

**BUSINESS STUDIES**  
**Grade 12**

**JULY EXAM 2009 (Paper 1)**

**ANSWER SHEET**

**NAME:** \_\_\_\_\_

**QUESTION 1 Multiple Choice**

Indicate the most correct answer by drawing a cross (X) over the corresponding letter in the column below.

1.1	A	B	C	D
1.2	A	B	C	D
1.3	A	B	C	D
1.4	A	B	C	D
1.5	A	B	C	D
1.6	A	B	C	D
1.7	A	B	C	D
1.8	A	B	C	D
1.9	A	B	C	D
1.10	A	B	C	D

[10 x 2 = 20 marks]

2

**QUESTION 2 True or False**

Indicate whether the following statements are TRUE or FALSE by marking an "X" over your choice. If false, correct the statement.

2.1	True	False
2.2	True	False
2.3	True	False
2.4	True	False
2.5	True	False
2.6	True	False

[12 marks]

**QUESTION 3 Match the columns**

3.1	
3.2	
3.3	
3.4	
3.5	
3.6	
3.7	
3.8	
3.9	

[9 x 2 = 18 marks]

GRADE 12 BUSINESS STUDIES JULY 2009 MEMO

SECTION A: QUESTION 1:

- 1.1 Which one of the following indicates that a company is complying with the Broad-Based Black Economic Empowerment (B-BBEE) Act 53 of 2003 (as amended)?
- C Direct empowerment of black employees through share of ownership in MTN.
- 1.2 Any strike action by employees of an enterprise will be unprotected if:
- (i) the correct procedures when applying for engaging in strike action have not been followed;
  - (ii) some of the employees chose not to strike;
  - (iii) an arbitration agreement has been ignored;
  - (iv) a collective agreement specifically states that workers may not strike over the issue at hand.
- D (i), (iii) and (iv)
- 1.3 "Ubuntu" reflects a culture of .....
- C I am because we are
- 1.4 A strategy employed by management at Cashbuild Ltd to uplift the community as a whole, provide employment at its local stores and offer lower prices, is part of the \_\_\_\_\_ environment.
- C social
- 1.5 One of the specifications of the BCEA is that workers must receive double pay for working on \_\_\_\_\_
- B. Sundays
- 1.6 The Public Relations manager of Cashbuild Ltd gives workers the opportunity to take their own initiative regarding how to perform tasks after explaining what must be done. Which one of the following styles of management has he adopted?
- D Laissez-faire
- 1.7 Cashbuild has a comprehensive staff induction programme. This implies that ....
- B all new recruits are required to attend a seminar on the mission, vision and goals of the organisation.
- 1.8 Primary research will include ...
- B data from an original source e.g. interviews
- 1.9 Triple Bottom Line reporting includes:
- C Economic, environmental and social aspects
- 1.10 Place the following steps in the correct order before a management strategy is implemented:
- (i) Analyse the viability of each option.
  - (ii) Define the business's vision and mission
  - (iii) Plan the implementation of the chosen strategy
  - (iv) Analyse the different business environments
  - (v) Identify the various strategic options available and prepare them
- Choose the correct option
- C (ii), (iv), (v), (i) and (iii)

(10 x 2 = 20)

Question 2 (LO 1,2 & 4)

True or False

Indicate whether the following statements are TRUE or FALSE. If FALSE, correct the statement.

- 2.1 At Cashbuild Ltd Black empowerment is implemented as required by law.  
True (1)
- 2.2 The HR manager of Cashbuild compiled a Job analysis in which he specified the qualifications required to do the job as well as the conditions under which these are to be performed.  
False, (1)  
Job analysis is a method of obtaining all the relevant information about the tasks related to a specific job, to make decisions. (2)
- 2.3 At Cashbuild Ltd the management of the business is delegated to the shareholders, thus having a critical impact on the success of the business.  
False, (1)  
Management is delegated to a board of directors. (2)
- 2.4 Intrapreneurs at Cashbuild Ltd are creative thinkers who challenge conventional ways of dealing with day to day problems.  
True (1)
- 2.5 The Unemployment Insurance Fund covers employers against injuries or death caused during their duties at work at the Cashbuild branch on the West Rand.  
False, (1)  
The Compensation for Occupational Injuries and Diseases Act... (2)
- 2.6 Screening is the process of eliminating applicants who are unlikely to be successful in the job.  
True (1)

