ivory Coast, after the United Nations last week extended an arms and diamond embargo on the West African country.

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. What financial document will be submitted as part of the business plan that indicates expected profits of the business?
 - a. Income statement
 - b. Forecast income statement
 - c. Balance sheet
 - d. Forecast balance sheet

- 1.2. This is often called the people-centered leadership style:
 - a. Laissez- Faire
 - b. Democratic
 - c. Autocratic
 - d. Communist

- 1.3. The external public of the PR function's focus are made up of
 - a. Consumers, Media, Directors
 - b. Employees, Shareholders, Competitors
 - c. Employees, Shareholders, Directors
 - d. Consumers, Media, Competitors

- 1.4. The Following does NOT form part of a business's management plan-
 - a. Legal implications
 - b. Organizational structure
 - c. Production systems that may be used
 - d. Employee management

- 1.5. Which of the following is False for the statement: A public company____
 - a. May have 7 to unlimited shareholders
 - b. Name ends in the word "Limited"
 - c. Has to have a memorandum and a founding statement
 - d. Has to be managed by at least two (2) directors

(5 x 2 = 10)

Question 2: True and false

(10 marks, 6 minutes)

INSTRUCTIONS:

Decide whether each statement is true or false by writing your answer next to the appropriate number in the answer book.

- 2.1. Autocratic leadership always result in a positive climate.
- 2.2. A crisis is a time of great difficulty and danger and the outcome is usually uncertain.
- 2.3. Tax evasion is an illegally planned strategy to not pay tax.
- 2.4. Capital can be raised internally and externally by the business.
- 2.5. SWOT analysis is most effective when solving a simple problem in a group.
- 2.6. A supplier that goes bankrupt will cause a change in the market environment.
- 2.7. The administration function is primarily involved in recording data and turning it into information.
- 2.8. The Basic Conditions of Employment Act details the kind of working conditions an employee could expect to find the work place.
- 2.9. Non-current Assets are those that are kept for longer than one year, like vehicles.
- 2.10. Two of the determinants of fixed capital are the size of the undertaking and seasonal consumption.

(10 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. Lower Management | A. Make operating management decisions |
| 3.2. King II | B. Free reign |
| 3.3. Market environment | C. Intermediaries |
| 3.4. Sanction | D. Make tactical management decisions |
| 3.5. Laissez-faire leadership | E. Governs trade between countries |
| | F. Restricts trade between countries |
| | G. A guide to good corporate governance |
| | H. People-centred |
| | I. A guideline for fair advertising |
| | J. Employees |

(5 x 2 = 10)

Question 4: Fill in the missing words

(10 marks, 6 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 basic elements of the management task are planning, ___4.1.1___, ___4.1.2___, and leading.
- 4.2. Team dynamics looks at the stages of team development of which the first three are ___4.2.1___, ___4.2.2___ and ___4.2.3___.
- 4.3. ___4.3.1___ are standards or qualities considered worthwhile by the person who holds them.
- 4.4. Money that is raised by the owners to buy land and buildings is termed a ___4.4.1___.
- 4.5. What does CSR stand for ___4.5.1___.(2)
- 4.6. If the reward for labour is a salary or a wage, then the reward for entrepreneurship is ___4.6.1___

((8 x 1) + (1 x 2) = 10)

[SECTION TOTAL: 40 marks]

SECTION B

Question 5: Business Ventures & Business Sectors

(30marks, 18 minutes)

- 5.1. Name two characteristics of a partnership. (2)
- 5.2. Discuss one advantage and one disadvantage of a Public company as a form of ownership. (4)
- 5.3. Name all three (3) elements of the operations plan as part of the business plan. (3)
- 5.4. Discuss what the purpose of a Prospectus is, and indicate five (5) points to be included in a prospectus. (2+5=7)
- 5.5. Name a famous Diamond company that controls a large sector of the raw diamond market? Is it public company? (2)
- 5.6. You went out and bought a diamond engagement ring for your girlfriend.
 - 5.6.1 Discuss the process that the product went through in each of the three sectors of business to bring it to a point where it could be sold in the retail store where you bought it. (10)
 - 5.6.2 Refer to Case study B and also give examples of where "conflict diamonds" may be found in this process. (2)

[30]

Question 6: Business Roles

(48 marks, 30 minutes)

- 6.1. Name 3 examples of changes that may occur in the business environment, for example: restructuring. **Note:** you may NOT use restructuring as one of your examples. (3)
- 6.2. Discuss the difference between corruption and fraud. (3)
- 6.3. Define each of the following types of change management.
(a) Planned Change (2)
(b) Structural change (2)
- 6.5. Define the term "business ethics". (2)
- 6.6. Refer to case study A and B. Name 4 ethical problems that occur in these case studies and discuss how these problems can be addressed through good ethical practises in companies. (8)
- 6.7. In Case study A Minister Sexwale is faced with many problems that he has to deal with. Write an email to him discussing the six (6) steps in problem solving. (8)
- 6.8. Describe and discuss the last stage of team development looking at characteristics and how to address that stage. (10)
- 6.9. Name 2 advantages of the democratic leadership style and two advantages of the laissez-faire leadership style. Use Case study A and Case study B, and give examples of a democratic leader in one of them. (10)

[48]

Question 7: Business Operations

(42 marks, 25 minutes)

- 7.1. Identify three (3) types of organisational structures (3)
- 7.2. Name two (2) misconceptions about public relations. (4)
- 7.3. What is the difference between a capital market and a money Market? (6)
- 7.4. Discuss five (5) factors of determining the need for working capital. Example: Stage of production. (10)
- 7.5. In order to finance your assets (meaning buy vehicles, buildings etc.) you need fixed capital. Name and explain two types of Fixed Capital. (6)
- 7.6. Discuss two (2) factors contributing towards the success of public relations. (4)
- 7.7. Name 3 additional tasks of management. (3)
- 7.8. Identify the three (3) levels of management and give one (1) example of a type of decision made at each of the three levels. (6)

[42]

[SECTION TOTAL: 120 marks]

SECTION C

Question 8: Forms of ownership

(40 marks, 24 minutes)

S. Martin and T. Musha are accountants that want to go into the diamond trading business. T. Musha has many contacts in Africa and S. Martin has a pilot's licence as well as some legal background in international trade. They will use these skills as well as their CA degrees to try and find investors in their business as they need quite a lot of capital to start. They have decided to choose between a Partnership and a Close Corporation as a form of ownership. They have asked you to write a letter to them explaining what would be the best choice. Use the 7 characteristics of a form of ownership and discuss each one motivating your suggestion

(40)

[SECTION TOTAL: 40 marks]

GRAND TOTAL: 200 Marks