

Marks: 200

Time: 2 Hours

Instructions

1. This paper consists of 8 pages with 9 questions. Make sure your paper is complete.
2. Answer every question.
3. All answers should be written on the answer paper provided.
4. It is in your own interest to write legibly. Illegible writing will not be marked!
5. **Draw a right hand margin** on every page.
6. **Leave a line** open after every answer.
7. Start every **section** (Section A, B & C) on a **new** double sheet.

SECTION A: Multiple Choice/One Word Answers 70 marks – 30 minutes**Question 1.1 Multiple Choice (50 marks – 15 mins)**

Four possible options are provided as options to the following questions. Choose the correct answer and write only the letter (A – D) next to the question number.

- 1.1.1 Choose the most correct statement:
- A Ethical behaviour will be linked to cultural values.
 - B Ethics entails acting according to the law.
 - C To succeed in business, one has to turn a blind eye to unethical behaviour.
 - D It is considered unethical to do business at the golf course or any other social event.
- 1.1.2 Improvement in Technology may lead to...
- A Environmental pollution
 - B Improved decision making
 - C Unemployment
 - D All of the above
- 1.1.3 If a business's mission statement is poorly defined, it will impact negatively on their performance in the...
- A Micro environment
 - B Market environment
 - C Macro environment
 - D All of the above
- 1.1.4 Which ONE of the following forms part of the macro-environment?
- A The mission of the business
 - B The economic environment
 - C Customers
 - D Suppliers
- 1.1.5 Which ONE of the following does not form part of Team Roles?
- A Investigator
 - B Administrator
 - C Legislator
 - D Activator
- 1.1.6 Which one of the following would not form part of the Environmental Scanning process for the prospective businessman?
- A Looking at the viability of the product
 - B Checking out the strength of potential competitors
 - C Meeting with the bank manager about a loan
 - D Looking at the stability of one's resources
- 1.1.7 Which ONE of the following is not a benefit of working through a formal team?
- A Increased Motivation
 - B Increased Remuneration and perks for the workers
 - C Decreased Costs and wastage
 - D Less duplication of effort

- 1.1.8 If a business's name ended in Ltd, the shareholders...
- A would have been limited to a maximum of seven (7)
 - B should be at least twenty (20)
 - C would be determined by the number of shares available
 - D would fluctuate according to the specifications laid down by the directors.
- 1.1.9 This is a type of business where the owner(s) pay(s) tax in their (his) personal capacity:
- A Private and public company
 - B Close corporation and partnership
 - C Partnership
 - D Sole trader and partnership
- 1.1.10 Which of the following is not a characteristic of a sole trader?
- A Limited liability
 - B Limited continuity
 - C Limited capital
 - D Easy to manage
- 1.1.11 The basic requirements of the constitution of a company appear in the...
- A Memorandum of Association
 - B Articles of Association
 - C Founding Statement
 - D Prospectus
- 1.1.12 Share capital is divided into equal portions of interest or rights. Ownership of these _____ is indicated by a certificate.
- A Debentures
 - B Loans
 - C Shares
 - D Stock
- 1.1.13 The minimum subscription must be raised within _____ days of Incorporation.
- A 14
 - B 0
 - C 120
 - D 60
- 1.1.14 Which act allows for the establishment of companies?
- A No 73 of 1961
 - B No 61 of 1973
 - C No 69 of 1984
 - D No 71 of 1963
- 1.1.15 Who starts or floats a company?
- A Owners
 - B Shareholdres
 - C Promoters
 - D Management

