



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

NOVEMBER 2014

BUSINESS STUDIES

MARKS: 300

TIME: 3 hours



This question paper consists of 13 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

- This question paper consists of THREE sections and covers all topics.

SECTION A: COMPULSORY
SECTION B: Consists of FIVE independent questions.
Answer any THREE questions of the five questions in this section.
SECTION C: Consists of FOUR questions.
Answer any TWO of the four questions from this section.
- Read the instructions for each question carefully and take particular note of what is required.
- Number the answers carefully according to the numbering system used in this question paper.
- Except where other instructions are given, answers must be written in FULL SENTENCES.
- Use the mark allocation and the nature of each question to determine the length of each answer.
- Start each answer to EACH question on a new page, for example; QUESTION 2 – NEW PAGE, QUESTION 3 – NEW PAGE, etc.
- Use the table below as guide to mark and time allocation when answering questions.

SECTION		QUESTION	MARKS	TIME
A	Multiple-choice questions Choose the correct word Matching items COMPULSORY	1	40	30 minutes
B	Answer any THREE of the five questions.	2	60	30 minutes
		3	60	30 minutes
		4	60	30 minutes
		5	60	30 minutes
		6	60	30 minutes
C	Essay questions Answer any TWO of the four questions.	7	40	30 minutes
		8	40	30 minutes
		9	40	30 minutes
		10	40	30 minutes
TOTAL			300	180 minutes

SECTION A (COMPULSORY)**QUESTION 1**

1.1 Four possible options are provided as answers to the following questions. Choose the correct answer and write only the letter (A–D) next to the question number (1.1.1–1.1.10) in the ANSWERBOOK, for example 1.1.11 E.

1.1.1 An ethical theory that states that if an action results in pleasure for the majority of people, the action is regarded as correct.

- A Care theory
- B Utilitarian theory
- C Virtue-based theory
- D Deontological theory (2)

1.1.2 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 (2)

1.1.3 A technique used when building a business mall to calculate the minimum time needed for each task.

- A Gantt chart
- B Timeline
- C Critical path analysis
- D Scheduling (2)

1.1.4 When a large manufacturer gets help from experts to forecast consumer independently from each other, so that they can adjust production levels, they make use of this problem solving technique:

- A Empty Chair technique
- B Force-field analysis
- C Stepladder technique
- D Delphi technique (2)

1.1.5 These are forms of business where there is no legal entity, and the owner or owners pay tax in a personal capacity.

- A Private company and public company
- B Partnership and private company
- C Close corporation and partnership
- D Sole proprietorship and partnership (2)

- 1.1.6 The marketing mix consists of the following policies:
- A Product, price, distribution, advertising and publicity
 - B Personal selling, sales promotion, advertising and publicity
 - C Product development, design, packaging and trade marks
 - D Pricing techniques, price determination, price adjustment and demand and supply. (2)
- 1.1.7 The resource-investigator is a team role where the team who fulfils the role explores opportunities and goes out to bring in new ideas by networking with others. Which team dynamics theory includes this team role?
- A Jungian theory
 - B Margerison McCann theory
 - C MRT-1™ approach
 - D Belbin's role theory (2)
- 1.1.8 The process by which company representatives talk to applicants and evaluate their skills, personality and appropriateness for a particular position.
- A Recruitment
 - B Selection
 - C Induction
 - D Interview (2)

- 1.2 Fill in the missing word(s) for each of the following. Write only the word(s) next to the question number (1.2.1–1.2.5) in the ANSWER BOOK.
- 1.2.1 ... is calculated by dividing the total cost by the number of manufactured goods.
 - 1.2.2 When business support and uplift local communities, it is known as ...
 - 1.2.3 The amount of franchisee pays the franchisor for the effort he or she made to establish the business and use the idea is known a ...
 - 1.2.4 The stage in a team development where teams work together effectively as a unit is known as ...
 - 1.2.5 ... are costs that stay the same regardless of the number of units that have been manufactured.
 - 1.2.6 When a business pays for the use of an asset for a certain period of time, instead of buying it, it is known as ...
 - 1.2.7 A document used to invite the public to buy shares and debentures in a company is called a ...
 - 1.2.8 A ... is a group of employees in a particular industry who come together as a collective.

(8 x 2) (16)

- 1.3 Choose a term from COLUMN B that matches a description in COLUMN A. Write only the letter (A–F) next to the question number (1.3.1–1.3.4) in the ANSWER BOOK, e.g. 1.3.5 G.