(12)

Question 3 (LO 1,2, 3 & 4)

Match the columns

- 1.1 King Code: F
- 1.2 Sustainability: D
- 1.3 NAPE: L
- 1.4 DRIVE creative thinking technique: N
- 1.5 Misconduct: A
- 1.6 Compromise: C
- 1.7 Porter's five forces: K
- 1.8 Consequences: M
- 1.9 Employment equity: H

(9 x 2 = 18)

**SECTION B: Question 4**

4.1 You are asked to prepare a PESTLE analysis for Cashbuild. Using the PESTLE method as a tool, analyse and identify the possible challenges that affect the macro environment of Cashbuild, prepare possible strategies to overcome the challenges. (6 x 3 = 18)

Draw the table below in your answer book to answer the question:

Macro environmental factors	Possible challenges	Possible strategies
P	Political Changes in government, Elections, Corruption in government	<b>Bullets line up to link challenges with strategies.</b> Act in responsible way & encourage participation in voting by allowing time off to vote.
E	Economic Recession, Petrol prices, Inflation, Interest rates & exchange rates	Plan routes better, find alternate sources of supply, buy local etc.
S	Social HIV/ Aids, absenteeism, crime, poverty, illiteracy etc.	Educational programmes, CSR, security measures, ABET
T	Technological New improved equipment ...	Research new methods & equipment.
L	Legal BEE, OHS Act, workmen's comp	Awareness & implementation, Recruit experts
E	Environmental Green issues	Awareness & implement programmes

4.2 "The vision of Cashbuild's CSR is to ..... make a positive contribution in every community in which we trade."

4.2.1 What principles were taken into account when the Art@Heart programme was designed. (4)

(Any 4 x 1)

- Any policy relating to Social Responsibility should be aligned with the organisation's Business Policy and preferably be in its Mission Statement.
- Organisation culture can be defined as the 'corporate personality' founded in the values and customs of the business.
- Focus must be placed on promoting the interests of all stakeholders.
- Buy-in from top management is essential.
- Social responsibility programme should be understood by all and be realistic to ensure buy-in from employees.
- The Social responsibility programme should be aimed at strategies that can promote the interest of all stakeholders through involvement in society as a whole.

4.2.2 Evaluate FOUR arguments against social responsibility programmes in the context of Cashbuild's Art@Heart initiative. (8)

(Any 4 x 2)

- Providing goods & services – already socially responsible.
- Shareholders only real stakeholders – therefore only accountable to them.
- Employees remunerated according to how well business targets are met, spending time on CSR distracts them from real responsibilities.
- CSR illegal unless approved by shareholders.
- Spending money on CSR means business has to recover somehow.
- Being involved in CSR may create expectations from community.
- May not lend itself to sustainable development in communities.

4.3 Consider the following scenario... The Board of Directors of Cashbuild Ltd. signed a contract to donate building materials to an organisation that builds low-cost housing. One of the Board member's daughters works for the organization and used some of the funds for the building of her own home.

4.3.1 Evaluate whether it would be ethically appropriate for Cashbuild Ltd. to continue with the contract. (6)

No, it would be unethical to continue. (2).

- Lack of transparency and conflict of interest.
- Directors have the duty to disclose such interests.
- Directors must safeguard shareholders' interests and cannot profit from this, even if indirectly.

4.3.2 Which ethical approach (theory) would most suit the above scenario. (4)

Name (1) Explain (2) Reason (1)

Consequence based

- States that it is the consequence of the action that determines whether it is right or wrong.
- It seems like whether the action was found out was the only determining factor.

4.4 If initiation of the Art@Heart campaign began by an employee of the Marketing Department identifying a need for recreation in a disadvantaged community.

4.4.1 Decide whether the employee would be seen as an entrepreneur or an intreprenuer? (2)

Intreprenuer (1) as he is an employee (1).