- 1.1.16 A special resolution allowing changes to the Memorandum and Articles of Association can only be made by the...
- A Promoters
 - B Shareholders
 - C Managers
 - D Directors
- 1.1.17 The financial statements of a Close Corporation must be prepared by an accounting officer within ____ after the financial year end.
- A 9 months
 - B 1 year
 - C 6 months
 - D 3 months
- 1.1.18 Which one of the following forms of ownership has limited continuity?
- A Sole trader
 - B Close corporation
 - C Private company
 - D Public company
- 1.1.19 Which one of the following is contained in both the Memorandum and the Articles of Association?
- A The list of directors
 - B The objectives of the company
 - C The name of the company
 - D Different kinds and values of shares
- 1.1.20 The word 'Limited' in a company's name means that
- A The shareholders are limited
 - B The capital is limited
 - C The liability of shareholders is limited
 - D There is limited continuity of the business.
- 1.1.21 The Association Agreement governs the relationship between
- A Owners in a CC
 - B Partners in a partnership
 - C Members of a CC
 - D Directors in a company
- 1.1.22 Which of the following forms of ownership is not issued with a Certificate of Incorporation?
- A Partnership
 - B Close corporation
 - C Private company
 - D Public company
- 1.1.23 Ownership is restricted by law. Which restriction is incorrect?
- A Unlimited partners in a partnership
 - B 10 members in a close corporation
 - C 50 shareholders in a private company
 - D Minimum of one shareholder and a maximum restricted by the number and type of shares available to be issued, in a public company.

- 1.1.24 What may a public company do after it receives the Certificate of Incorporation?
- A It may start trading
 - B It must establish its board of directors
 - C It must issue a prospectus
 - D It must wait for the minimum subscription to be taken.

- 1.1.25 Which one of the following does not appear in the Partnership Agreement?
- A The names of the partners
 - B The ratio in which the profits and losses are to be divided amongst the partners
 - C The name and address of the accounting officer
 - D The procedures regarding dispute resolution.

- 1.2** Indicate whether the following statements are TRUE or FALSE. Write only 'true' or 'false' next to the question number. (10 marks – 5 mins)

- 1.2.1 The macro environment has a direct impact on the business performance.
- 1.2.2 The Investigator role in the team is the person who volunteers to establish contacts and follow up on leads regarding resources.
- 1.2.3 According to the Belbin Theory, there are eight different roles people may assume in a team.
- 1.2.4 In the field of ethics, the Utilitarian theory states that whatever is done should always be for the good of the greatest number of people.
- 1.2.5 Lateral communication is between employees on different levels but outside the direct chain of command.
- 1.2.6 A business which supplies electricity, gas and water is involved in the secondary sector.
- 1.2.7 The canvassing of consumers for their opinions on issues of importance to the strategies of the business is considered bad practice.
- 1.2.8 Businesses are unable to exert any control over the macro-economic environment even with the existence of chambers of commerce and lobbying.
- 1.2.9 A forward link exists when businesses sell their products to businesses in the same sector.
- 1.2.10 Diversity, employment equity and fair labour practices are examples of social responsibilities of business undertakings.

- 1.3** Give one word or phrase for each of the following: (10 marks – 5 mins)

- 1.3.1 The consumers, suppliers, competitors and intermediaries which affect a business.
- 1.3.2 A sophisticated time line with multiple variables used in project management.
- 1.3.3 The sector that takes raw materials and converts them into products that suit the tastes and needs of consumers.
- 1.3.4 An organized body of related information that is stored on a computer in such a way that facts, figures and information can be retrieved in various combinations.
- 1.3.5 Communication which is planned and official and, for the purposes of storage and clarification, in writing.
- 1.3.6 Publications that are not subject to copyright and which are freely available for general use but which must still be acknowledged as having been obtained from a particular source.

- 1.3.7 Responsible actions being taken by businesses in terms of economic involvement through day-to-day business activities, fulfilling legal obligations, acting ethically and giving something back to society.
- 1.3.8 The way in which a person acts, works, talks, dresses and generally conducts his work life.
- 1.3.9 The process of optimal co-operation whereby team members support each other and work to achieve more than the individuals could achieve on their own.
- 1.3.10 The most volatile stage in the team process where members are finding their roles.