COLUMN A		COLUMN B	
1.3.1	Procedures for claiming temporary disablement	A	South African Bureau of Standards
1.3.2	Exclusive rights granted to the creator of an original work	B	Royalties
1.3.3	The way the body reacts to situations that a person find difficult to control	C	Compensation for Occupational Injuries and Diseases Act (COIDA), no. 61 of 1997
1.3.4	The official quality-assurance body that sets and maintains standards of products	D	Stress
		E	Labour Relations Act
		F	Copyright

(4 x 2) (8)

TOTAL SECTION A: 40

SECTION B

Answer any THREE questions from the five questions in SECTION B. The answers to EACH question must be on a NEW page.

QUESTION 2

- 2.1 Read the following statement carefully and answer the questions that follow.

“First National Bank recently launched a new prepaid foreign currency travel card called Traveller Exchange (“Travelling Gold”). South African travellers pay the current exchange rate for all purchases made using foreign currency (Euro, pound or US dollar) during their trip. Customers can pay for any goods and services purchased in any country they visit using the ‘Travelling Gold’ travel card.”

- 2.1.1 Identify the business environment being discussed in the extract above. (2)
- 2.1.2 Name TWO components of the business environment mentioned in QUESTION 2.1.1, as referred to in the case study. (2 x 2) (4)
- 2.1.3 Explain the extent of control the business has on the environment referred to in QUESTION 2.1.1. (2 x 2) (4)
- 2.2 Read the case study below and answer the questions that follow.

The owners of Hoho Plantations have decided to expand their business to include a furniture manufacturing company, called Unathi Timber Products. They use their own vehicles to transport raw materials and finished goods. They approached their local branch of Nedbank to finance their expansion. The owners also decided to approach the insurance company Metropolitan to inform their workers about insurance.

- 2.2.1 Classify the enterprises mentioned in the case study according to the various sectors they operate in. (4 x 2) (8)
- 2.2.2 Define the various sectors mentioned in QUESTION 2.2.1. (3 x 2) (6)
- 2.2.3 Name THREE components of the business environment that immediately surround the business. (3 x 2) (6)

2.3 “Leasing is one of the avenues of doing business.”

Briefly explain the advantages and disadvantages of leasing for the lessee. (4 x 2) (8)

2.4

Business encounter business related challenges and uncertainties on a daily basis. To overcome these challenges they form business relationships with other interested parties that have similar problems.
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Briefly outline any TWO types of business relationships. (12)

2.5 Tabulate the differences between partnerships and close corporations under the following subheadings:

2.5.1 Legal formation procedures

2.5.2 Liability

2.5.3 Legal personality

2.5.4 Continuity

2.5.5 Sources of capital (5 x 2) (10)
[60]

QUESTION 3

3.1 "The style of packaging used must be able to attract the attention of prospective consumers."

3.1.1 Name any TWO types of packaging. (2)

3.1.2 Briefly describe any THREE requirements of good packaging. (12)

3.1.3 "The prices of goods are influenced by the form of the market that the business operates in."

Name and describe any TWO forms of markets. (8)

3.2 Read the case study of Z.K. Matthews Computers below and answer the questions that follow.

During a meeting on 30 September 2014, members Wilberforce, Patrick and Nceba decided that certain functions had to be performed to capacitate the business.

- The intended close corporation has to be registered by the first week of October 2014 and additional capital of R20 000 has to be raised by the second week. (Member responsible – Patrick)
- Staffing is still a problem and a sales manager and support staff have to be recruited, interviewed and appointed within three weeks in time for the beginning of the business. (Member responsible – Nceba)
- The business intends to rent a building which has to be fully furnished. The leasing contract, as well as all communication lines (including telephone and internet connections) have to be finalised within two weeks. (Member responsible – Wilberforce)
- Stock has to be purchased, priced and displayed by the second week. (Member responsible – Patrick)
- In-service training will take place from week three to week five. (Member responsible – Nceba)

3.2.1 Study the information above and use it to create a Gantt chart. (12)

3.2.2 Explain the value of a Gantt chart as a tool to help a business achieve its mission and organisational goals. (4 x 2) (8)

3.3 Read the following conversation and answer the question that follows.

Dlamini:	“How do you manage your business under such economic conditions? Look what happened at Marikana. Unions like NUM and AMCO are destabilising our economy.”
Cyril:	“My Bachelor of Commerce degree and the knowledge it provides, is a source of strength and comfort. Also I have the necessary skills of managing and controlling a business and all this contributes to me being a successful businessman.”