4.4.2 Differentiate between a non-entrepreneurial and an entrepreneurial venture. (8)

Non-entrepreneurial	Entrepreneurial
Very basic commodities – concentrate on providing services.	Involved in innovation – new products, technology etc.
Operates in an established industry – often only in a given market.	Great potential for growth, often creating new markets.
Objectives are very sales- and profit based.	Objectives are very market-based and strategically planned.
Run by people who are good managers -- maintaining the 'status quo'	Run by entrepreneurs – leaders who are visionaries, risk takers, innovators

**Question 5**

- 5.1.1 What type of leadership style would the manager above represent? (1)  
Autocratic.
- 5.1.2 Do you think it is ever a good idea to act like the manager above? Explain your answer by referring to specific situations. (6)  
Yes, it could be good if the employees are inexperienced, need supervision, to instill discipline or where employees work well in highly structured environments.  
OR  
No, employees could get discouraged, scared to take initiative, could quit easily, could be seen as a constructive dismissal as the employer makes the environment very unpleasant to work in.
- 5.1.3 What qualities do you think are characteristic of a true leader? (6)  
  - Successful leader will be results driven.
  - Vision of what should be achieved must be formulated, while at the same time ready to adapt to change.
  - Realise that long-term success will depend on good teamwork.
  - Desire to achieve, ambition & constant strive for improvement.
  - Instilling confidence in followers is very important.
  - Possess 'emotional intelligence'.
  - Good communication skills, which includes active listening.
  - Has the self-motivation to follow through and implement plans to reach the desired outcomes.
- 5.1.4 Explain the difference between a leader and a manager. (4)

MANAGEMENT	LEADERSHIP
Ensures the work is done	Ensures people are motivated to do the work
Has position, power and authority to get the work done	Ability to encourage and motivate people to do their work willingly and enthusiastically
Management skills can be learnt	Difficult to learn to be a good leader
Focus is on the task that has to be done	Focus is on the people who do the task
Does not necessarily need excellent people skills	Excellent people skills is needed

- 5.1.5 What would be a probable way of dealing with conflict, if the manager above continues to act as the picture depicts? (3)  
Forcing (1)  
When a position of authority forces his solution to the problem on the subordinate. (1)

As he suggests that one should resonate with employees, he clearly would not encourage participation in the problem-solving process. (1)

- 5.2 "Whenever there are more than two people working together, the task becomes complex due to the different personalities, beliefs, experiences and ideas that each brings to the table".  
Evaluate the statement, by explaining FIVE issues that can influence the productivity of a team. Provide possible solutions on how team members could address these issues. (10)  
Any 5 issues & short explanation (5):  
  - Organisational culture
  - Prejudice
  - Beliefs
  - Values
  - Diversity
  - Past experience
 Any relevant strategies for above (5)  
 5.3 Cashbuild Ltd. is one of the leading suppliers of building materials in South Africa. Describe the impact of the following factors on the success of Cashbuild Ltd.  
 5.3.1 Management aspects.  
  - Ownership (shareholders) & management usually seen separate.
  - Business is not impacted by the personal lives of owners.
  - E.g. when some of the directors go on holiday the business will not come to a standstill.
 5.3.2 Legal personality.  
  - Has a separate legal personality.
  - Can enter into contracts in its own name & sue and be sued.
  - Legal personality provides for limited liability, thus personal belongings cannot be taken from the directors when the business goes bankrupt.
 5.3.3 Capital acquisition. (12)  
  - As there are more shareholders, thus more capital could be raised.
  - As it's a public company, shares are not really limited as it's available to the public – thus even more capital.
 5.4 "Management of Cashbuild Ltd. considered a range of investment opportunities in order to maximise the return on capital contribution of shareholders."  
 5.4.1 Explain the term diversification. (2)  
 5.4.2 Cashbuild decided on a moderate to high risk investment option in the form of unit trusts. Explain this investment option and the parties involved. (7)

### Question 6

6.1.1 Assuming that the candidate above went for an interview for a management position, judge whether the selection process has been completed correctly. Motivate your answer by giving a comprehensive evaluation. (10)

Before interviewing the candidate the following had to take place:

