
Instructions:

1. This question paper consists of 6 pages including the cover sheet. There are 14 questions. Please check that your paper is complete.
 2. Answer all the questions.
 3. Answer Section A, Section B and Section C on separate double sheets.
 4. Remember to write full and proper sentences and to set your work out in point form.
 5. It is in your best interest to write legibly as untidy, illegible work will not be marked.
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Section A: 40 Marks - 15 mins**Question 1: Multiple Choice** 20 marks – 5 mins

(Write only the number of the question and the letter corresponding to the correct answer)

- 1.1 At a Vodacom outlet, a consumer may see a cell phone charger with a three point plug packaged together for sale. This is known as Packaging.
 - a. speciality
 - b. double-use
 - c. kaleidoscopic
 - d. combination.

- 1.2 The human resource department at Vodacom has identified the need for a tactical plan to address the high rate of absenteeism in the operations department. This challenge is part of the Environment.
 - a. micro
 - b. market
 - c. macro
 - d. SMME

- 1.3 Which one of the following business practices would be regarded as unethical:
 - a. Vodacom uses part of its profits on a housing subsidy scheme for its employees.
 - b. Vodacom charges less for its international sms rate in comparison to Cell C.
 - c. Vodacom has a non-disclosure clause for the HIV-status of their employees.
 - d. Vodacom allows for family members to be appointed to top level management positions without an interview procedure.

- 1.4 Instead of providing plastic bags, a supermarket mall with a Vodacare outlet, encourages customers to bring their own shopping bags. What is the purpose of this action?
- To enhance ecological sustainability;
 - To improve quality of working life;
 - To improve fixed costs;
 - To comply with government regulations.
- 1.5 If Vodacom's name ended in 'Ltd', the shareholders...
- would have been limited to a maximum of seven.
 - should be at least twenty.
 - would be determined by the number of shares available.
 - would fluctuate according to the specifications laid down by the directors.
- 1.6 If the Vodacom mission statement is poorly defined, it will impact negatively on their performance in the...
- micro environment
 - market environment
 - macro environment
 - all of the above.
- 1.7 Choose the correct statement:
- Ethical behaviour will be linked to cultural values.
 - Ethics entails acting according to the law.
 - To succeed in business, one has to turn a blind eye to unethical behaviour.
 - It is considered unethical to do business on the golf course or at a social event.
- 1.8 Improvement in technology may lead to...
- environmental pollution.
 - improved decision making.
 - Unemployment.
 - all of the above.
- 1.9 This is a type of business where the owner(s) pay(s) tax in his(their) personal capacity.
- private and public company.
 - close corporation and partnership.
 - partnership and private company.
 - sole trader and partnership.
- 1.10 Which of the following would not be part of Spur's market environment?
- The consumers who frequent the store.
 - The suppliers who deliver regularly.
 - The mission of the entire company
 - Competitors like the Dros and Boston Barbeque.

Question 2: True/False 10 marks – 5 mins

(Write only the number of the question and the answer True or False)

- 2.1 'Subject choices' is an example of a semi-manageable variable faced by the College's marketing department when marketing the school.
- 2.2 Competition from other Independent schools is an example of a non-manageable variable faced by our marketing department.
- 2.3 Market-Penetration pricing is a pricing technique designed to advertise a new product.
- 2.4 The Common trade mark is another name for a Family trademark.
- 2.5 Monopolistic competition is when there is only one seller in the market.
- 2.6 The traditional distribution channel involves indirect distribution.
- 2.7 If there is no substitute product available, it gives a business freedom to increase the price of their product.
- 2.8 One of the factors in price determination is the elimination of competition.
- 2.9 The informal sector also includes all small registered businesses run by businessmen.
- 2.10 The informal sector does not play a particularly important role in the overall economic situation in South Africa.

Question 3: 10 Marks - 5 mins

Give one word or phrase for the below-mentioned definitions:

(Note: You need only write the number of the question and the answer)

- 3.1 Businesses that are involved in extracting products and raw materials from natural resources.
- 3.2 This occurs when businesses sell their product or services within their own sector or to another sector.
- 3.3 The possibility of incurring loss by investing all possible resources in a new business.
- 3.4 A foundation of modern project management that focuses on the period of time needed to complete a task.
- 3.5 A graphic representation that shows the specific steps in a process, or in relation to one another.
- 3.6 A type of graph that shows the relationship between certain different groups.
- 3.7 Exists when a business buys goods or services from another business in the same sector or another sector.
- 3.8 This sector is responsible for distribution and provision of services.
- 3.9 An entrepreneur needs to have these skills in order to build on good relationships with the market environment.
- 3.10 A tool used by management to state various deadlines by which certain activities should be complete in order to achieve certain objectives.

