



Province of the  
**EASTERN CAPE**  
EDUCATION

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 11**

**NOVEMBER 2017**

**BUSINESS STUDIES**

**MARKS: 300**

**TIME: 3 hours**

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This question paper consists of 13 pages.

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## INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of THREE sections and covers all main topics.  
  
 SECTION A: COMPULSORY  
 SECTION B: Consists of FIVE questions.  
 Answer any THREE of the five questions in this section.  
 SECTION C: Consists of FOUR questions.  
 Answer any TWO of the four questions in this section.
2. Read the instructions for each question carefully and take particular note of what is required.
3. Number the answers carefully according to the numbering system used in this question paper. No marks will be awarded for answers that are numbered incorrectly.
4. Except where other instructions are given, answers must be written in full sentences.
5. Use the mark allocation and nature of each question to determine the length and depth of an answer.
6. Use the table below as guide for mark and time allocation when answering each question.

SECTION		QUESTION	MARKS	TIME
A:	Objective-type questions COMPULSORY	1	40	30 minutes
B:	FIVE direct/indirect-type questions CHOICE (Answer any THREE.)	2	60	30 minutes
		3	60	30 minutes
		4	60	30 minutes
		5	60	30 minutes
		6	60	30 minutes
C:	FOUR essay-type questions CHOICE (Answer any TWO.)	7	40	30 minutes
		8	40	30 minutes
		9	40	30 minutes
		10	40	30 minutes

7. Begin the answer to EACH question on a NEW page, for example QUESTION 1 – new page, QUESTION 2 – new page, et cetera.
8. You may use a non-programmable calculator.
9. Write neatly and legibly.

**SECTION A (COMPULSORY)****QUESTION 1**

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

1.1.1 Challenge of the macro environment:

- A Difficult employees
- B Lack of vision and mission
- C Changes in consumer behaviour
- D Political changes

1.1.2 ... lending refers to granting small loans to people who cannot get credit from banks.

- A Micro
- B Market
- C Macro
- D Primary

1.1.3 Intermediaries operate in the ... sector of the economy.

- A market
- B primary
- C secondary
- D tertiary

1.1.4 Business ... is often defined as managing the triple bottom line.

- A success
- B sustainability
- C profitability
- D productivity

1.1.5 A partnership has ...

- A limited liability and limited continuity.
- B unlimited liability and unlimited continuity.
- C limited liability and unlimited continuity.
- D unlimited liability and limited continuity.

1.1.6 An advantage of using own funds as a source of funding for a business:

- A No interest is paid on the funds
- B Low interest is paid on the funds
- C Low interest can be negotiated
- D No interest is paid in the first year

- 1.1.7 The ... theory argues that business processes need to be improved in order to deal effectively with change.
- A Kaizen model
  - B John Kotter's change model
  - C Total quality management
  - D Business process re-engineering
- 1.1.8 The Belbin's role theory is organised in three categories, namely ...
- A cerebral, action and co-ordinator.
  - B cerebral, action and people.
  - C planter, specialist and monitor-evaluator.
  - D shaper, implementer and completer-finisher.
- 1.1.9 The ... Act stipulates the rights of employees and employers and allows for collective bargaining in the workplace.
- A Basic Conditions of Employment
  - B Employment Equity
  - C Labour Relations
  - D Compensation for Occupational Injuries and Diseases
- 1.1.10 ... is the calculation to see how many units a business must sell before a profit is made.
- A Profit
  - B Total cost
  - C Cost per unit
  - D Break even analysis
- (10 x 2) (20)
- 1.2 Complete the following statements by using the word(s) in the list below. Write only the word(s) next to the question number (1.2.1–1.2.5) in the ANSWER BOOK. Each word should only be used ONCE.

acquisition; instalment-sale; Belbin's role; 10; letter of appointment; alliance; Jungian; 8; employment contract; mortgage loans

- 1.2.1 An ... takes place when one business buys another business.
- 1.2.2 ... are loans used to finance the purchase of property.
- 1.2.3 ... team dynamics theory is based on the four functional types, namely thinking, feeling, sensation and intuition.
- 1.2.4 Employees can only work a maximum of ... hours of overtime a week.
- 1.2.5 ... is a written offer of employment made to the successful candidate.
- (5 x 2) (10)

- 1.3 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–J) next to the question number (1.3.1–1.3.5) in the ANSWER BOOK, for example 1.3.6 K.