- Receipt of application forms:  
During this process the applicant's documents should be checked to ensure all relevant documentation has been received.  
*It could have happened that not all relevant documentation was received or properly checked.*
- Initial screening:  
This process is to identify those applicants who do not meet the minimum requirements of the job with respect to qualifications, experience etc.  
*If the candidate applied for a management position, it should have been picked up that he did not have a lot of leadership skills, which is necessary for a management position.*
- CV/Job application evaluation:  
This is where the CV applications of the applicants are evaluated against a predetermined set of criteria.  
*If walking a dog is the only leadership experience, the candidate should have been rated low and not been selected for the short list.*
- Reference & background checks:  
This is where referees might be contacted to ask questions about the applicant.  
*This step could have been ignored, resulting in not getting proper background information about the candidate.*

Thus, it is possible that the proper steps were not followed and that the candidate probably shouldn't have made the shortlist.

6.1.2 Explain the following concepts that management would look at when deciding on an appropriate organisational structure: (8)

- a) **Range of control**  
This refers to the number of workers under the supervision of someone who is in a managerial position.
- b) **Authority**  
Refers to the right given to a person to make decisions and perform certain tasks.

c) **Responsibility**  
Describes the duty a person has to carry out his task to the best of his ability.

d) **Delegation**  
The transfer of authority to workers on lower levels.

6.1.3 Refer to the cartoon and explain the limitation clause with regards to human rights. (4)

- The limitation clause of human rights ensures that human rights are limited, as different people's rights may conflict.

- Although the interviewer has the right of freedom of speech, the question asked may be seen as degrading the candidate in terms of his human rights.

6.1.4 If the advertisement for the above-mentioned job was for an EE position, do you think he is being discriminated against? (4)

No (1)

As there are two exceptions to what is seen as discrimination namely Affirmative Action or Employment Equity (1), which includes practices to advance employees who have been disadvantaged by unfair discrimination prior to 1994 (1) and excluding applicants based on the inherent requirement for a particular job (1).

6.2 "Cashbuild Ltd. Supports Black Economic Empowerment and continues to make significant contributions to the Economic Empowerment of disadvantaged communities." (6)

Tabulate, using full sentences THREE differences between Employment Equity and Black Economic Empowerment. (6)

EE	BEE
Emphasis on creating jobs	Emphasis on empowering blacks to: - Get into management - Become shareholders
Includes previously disadvantaged groups	Includes only blacks
Enforced by EE Committee within business, based on Labour guidelines	Judged on BSC (Balanced Score Card) for each particular industry and type of business.

6.3 The Black Economic Empowerment Act is an extension of the Employment Equity Act. List TWO positive outcomes from the implementation of the BEE Act. (4)

(Any 2 x 2):

- o It aims at economic empowerment of black people through different strategies such as increasing the number of black people who own and manage businesses.
- o It also aims at skills development resulting in possible promotions for Black people or preferential treatment in the granting of government contracts to businesses with certain BEE status.
- o The business can grant workers the right to determine their own destiny by making them part of the decision-making process – by giving them shares in the business.

6.4 Study the following chart and then answer the questions that follow: (2)

6.4.1 What does the abbreviation CCMA stand for?

Commission for Conciliation, Mediation and Arbitration.

6.4.2 Give examples of health and safety issues which the CCMA could have dealt with on behalf of the employees of Cashbuild. (6)

(Any 3 x 2)

- o Unacceptable levels of cleanliness in the business.
- o Not providing health protection equipment such as safety boots, safety helmets etc while working with the stock of the business.

- o Failing to appoint a Health & Safety officer.
- o Failing to put in place strategies to cope with problems – e.g. fire escapes, first aid resources and emergency procedures.
- o Any other acceptable answer.

6.4.3 The Labour Relations Act provides for a basic two step procedure in settlements of labour disputes. Discuss the steps involved. (6)  
(Maximum 6 marks)

Step 1:

Conciliation: (1)

Two parties in dispute get together with a neutral third party – conciliator does not decide who is right or wrong. (1) Can include:

Mediation: (1)

Two parties in dispute get together with a neutral third party – conciliator does not decide who is right or wrong, but gives advice. (1)

Step 2:

Arbitration, (1)

Two parties in dispute get together with a neutral third party – conciliator not decides who is right or wrong. (1)

If dispute goes to the Labour Court, instead of arbitration (1) it is known as adjudication (1).

(50 Marks)

[SECTION B: 150 MARKS]