SECTION B: Business Reports 60 marks – 45 minutes

Question 2. (25 marks – 20 mins)

Scenario:

A loaf of bread is an example of a need-satisfying item that is purchased by almost every household from supermarkets on a daily basis. Bread is manufactured from flour. Raw materials such as wheat are used to manufacture flour.

The above scenario indicates the inter-relationship between the primary, secondary and tertiary sectors.

Elaborate, in detail, on the interlinking between the various sectors by using your own examples to expand on this inter-relationship.

Breakdown of mark allocation:

<i>Introduction... (and conclusion)</i>	<i>2 marks</i>
<i>Explanation of Primary, Secondary & Tertiary sectors + examples of each...</i>	<i>9 marks</i>
<i>Explanation and discussion of the <u>Links</u> (forward and backward) and inter-relatedness of the sectors...</i>	<i>9 marks</i>
<i>Structure...</i>	<i>2 marks</i>
<i>Analysis and interpretation...</i>	<i>2 marks</i>
<i>Originality...</i>	<i><u>1 mark</u></i>
<i>TOTAL</i>	<i>25 marks</i>

Question 3. (35 marks – 25 mins)

Planning is an absolutely crucial factor when it comes to establishing and, eventually, successfully running a business. Lots of thought and strategizing is needed whether an opportunity has presented itself, or whether the entrepreneur has an idea and wants to build it into a business.

Address the following issues with regard to Planning in the Entrepreneurial Process:

- Introduction and conclusion *2 marks*
- SMARTER goals... *21 marks*
- The significance of a SWOT analysis... *4 marks*
- The usefulness of a BUSINESS plan... *3 marks*
- Where an ACTION plan fits into the picture ... *4 marks*
- TOTAL *35 marks*

SECTION C: General Questions 70 Marks -50 minutes**Question 4.**

Give detailed definitions of the Micro, Market and Macro business environments. You must include whether the environments are influenced/controllable by the business or not, and name three factors that impact upon each environment, indicating very briefly why they can present challenges to the business. (18)

Question 5.

Read the case study of Matrix Computers CC below and answer the question that follows:

“During a meeting on the 30th October 2008, members Mike, Zola and Khumalo decided that certain functions had to be performed to capacitate the business.

The intended Close Corporation had to be registered by the 15th November 2008 (Week 1) and additional capital of R300 000 had to be raised by 23 November 2008 (Week 2). Member responsible – Zola.

Staffing is still a problem and the sales manager and support staff have to be recruited, interviewed and appointed as from 15 November to 27 November 2008 (Week 1 to 3) in time for the opening of the business on 1 December 2008 (Week 3). Member responsible – Khumalo.

The business intends to rent a building which has to be fully furnished, and the leasing contract, as well as all communication lines, including telephone and internet connections, have to be finished by 25 November 2008 (Week 1 to 2). Member responsible - Mike.

Stock has to be purchased, priced and displayed by 25 November 2008 (Week 2). Member responsible – Zola.

In-service training will take place from 1 December to 22 December 2008 (Week 3 to 5). Member responsible – Khumalo.”

Required:

Follow the outline of the above-mentioned scenario and prepare a Gantt chart to show the sequence of activities (tasks) needed to start a new business venture in the form of a CC. (12)

Redraw the template illustrated on the following page in your answer booklet, as a guide to your answer.

GANTT CHART FOR MATRIX COMPUTERS CC

TASK	WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 5	Member Responsible
Registration of CC						
Raising of Capital						
Staffing						
Rental contract & Comm lines						
Stock						
Training of Staff						

Question 6.

- 6.1 Explain the importance of Non-Verbal communication in the communication process. (3)
 6.2 Name the other two mediums of communication. (2)

Question 7.

- 7.1 What is the **ROOT CAUSE** of 'Big Business' having to get involved in the socio-economic problems and challenges that South Africa faces these days. (4)
 7.2 Do you think that this involvement should be on-going? Argue fully. (5)

Question 8.

Explain the difference between Formal and Informal teams. (6)

Question 9.

Tabulate five (5) differences between a Partnership and a Private Company. (20)

