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BUSINESS STUDIES GRADE 12
SENIOR CERTIFICATE PRELIMINARY EXAMINATION

JULY 2008

PAPER 1

Examiner
Moderator:

Time: 2 hours

Marks: (200)

LO 1 Business Environments: AS 1,2,3,4.

LO 2 Business Ventures: AS 1,2,3,5.

LO 3 Business Roles: AS 1,2,4,5,7,8.

LO 4 Business Operations: AS 1,3.

Instructions:

1. This question paper consists of **NINE** pages including the cover sheet. Please check that your paper is complete.
2. Answer **ALL** the questions. Start each question on a new page!
3. Number your answers exactly as the questions are numbered.
4. Read the questions carefully and plan the length of your answers in relation to the marks allocated for each question.
5. It is in your best interest to write neatly and legibly.
6. **GOOD LUCK!**

SECTION A

QUESTION 1

Match the columns. Write down only the appropriate letter next to the question number on your answer sheet. E.g. 1.1 O

COLUMN A	COLUMN B
1.1 Plans must be adaptable to changing technology, conditions and the environment.	A Sustainability
1.2 Many CSI initiatives produce excellent short term results, but do not last for the long term.	B Poor Performance
1.3 Proactive, often charismatic, leadership style, that helps followers to satisfy their higher order needs.	C Transformational
1.4 It is imperative that a business enterprise have a strategy in place to keep employees, especially those who are highly skilled.	D Intpreneurs
1.5 One of the employees of a business enterprise repeatedly arrives late for work.	E Retention
1.6 Some businesses have a number of employees who are very creative and they use their talents to improve their work environments.	F Employment Equity
1.7 As a registered business, Woolworths offers its owner limited liability.	G Legal Persona
1.8 The ethical theory that is based on the idea that the end justifies the means.	H Misconduct
1.9 Affirmative Action placements are as a result of an Act.	I Flexible
1.10 A business enterprise has no control over this environment.	J Laissez-faire
	K Placement
	L Entrepreneurs
	M Consequences
	N Macro
	O Market

(10 x 2 = 20)

Multiple Choice: Select the correct answer and write down the appropriate letter next to the question number on your answer sheet e.g. 1.11 A

- 1.11 Which one of the following could be regarded as unprofessional and unethical behaviour?
- A Increasing prices in line with competitors
 - B Selling second-hand goods for new
 - C Finding a substitute for the competitors product
 - D Employing unskilled workers.
- 1.12 As an HR manager, you need to make sure that a contract is signed between the business and the new employee. Name the law that you would use to base your contract on.
- A Labour Legislation
 - B Employment Act
 - C Skills Development Act
 - D Basic Conditions of Employment
- 1.13 SAQA is responsible for in South Africa.
- A The business code of conduct
 - B Providing quality of, and access to learning at school / workplace.
 - C Setting the curriculum for education and training.
 - D Monitoring all education and training.
- 1.14 The is the person in a team whose main role is to do the work in a team.
- A Initiator
 - B Coordinator
 - C Activator
 - D Leader
- 1.15 The following actions may result in disciplinary procedures.
- 1. Habitual lateness
 - 2. Drunkenness during working hours
 - 3. Refusing to wear a hard hat on site
 - 4. Refusing to accept dangerous assignments.
- Choose from:**
- A 1,2 and 3
 - B 2,3 and 4
 - C 1,3 and 4
 - D 2 and 3.

- 1.24 A Mission Statement also includes the businesses values like honesty, integrity etc.
- 1.25 Trends are unexpected and unplanned happenings which can throw a business into an unstable situation. (10)
- 1.26 Retailing is part of the secondary sector.

50 marks

SECTION B

QUESTION 2

2.1

Corporate Social Responsibility (CSR) has become part of business in South-Africa since 1990 when apartheid was abolished. This was a result of initiatives by the United Nations that put pressure on business to rectify social injustice and alleviate poverty.

EGA Mines has a strategic plan for the following corporate social investment programme:

- Provide training for 25 unemployed people to become electricians, machine repairers and plumbers.
- Use these people as contractors for work in the mine once they have qualified.
- Provide entrepreneurship training and assist them in establishing their own businesses in these fields.

2.1.1 What is corporate social investment? (2)

2.1.2 Do you think the abovementioned CSI programme is a good one? Motivate your answer clearly. (4)

2.1.3 Briefly explain THREE benefits of Corporate Social Responsibility for:
 (A) the community; and (3)
 (B) the business. (3)

2.1.4 Not all businesses have the finances to embark on large formal projects. What strategies could SME's implement in their daily business routines that would address the issue of Environmental Sustainability? (6)

- 1.16 Triple Bottom Line reporting includes:
- A Economic, environmental and global aspects
 - B Environmental, global and financial aspects
 - C Economic, environmental and social aspects
 - D Environmental, social and global aspects.
- 1.17 Stakeholders of a business generally refer to:
- A Consumers
 - B Employees
 - C Shareholders
 - D All of the above.

