



**Grade 12 Business Studies  
Prelim Exam July 2008  
Paper 1**

**Marks: 200**

**Time: 2 hours**

**Examiner: Mrs S Smit**

**Moderators: Mr D Musto**

**This exam covers all four Learning Outcomes.**

**Instructions**

1. This paper consists of 11 pages including this front cover. Please check that your question paper is complete.
2. Answer ALL the questions.
3. Number your questions exactly as the questions are numbered on the question paper. Each question is to be answered on a new page.
4. Neatness and a systematic presentation of facts are essential. Answer all questions in POINT FORMAT!!
5. You are expected to write full and proper sentences unless the question specifies otherwise
6. Marks will be deducted for un tidy and illegible writing. It is therefore in your own interest to write legibly and to present your work neatly.

Read the following case study and answer the questions that follow. Note that the case study is not in any way designed to give you the answers but should just give you the framework within which your answers should be constructed.



**WOOLWORTHS**

Woolworths was founded in 1931 by Max Sonnenberg. His belief that success lies in providing customers with superior quality merchandise at reasonable prices has been instrumental in establishing Woolworths as one of South Africa's leading retail chains – a benchmark for excellence and an icon of quality.

**Corporate governance policies**

To drive and embed effective corporate governance practices, the company has the following policies which complement the delegation of authority.

**Insider trading and price sensitive information**

The board recognises its responsibility for ensuring that there are appropriate policies in place to manage the confidentiality of price sensitive information ensure that individuals do not benefit from inside information. To manage this, the company has insider trading and price sensitive information policies, the terms of which are more restrictive than those required by the JSE Listing Requirements.

**Ethical and moral behaviour**

During the year the company engaged its employees on our key values which have been fundamental to the success of the business. One of the key values is integrity and the group is committed to the highest levels of professionalism and integrity in its business dealings with stakeholders. Our code of ethics sets out the standards that we expect to attain when dealing with all customers, suppliers, franchise partners, employees, competitors, communities and our shareholders. In addition, the code contains guidelines with respect to gifts, travel and entertainment as well as a code of conduct for our business partners.

Woolworths' employees are our most important brand ambassadors and our most valuable asset.

Recently two major themes have dominated Woolworths as a business – growth and change. Both of these have a fundamental impact on its people and its ability to meet the capacity and resources needs of the business.

This makes it even more important that Woolworths business strategy is supported by:

- putting the right people in the right jobs;
- helping them to become even – more skilful, passionate and committed retailers;
- making sure they want to stay with the business.

## People development

Integrated performance management is fundamental to our employment practices. Virtually every Woolworths employee participates in this process on a yearly basis. We are committed to this practice and believe that this is the key to building a high performance organisation.

Ongoing management of talent remains a key priority for Woolworths. Regular talent audits are done and appropriate retention and development plans initiated. Woolworths learning strategy aims to provide a pipeline of retail and leadership talent at all levels, with 'ready-now' knowledge and skills to develop and execute business strategy. In support of this, we are fully accredited by the Wholesale and Retail Seta as a learning provider.

### Become a level 4 BEE contributor (dti codes)

Woolworths will shortly announce the details of a BEE employee share ownership scheme, which will be introduced alongside an acceleration of other key BEE initiatives.

Commitment to preferential procurement and BEE supplier partners providing core product for Woolworths over time.

Commitment to partnering with potential BEE suppliers, supporting enterprise development initiatives. Acceleration of the development of core retail skills through focused training initiatives including the accreditation of Woolworths courses and the establishment of provincial Woolworths learning centres. Meeting employment equity targets, and where there is a skills shortage at senior leadership level within the organisation, a skills pipeline will provide the necessary momentum.

### Support South African business first

Woolworths is a proud South African business with along tradition of quality and innovation in South Africa, committed to buying as much of our product locally as possible.

By 2012 a total direct contribution in excess of 300 million rand per year will have been made. The activities of the Woolworths Trust, and especially the involvement in Food and Trees for Africa's Eduplan programme, will be extended. The MySchool educational programmes will be extended to include education on the environment in addition to the current curricula of nutrition and healthy living. In addition an awareness and fund-raising programme will be started in the stores to improve the plight of orphans and vulnerable children.

## SECTION A 150 Marks

QUESTION 1 (10 x 2 = 20 marks)

Match the columns (Write only the question number and the letter representing your answer)

- |   |                     |
|---|---------------------|
| 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, which helps followers to satisfy their higher order needs.                | C Transformational  |
| 1.4 It is imperative that Woolworths have a strategy in place to keep employees, especially those who are highly skilled.     | D Entrepreneurs     |
| 1.5 One of the cashiers at Woolworths repeatedly arrives late for work.   | E Retention         |
| 1.6 Woolworths 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 owners 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 Woolworths has no control over this environment.   | J Laissez-faire     |
|   | K Placement         |
|   | L Entrepreneurs     |
|   | M Consequences      |
|   | N Macro             |
|   | O Market            |

**QUESTION 2** (10 x 2 =20 marks)

Write down, one underneath the other, just the question number and the letter which indicates your answer. Note that, in each instance, there is only one correct answer!

2.1 When employees and management cannot agree on salary increases they can request a...

- A Strike
- B Lockout
- C Hearing in the Appeal Court
- D Workplace Forum

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

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

2.3 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

2.4 Which of the following is NOT legislated for by government to address the Social Responsibility issues in South Africa?