Section B:

Question 4: 50 Marks 35 mins

Picture goes in here

His name is synonymous with black business success, an inspiration to all would-be and established entrepreneurs. We spoke to him about the road travelled – from a small factory in Ga-Rankuwa xx years ago – to the multi-million rand continental company he heads today.

For five years Herman Mashaba was hotly pursued by multinationals desperate to buy his hugely successful, ethnic hair-care manufacturing company, Black Like Me. Had Mashaba succumbed to those offers and sold the company outright, it would have made him one of the wealthiest black businessmen in South Africa. “Selling my business outright would’ve been like extinguishing the next thirty years of my working life,” he says. “It doesn’t only revolve around money – I need a reason to get up in the morning.”

Instead, the 38 year old Mashaba entered into a business deal with Colgate-Palmolive. The deal means he remains at the helm, with the multinational acquiring a majority shareholding for an undisclosed amount. Colgate-Palmolive, an established brand leader in several areas of the black market, saw Black Like Me as an ideal partner, and in May 1996 the vital deal - which dramatically altered Black Like Me’s course – was clinched.

He says, “There’s no doubt I have changed as a result of everything I have learnt – everyone does – but success has not changed my personality. I am a gambler. I’m still as eager to take risks now as I was then.”

Herman Mashaba had the opportunity to form a business as a partner, a member of a close corporation or a shareholder in a private company.

Required:

Write a report explaining the factors he would have taken into account in order to make the best choice of ownership.

Also, if you had the opportunity to form the above business, which of the three forms of ownership would you choose and why?

Once you have written the report, you might be asked to present this report either to future partners, members or shareholders. How would you go about planning your presentation and what points would you take into consideration when making a professional business presentation?

Section C:

Question 5: 10 marks – 6 mins

Lucas Radebe, a 22 year-old Sowetan entrepreneur, operates a Cell C franchise in Meadowlands. His clothing business gave him the capital he needed for his new venture. The cellphone business has taken off and he applied for a second Cell C franchise, which has recently been approved. Lucas warns against dreams of overnight success and says his experience has taught him that “patience, sacrifice and hard work pay”.

From this short article:

- 5.1 Describe the entrepreneurial qualities shown by Lucas. (6)
5.2 Say why these have helped him to build his businesses. (4)

Question 6: 16 marks – 10 mins

“Business plans become action plans”.

- 6.1 Explain the purpose of an action plan. (2)
6.2 How do timelines, graphs and charts assist the action plan in its purpose. (2)
6.3 Name and illustrate three methods of presenting visual data and give one example of the type of data that can be presented on each. (12)

Question 7: 10 marks – 6 mins

- 7.1 Differentiate between Outsourcing and Contracting Out as ways in which a business might get a job done. (2 x 3 = 6)
7.2 Explain some of the underlying reasons as to why some businesses resort to outsourcing. (4)

Question 8: 8 marks – 5 mins

Name four (4) reasons why Franchising is a good option for an entrepreneur (franchisee) who wishes to start a new business. (8)

Question 9: 8 marks – 5 mins

Give a short explanation of Leasing and, in your answer, mention what you consider to be some important facts about leasing. (8)

Question 10: 15 marks – 10 mins

The King II report indicated that the corporate world, and not just individual citizens, has an important citizenship role to play in improving the socio-economic situation in our country both from a moral as well as from a financial point of view.

In the South African context in particular, discuss, *in report format*, why is it so important that businesses and individual citizens buy into and should invest in the concept of CSR. Amongst the many things you should mention in your discussion, you should also include: definitions of citizenship and corporate citizenship; the moral arguments for and against CSR from a business as well as from a governmental point of view; the advantages and any disadvantages of CSR for businesses. (15)

Question 11: 17 marks - 10 mins

A product can be classified into two categories - a good or a service.

- 11.1 Name four (4) characteristics of a service. (4)
- 11.2 By giving at least three (3) characteristics of each, differentiate between a convenience, a shopping/select and a speciality good. (9)
- 11.3 Packaging is often considered to be the fifth 'P' in the Marketing Function. What do you consider to be four of the most important requirements of a good package? (4)

Question 12: 26 marks – 15 mins

- 12.1 When considering the Pricing Policies of a business, there are three (3) main methods/ techniques by which prices are determined. Name these three methods and, in a sentence or two for each method, give a brief description/explanation of how the seller uses these techniques when working out his prices. (3x4=12)
- 12.2 Explain how the following factors can influence the price of a product:
 - 12.2.1. The nature of demand; (6)
 - 12.2.2 The availability of substitute goods; (4)
 - 12.2.3 Perfect competition. (4)

Question 13: 16 marks – 10 mins

- 13.1 Discuss the importance of the informal sector in the South African economy. (8)
- 13.2 Explain four (4) reasons why the seller might use the services of an intermediary. (8)

Question 14: 4 marks – 2 mins

Give four (4) differences between advertising and publicity. (4)