1.18 The independent organisation that can make unbiased judgments when called upon to resolve a dispute referred to in terms of the LRA.

- A CCMA
- B NEDLAC
- C BCEA
- D NAPE

1.19 Which of the following are areas of the Constitution of South-Africa that effect businesses

- A Human Rights, Inclusivity and Environmental Issues
- B First Generation, Second Generation and Third Generation Rights
- C Bargaining Councils, Statutory Councils and Workplace Forums
- D Environmental Challenges, Environmental Awareness and Environmentally friendly technologies.

1.20 Which form of industrial action do employers have as recourse to striking workers?

- A Picketing
- B Secondary Action
- C Retrenchment
- D Lock-out

(10 x 2 = 20)

Indicate whether the following statements are TRUE or FALSE. If you think the statement is FALSE, correct it, or give a reason for your answer.

- 1.21 Trade Unions focus on joint problem solving and decision making.
- 1.22 Conciliation occurs when the dispute is referred to a neutral third party who makes a decision about who is right.
- 1.23 Secondary strike action will be protected if 48 hours notice is given to the employers.

2.2 Most business enterprises see their employees as their most important brand ambassadors. This requires appointing the 'right' person for the job. Explain the selection process that the Human Resources manager would go through when appointing a new employee. (16)

2.3 As part of the commitment to the transformation process, business enterprises must adhere strictly to the Employment Equity Act. (2)

Explain briefly how this legislation affects a business's recruitment policy. (2)

2.4 The terms EE and BEE/BBBEE are often erroneously used interchangeably. Show how these Acts differ. (10)

2.5 The Government has legislated an Act with the intent of encouraging training of workers across the industry.

2.5.1 What is this law known as? (2)

2.5.2 How is it funded? (2)

50 marks

QUESTION 3

3.1 Wherever there is a clash of interest or potential for disagreement, there may be conflict. Unless this conflict is managed and resolved, it could cause harm to the business.

Explain **FOUR skills** a manager should have and the **tools** that can be used to manage conflict in a positive manner. (4 X 3 = 12)

3.2 Which form of **written communication** do you think would be most useful in each of the following situations?

3.2.1 A meeting of people employed in the sales, production and finance department of a business? (2)

3.2.2 Giving updates on the project for example a Wedding Coordinator may document all the tasks completed to date for the bride and groom. (2)

3.2.3 The results of an investigation into the advantages of buying a new machine. (2)

3.3 Briefly explain the grounds for **FAIR** dismissal according to the South African Labour Law. (LRA 66 of 1995) (9)

3.4 The best known industrial action is strike action.

3.4.1 Discuss what the **effects**, and (4)

3.4.2 **procedures** are of a protected strike. (4)

3.5 Training is an extremely costly operation and it is therefore important to have a well-planned training process.

Use a **flow chart** to show the eight steps in the training process. Also refer to **FIVE** methods that can be used to train staff. (15)

50 marks

QUESTION 4

When exploring the market environment, Porter's Five Forces Model is useful.

- 4.1 Read the following case study and analyse this businesses market environment by using **Porter's Five Forces Model**. (15)

Plamtree is a tomato farm situated near Letsitele in Limpopo. The farm obtained most of its income from supplying fresh tomatoes to the nearby markets.

When turnover declined a business meeting was held to get inputs from workers.

The following comments were received from the workers:

- *The land did not yield as much tomatoes as in previous years. This was attributed to the fact that soil fertility was diminishing, the land needed to be ploughed and more fertiliser used to increase the yield.*
- *It was also indicated that the recent drought had affected the production of tomatoes and that the supply of water from the nearby dam was insufficient due to low water levels*
- *Workers raised the issue of Star Tomato Producers, the neighbouring farm, which is attracting most of their clients. Plamtree has been losing business to Star Tomato Producers. This has led to a decline in sales and profitability.*
- *The rising fuel prices have also increased costs and reduced profitability.*

4.2

- 4.2.1 Are all managers necessarily good leaders? Discuss. (3)

4.2.2 Identify the **leadership style** in the following cases:

- (a) The leader and the followers have equal decision making power.
- (b) The leader offers something of value to his followers in return for their services and following.
- (c) The manager is the only person making decisions.
- (d) Managers inform workers what must be achieved and not how these objectives should be achieved. (8)

4.3 Managing teams is complex due to the different personalities, beliefs and experiences of the people that make up the team.

Discuss **PREJUDICE** and **DIVERSITY** as issues that may have to be addressed, using examples to illustrate. (6)

4.4 The management of a well-known business in South-Africa has put forward a proposal for a Easter Egg Hunt for underprivileged children in a nearby informal settlement as part of their CSR involvement in the community.

4.4.1 Advise them on the merits of this proposal with specific emphasis on sustainability. (2)

4.4.2 A group of employees formed to discuss the proposed project. Outline the various stages of interaction that the team would go through should they embark on the project. (16)

50 marks

7 Ae ends!!