- A Occupational Health and Safety Act
- B Employment Equity Act
- C BBBEE
- D Income Tax

2.5 Consumers goods include:

- A Convenience, select and speciality goods
- B Raw materials, spare parts and equipment
- C Personal, Professional and auxiliary services
- D None of the above

2.6 Which of the following are areas of the Constitution of 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

2.7 Which of the following is NOT addressed by the Basic Conditions of Employment Act?

- A Working Hours
- B Sick Leave
- C Notice of termination of employment
- D Housing Allowances

2.8 Which school of thought concerning management stresses how important it is for workers to feel important?

- A Scientific
- B Social
- C Human
- D Contingency

2.9 Which form of industrial action do employees have as recourse to striking workers?

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

2.10 The Index launched by the JSE Ltd to recognize contributions of companies to social and economic reform in South Africa is known as:

- A SRI
- B SAQA
- C BEE
- D SETA

**QUESTION 3** (10 marks)

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.

- 3.1 The Scientific approach to management uses statistics in management decision making.
- 3.2 Inclusivity ensures that all staff are entitled to up-skilling as provided by the Skill Development Act.
- 3.3 Trade Unions focus on joint problem solving and decision making.
- 3.4 Secondary strike action will be protected if 48 hours notice is given to the employer.

**SECTION B**

**QUESTION 4** (50 Marks)

- 4.1 Woolworths was founded in 1931 by Max Sonnenberg. He was clearly an entrepreneur. Before embarking on this venture he would have gone through a process which would have included environmental scanning. What sort of information would he have been able to gather through this? [4 marks]
- 4.2 How, according to the case study, do Woolworths manage their talent retention? [4 marks]
- 4.3 Woolworths pride themselves on the fact that their employees are 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 store manager. [16 marks]
- 4.4 As part of their commitment to the transformation process Woolworths adheres strictly to the Employment Equity Act. Explain how this legislation affects Woolworths recruitment policy. [4 marks]
- 4.5 The terms EE and BEE are often erroneously used interchangeably. Show how these Acts differ.

[10 marks]

- 4.6 The Government has legislated an act with the intent of encouraging training of workers across the industry. [2 marks]
- 4.6.1 What is this law known as? [2 marks]
- 4.6.2 How is it funded? [2 marks]
- 4.7 Which Sectors Education and Training Authority have accredited Woolworths? [2 marks]
- 4.8 Many businesses gain popularity and good publicity through their involvement in environmental and community projects. However 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 marks]

**QUESTION 5** (50 Marks)

- 5.1 Woolworths respects the rights of employees to join the Trade Union of their choice. The South African Constitution guarantees this principle. What is it known as? [2 marks]
- 5.2 Identify the business environment that Trade Unions fall into. [2 marks]
- 5.3 How could Woolworths ensure that the Trade Unions do not detrimentally affect the business? [6 marks]
- 5.4 A Trade Union Representative presented a Power Point presentation to the workforce in an attempt to recruit new members. The following slides were used as part of the presentation.

5.4.1 Consider Slide 1 and discuss in detail whether you consider this to be an example of an effective (good) or ineffective (bad) slide. [6 marks]

5.4.2 Carefully analyse Slide 2. Critically evaluate the information presented. [10 marks]

5.5 Explain the grounds for FAIR dismissal according to South African Labour Law. (LRA 66 of 1995) [6 marks]

5.6 "Integrated performance management is fundamental to our employment practices. Virtually every Woolworths employee participates in this process on a yearly basis". Elaborate on the benefits of this function to the Woolworths team. [5 marks]

5.7 Distinguish between Arbitration and Conciliation. [4 marks]

5.8 One of the employees asked the Union Representative to explain the concept of unfair discrimination to the audience. What important facts should his response have included? [6 marks]

5.9 What do the following ACRONYMS stand for?

5.9.1 SAQA [1 mark]

5.9.2 NEDLAC [1 mark]

5.9.3 OHS Act [1 mark]

**Slide 1**

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3000  
2000  
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1st Qtr  
2nd Qtr  
3rd Qtr  
4th Qtr

Sandf on  
Cleanw after  
Fourw 4ys

Isobela has managed to secure 9 months' worth of work for the trade union are here for you to help fight for your rights. We help you fight through the law. If you follow us, we will offer a 50% discount on our products for 60 years. For more information, please visit our website at [www.woolworths.co.za](http://www.woolworths.co.za).

**What about strikes?**

- A general strike is a strike where all employees in the industry participate in the strike.
- A picket line is a strike where workers stand in a line to prevent others from entering the premises.
- A sympathy strike is a strike where workers from one industry strike in support of workers in another industry.
- A secondary strike is a strike where workers from one industry strike in support of workers in another industry.
- A wildcat strike is a strike where workers from one industry strike without the approval of their union.

**QUESTION 6** (50 Marks)

“Woolworths’ learning strategy aims to provide a pipeline of retail and leadership talent at all levels”

- 6.1 Are all managers necessarily good leaders? Discuss! [4 marks]
- 6.2 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 marks]
- 6.3 Outline two ways in which managers could address these issues. [4 marks]
- 6.4 Due to much criticism and resistance, Woolworths Management recognizes the need to educate the employees about the company’s stance on Social Responsibility.  
They realize that not all employees understand the need for CSR as many of them feel the company should rather increase the salaries and wages, than spend money on other issues.
- 6.4.1 What medium of communication would you recommend that the managers use relaying information to the various levels of workers? Motivate your answer. [8 marks]
- 6.4.2 What argument could Management use to justify their commitment to the various CSR programmes? [8 marks]
- 6.5 On acceptance of management’s stance on CSR, a group of enthusiastic people put forward a proposal for a Easter Egg Hunt for underprivileged children in a nearby informal settlement.  
Advise them on the merits of this proposal with specific emphasis on sustainability. [4 marks]
- 6.6 A group 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 marks]