What qualities is Cyril referring to? Explain any FIVE of these qualities. (10)

3.4 Explain any FOUR health and safety measures that can be implemented to safeguard factory workers. (4 x 2) (8)

[60]

QUESTION 4: BUSINESS ROLES

- 4.1 “Different ethical perspectives can affect the way in which business see environmental sustainability.”
- 4.1.1 What is the difference between business and personal ethics? (4)
- 4.1.2 Mention FOUR principles of business ethics. (8)
- 4.1.3 There are numerous theories on ethics. List any FOUR ethics theories. (8)
- 4.2 Give FIVE requirements that if followed, will lead to a successful presentation. (5 x 2) (10)
- 4.3 “Problems within the business need to be solved as soon as possible.”
- 4.3.1 Describe SIX steps that must be followed when solving a problem. (6 x 2) (12)
- 4.3.2 Mention any FOUR steps that can be used when applying the Delphi technique when solving a problem. (4)
- 4.4 Explain any FOUR reasons why businesses in South Africa are involved in social community programmes. (8)
- 4.5 “Good corporate citizenship involves a wide range of activities.”
- Describe any THREE principles of good business citizenship. (3 x 2) (6)
- [60]**

QUESTION 5

- 5.1 Study the information below of Nicks Food (PTY) Ltd., a manufacturer of the best meat-based meals.

NICKS FOOD (PTY) LTD	PRODUCTION COSTS FOR OCTOBER 2014
Raw materials	R140 000
Labour	R185 000
Insurance	R30 000
Rent	R18 000
Cleaning materials	R10 000
Packaging	R8 000

Nicks Food manufactured 30 000 ready meals during the month of October 2014.

- 5.1.1 Calculate the variable costs for the month. (4)
- 5.1.2 Calculate the fixed costs for the month. (4)
- 5.1.3 Calculate the total production costs for the month. (3)
- 5.1.4 Calculate the production cost of one ready meat-meal. (3)
- 5.2 "The Employment Equity Act requires businesses to appoint people from all groups to reflect South Africa's demographics."
- Mention any FIVE main purposes of the Employment Equity Act No. 55 of 1998. (5 x 2) (10)
- 5.3 "Once the applicant has been chosen and has accepted the position offered, he/she has to be sign an employment contract."
- 5.3.1 Describe the term *employment contract*. (2)
- 5.3.2 List any FIVE conditions that will be stipulated in the employment contract. (5 x 2) (10)
- 5.3.3 Differentiate between *job description* and *job specification*. (2 + 2) (4)
- 5.4 Discuss FOUR causes of conflict which may arise between two or more employees in the workplace. (12)
- 5.5 "An induction programme is a programme designed to orientate a new employee in a workplace or business."
- State any FOUR advantages of an induction programme. (4 x 2) (8)

[60]

QUESTION 6

- 6.1 Mention the FOUR elements that can be found in successful teams. (8)
- 6.2

“Quality control ensures that a product of the right quality is produced through constant monitoring of the production process.”
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Discuss FIVE advantages of quality control. (5 x 2) (10)
- 6.3 Mention any SIX techniques that can be used by leaders to manage change. (6 x 2) (12)
- 6.4

“Bruce Tuckerman mentioned that there are four stages for team development in order to achieve success with a project.”

Describe the FOUR stages of team development. (12)
- 6.5

“Outsourcing is when a business purchases goods and/or services from a third party rather than producing it themselves.”
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State any FIVE advantages of outsourcing for a business. (5 x 2) (10)
- 6.6 Mention any FOUR causes of stress in the workplace. (4 x 2) (8)

[60]**TOTAL SECTION B: 180**

SECTION C

Answer any TWO questions from the four questions from this section.

NOTE: Start each question on a new page and write the exact number of the question e.g. QUESTION 11.

QUESTION 7

Unathi Timber Products sells furniture to Joy Furniture in King William's Town. The raw material which is used by Unathi Timber Products is sourced from Hoho Plantations in Keiskammahoek.

It is clear that economic sectors are interdependent on each other and do not function in isolation. Discuss each of these sectors and analyse their relatedness with each other in detail. Use examples throughout to support your answer.

[40]**QUESTION 8**

Peter and John are two friends from the rural area of the Eastern Cape. They have studied business subjects. Peter had completed his bachelor of commerce from Rhodes University and John was running a butchery with his father. The two decided to establish their own business undertaking.

Both these friends approached you to help them in choosing a suitable form of ownership. Prepare a presentation for them, clearly demonstrating how to choose the most appropriate form of ownership. Suggest a form of ownership where no distinction is made between the owners' assets and the assets of the business.

[40]**QUESTION 9**

"... although in Hathron's case Mondi performed well, what will irk unions is that several top earners scored salaries of more than R20-million despite poor company performances."

Explain how trade unions use strikes to achieve better working conditions. Also explain the different types of strikes. What are the functions of a trade union?

[40]**QUESTION 10**

Matsobane Matlwa, the chief executive officer of the South African Institute of Chartered Accountants, is leaving the institute to pursue his personal business interests. You are the human resources manager of the institute.

Discuss in detail your recruitment, selection, placement and induction programme for the new chief executive officer. In view of current legislative requirements, briefly explain THREE matters that should be considered when filling this vacancy.

[40]

TOTAL SECTION C: 80
GRAND TOTAL: 300