COLUMN A		COLUMN B	
1.3.1	Strategic alliance agreement	A	An example of group consensus
1.3.2	Bank overdraft	B	An example of power relations
1.3.3	Conflict	C	The movement between countries of more and more people, goods, capital and ideas
1.3.4	Globalisation	D	Elimination of unfair discrimination
1.3.5	Internal recruitment	E	Short term loan from a bank
		F	Finding employees from outside the business
		G	An example of zoning
		H	A disagreement between people
		I	Long term loan from a bank
		J	Finding employees from inside the business

(5 x 2) (10)

**TOTAL SECTION A: 40**

**SECTION B**

Answer ANY THREE questions in this section.

**NOTE:** Clearly indicate the QUESTION NUMBER of each question that you choose. The answer to EACH question must start on a NEW page, for example QUESTION 2 on a NEW page, QUESTION 3 on a NEW page, et cetera.

**QUESTION 2: BUSINESS ENVIRONMENT**

- 2.1 Identify the socio-economic issues which are applicable to each scenario below.
- 2.1.1 An increase in the price of fuel, fertiliser and agricultural products.
- 2.1.2 Mr Green sends sexual images to a female colleague.
- 2.1.3 Only the owner of intellectual property has the right to produce and copy.
- 2.1.4 Sometimes other countries will bring their excess, cheap products to the South African market.
- 2.1.5 NUMSA affiliated members refuse to work in an effort to pressure employers to give in to their demands. (10)
- 2.2 Outline FOUR challenges in the micro environment. (8)
- 2.3 Explain ways in which businesses can lobby for mutual trust. (10)
- 2.4 Read the scenario below and answer the questions that follow.

**BLUE SKY AIRLINES**

Blue Sky airlines is facing a 30 percent increase in fuel costs. They are losing bookings to Cape Coast Airlines and their cash flow is critical.

- 2.4.1 Name the business sector in which Blue Sky Airlines operate. Motivate your answer. (3)
- 2.4.2 Classify the challenges of Blue Sky Airlines according to the THREE business environments. State the extent of control Blue Sky Airlines have over each environment. Draw the table below in the ANSWER BOOK to present your answer.

Challenge	Environment	Extent of control
	Micro	
	Market	
	Macro	

(9)

- 2.5 Explain how businesses form power relations. (8)
- 2.6 Describe the impact of piracy on businesses. (6)
- 2.7 Suggest ways in which businesses can develop a strong relationship with suppliers. (6)

**[60]**

**QUESTION 3: BUSINESS VENTURES**

- 3.1 Name FOUR characteristics of a successful entrepreneur. (4)
- 3.2 Identify the form of ownership which is applicable to each of the following statements below.
- 3.2.1 This institution is not for profit maximisation but it provide services for its members.
- 3.2.2 All directors are jointly and severally liable together with the business for any debts and liabilities incurred by the business.
- 3.2.3 Relies on grants and donations from fundraising as source of capital.
- 3.2.4 The name ends in (Pty) Ltd.
- 3.2.5 The business is owned by a single individual and has unlimited liability. (10)
- 3.3 Describe the following planning tools that are needed to transform a business plan into an action plan:
- 3.3.1 Gantt chart (4)
- 3.3.2 Timelines (4)
- 3.3.3 Project planning (4)
- 3.4 Read the scenario below and answer the questions that follow.

**MEGA TRADERS**

Mega Traders uses flyers to advertise their products to the public. Dube is the owner and his main reasons for the use of flyers is that it is inexpensive and he can design the flyers himself.

- 3.4.1 Quote TWO reasons why Dube decided to use flyers to advertise Mega Traders products' to the public in the above scenario. (2)
- 3.4.2 Mention FOUR guidelines that Dube should keep in mind when composing a flyer. (8)
- 3.5 Explain how to handle feedback after a presentation in a non-aggressive and professional manner. (10)
- 3.6 Discuss the advantages of leasing. (6)
- 3.7 Suggest factors that must be considered before starting a business. (8)

**[60]**

**QUESTION 4: BUSINESS ROLES**

- 4.1 Name any FIVE causes of conflict in the workplace. (5)
- 4.2 Read the scenario below and answer the questions that follow.

**FLYING HIGH**

Flying High is a travel agency that offers transport and accommodation bookings for international sporting teams. They are finding that more teams are arranging their own bookings and are concerned that they will be out of business soon. The management of Flying High decided to request a group of business experts to complete questionnaires to help solve their problem.

- 4.2.1 Identify the problem-solving technique used by Flying High to solve their problem. Motivate your answer. (3)
- 4.2.2 Explain to Flying High the advantages of the problem-solving technique identified in QUESTION 4.2.1. (6)
- 4.3 Explain the advantages of creative thinking in the workplace. (10)
- 4.4 Distinguish between *ethics* and *professionalism*. (8)
- 4.5 Read the article below and answer the questions that follow.

**ABSA OVC PROJECT**

The project directly assists orphans and vulnerable children (OVC) in Gqebera/Walmer Township through establishing a Child Care Forum, the identification of 80 OVC families to become beneficiaries of the Absa programme and the training of 15 caregivers to be assigned to each of the households to monitor the progress of the children.

[Source: The Small Projects Foundation]

- 4.5.1 Identify THREE ways in which this project directly assists orphans and vulnerable children in Gqebera/Walmer Township. (3)
- 4.5.2 Give FIVE citizenship roles and responsibilities that ABSA need to perform within the business environment. (5)
- 4.5.3 Analyse the role that ABSA can play in the social and economic development of communities. (4)
- 4.6 Discuss the following theories of ethics:
- 4.6.1 Consequential approach (4)
- 4.6.2 The common good approach (4)
- 4.7 Suggest strategies businesses can use to deal with affirmative action. (8)

**[60]**

**QUESTION 5: BUSINESS OPERATIONS**

- 5.1 List FOUR components of the marketing communication policy. (4)
- 5.2 Identify the marketing activity that applies to each of the following statements:
- 5.2.1 The safekeeping of products until the consumers need them
- 5.2.2 Obtaining reliable information about the consumers to which the business is selling its products
- 5.2.3 Covering the business against losses the business might suffer because of human, physical or economic risks (3 x 2) (6)
- 5.3 Differentiate between *advertising* and *publicity*. (8)
- 5.4 Discuss the importance of trademarks to businesses. (8)
- 5.5 Read the scenario below and answer the questions that follow.

**RED TIN (PTY) LTD**

Red Tin (Pty) Ltd manufactures large numbers of identical tins using a mass production system. They use single-purpose machines. The machines need to be balanced so that there is a continuous flow of goods and effective use of the floor space in the factory.

- 5.5.1 Identify FOUR characteristics of mass production in the above scenario. (4)
- 5.5.2 Explain the advantages of mass production. (10)
- 5.5.3 Recommend precautionary measures that Red Tin (Pty) Ltd should take with machinery. (8)
- 5.6 Explain the differences between piecemeal and time-related salary determination system. (4)
- 5.7 Recommend ways in which businesses can comply with the Occupational Health and Safety Act, (Act No. 85 of 1993). (8)

**[60]**

**QUESTION 6: MISCELLANEOUS TOPICS****BUSINESS ENVIRONMENTS**

- 6.1 Identify the component of the macro environment that applies to each of the following challenges:
- 6.1.1 New technologies can make existing products obsolete
  - 6.1.2 Impact of high or low interest rates
  - 6.1.3 Employment restrictions
  - 6.1.4 The degree of government intervention in the economy
  - 6.1.5 The degrading of moral values resulting in corruption and other crimes (10)
- 6.2 Suggest TWO ways in which a business can differentiate itself from its competitors. (4)

**BUSINESS VENTURE**

- 6.3 Identify the visual aids which are applicable to each of the following statements below.
- 6.3.1 It is used when the information is too detailed and the presenter wants the audience to have a full record of the presentation.
  - 6.3.2 It is used when displaying a process or procedure.
  - 6.3.3 Slides with information projected onto a screen.
  - 6.3.4 It is used to visualise a whole unit and the proportions of its components. (8)
- 6.4 Explain sources of funding for businesses. (8)

**BUSINESS ROLES**

- 6.5 Identify the stage of team development which is applicable to each of the following statements below:
- 6.5.1 During this stage the team members get to know each other.
  - 6.5.2 The stage where the true character starts to show.
  - 6.5.3 Team members are motivated and are working together. (6)
- 6.6 Advise businesses on the role of workplace forums to resolve conflict. (8)

**BUSINESS OPERATIONS**

- 6.7 State FIVE types of packaging. (5)
- 6.8 Read the scenario below and answer the questions that follow.

**CLEAR WATER (PTY) LTD**

Clear Water (Pty) Ltd bottles and distributes bottled water. The total cost to produce 10 000 bottles of water is R40 000.

Calculate the following:

- 6.8.1 Production cost per bottle (3)
- 6.8.2 Selling price per bottle if they want to make 40% profit on cost price (4)
- 6.8.3 Profit if they sell all 10 000 bottles (4)

**[60]**

**TOTAL SECTION B: 180**

**SECTION C**

Answer ANY TWO questions in this section.

**NOTE:** Clearly indicate the QUESTION NUMBER of each question that you choose. The answer to EACH question must start on a NEW page, for example QUESTION 7 on a new page, QUESTION 8 on a NEW page, et cetera.

**QUESTION 7: BUSINESS ENVIRONMENT**

Labour Relations regulates the relationship between the employers and employees. Trade unions promote labour relations, but employees can take industrial action in the form of strikes or go-slows.

With reference to the statement above:

- Explain the difference between a strike and a go-slow.
- Discuss the negative impact of strikes on businesses.
- Describe the purpose of the Labour Relations Act.
- Advise businesses on the functions of trade unions in promoting labour relations.

**[40]**

**QUESTION 8: BUSINESS VENTURES****SNOWY BAKERY**

Rick and Jacob have been running a bakery for the past five years. They both agree that they want to expand their business. Rick suggests that they open more branches in other towns. Jacob thinks it would better to register their business as a franchise. They decided that they need more information about a franchise business.

Snowy Bakery contacted you as an independent business advisor to provide them with more information. Your report must include the following:

- Elaborate on the meaning of a franchise.
- Explain the advantages and disadvantages of a franchise.
- Discuss the TWO parties involved in a franchise.
- Advise Snowy Bakery on the contractual implications of a franchise.

**[40]**

**QUESTION 9: BUSINESS ROLES**

The changing environments in which businesses operate are increasingly stressful. Businesses need to deal with crisis related issues.

With reference to the statement above:

- Elaborate on the meaning of stress and crisis.
- Explain the effect of stress on a business.
- Discuss FOUR reasons why change might be resisted.
- Recommend ways businesses can deal with businesses-related crises.

**[40]****QUESTION 10: BUSINESS OPERATIONS**

Brian recently resigned from Komani Electrical to join Wild Coast Electrical as a manager. Komani Electrical has to advertise his position and must consider the conditions of the Employment Equity Act, 1998 (Act 55 of 1998) when making the new appointment.

Refer to the scenario above and write an essay in which you include the following aspects:

- Outline the selection procedure that should be followed to identify the most suitable candidate.
- Explain the legal requirements of the employment contract that both Komani Electrical and the new employee should agree on.
- Describe aspects that should be included in an induction programme.
- Advise Komani Electrical on how to comply with the Employment Equity Act when the new appointment is made.

**[40]**

**TOTAL SECTION C: 80**  
**GRAND TOTAL: 300**