



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

NOVEMBER 2018

BUSINESS STUDIES

MARKS: 300

TIME: 3 hours



This question paper consists of 15 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of THREE sections and covers all FOUR 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 correctly 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 a guide for mark and time allocation when answering each question.

SECTION	QUESTION	MARKS	TIME (minutes)
A: Objective-type questions COMPULSORY	1	40	30
B: FIVE direct/indirect-type questions CHOICE: Answer any THREE.	2	60	30
	3	60	30
	4	60	30
	5	60	30
	6	60	30
C: FOUR essay-type questions CHOICE: Answer any TWO.	7	40	30
	8	40	30
	9	40	30
	10	40	30
TOTAL		300	180

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 1.1.11E.

1.1.1 A challenge to the macro environment:

- A Difficult employees
- B Shortage of supplies
- C Changes in consumer behaviour
- D Political changes

1.1.2 Over this environment the business has no control:

- A Micro
- B Market
- C Macro
- D Micro and market

1.1.3 Interacting with others to exchange ideas and information and to develop professional contacts, is known as ...

- A networking.
- B lobbying.
- C merging.
- D takeovers.

1.1.4 The government holds the majority of shares in this form of ownership:

- A Harry SOC Ltd
- B Babsi (Pty) Ltd
- C Bekker Ltd
- D Redklip and Son

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

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

- 1.1.6 A visual presentation of a set of sales figures shown as a series of rectangles:
- A Table
 - B Diagram
 - C Bar graph
 - D Line graph
- 1.1.7 Individuals suggest new ideas randomly that are written on a flip chart in a larger group without being criticised:
- A Empty chair
 - B Brainstorming
 - C Force field analysis
 - D Forced combination
- 1.1.8 Team dynamic theories help businesses to ...
- A establish good relationships with teams.
 - B allocate tasks to team members with similar personalities.
 - C promote total satisfaction.
 - D allocate tasks according to the roles of team members.
- 1.1.9 Example of publicity:
- A Online advertising
 - B Flyers
 - C Exhibition
 - D News release
- 1.1.10 This procedure matches the requirements of a post with the strengths of a candidate:
- A Remuneration
 - B Placement
 - C Recruitment
 - D Selection

(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.

Belbin role; co-operative; placement; Jungian; workplace forum; acquisition; company; alliance; interview; trade union

- 1.2.1 A/An ... takes place when one business buys another business.
- 1.2.2 A/An ... is a traditional way of a group of interested parties getting together and sharing resources, infrastructure and costs to achieve a better outcome.
- 1.2.3 ... cannot embark on industrial action.
- 1.2.4 The ... team dynamic theory focuses on four pairs of attitudes and functions.
- 1.2.5 The ... is a formal procedure conducted between the shortlisted candidates and the employer to fill a vacant post.

(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, e.g. 1.3.6 K.

COLUMN A		COLUMN B	
1.3.1	Dumping	A	a disagreement in the workplace
1.3.2	Franchising	B	a system that produces a variety of almost similar goods in certain quantities
1.3.3	Conflict	C	a manufacturer in one country exports goods to another country at a price that is much higher than the price it charges in its home market
1.3.4	Direct costs	D	a system where each product is made according to exact customer specifications
1.3.5	Jobbing	E	wages of employees in manufacturing the product
		F	a licence to use the name, idea and processes of an existing business in a specific geographic area
		G	a manufacturer in one country exports goods to another country at a price that is much lower than the price it charges in its home market
		H	cost that cannot be assigned to a specific product
		I	a formal, written complaint to senior management
		J	tasks, operations or processes are performed by an outside contractor

(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 ENVIRONMENTS

2.1 State the THREE business environments. (3)

2.2 Read the scenario below and answer the questions that follow.

ANGLE FURNITURE MANUFACTURER (AFM)

Angle Furniture Manufacturer (AFM) specialises in the manufacturing of office furniture. The management of AFM has developed unclear goals that confuse staff about the direction of the business.

AFM has decided to promote Zuko and Sophia as managers even though they do not have the necessary skills to execute their tasks effectively.

Some employees decided to go on strike after consulting with their unions as they felt that the appointment process was not transparent and fair. AFM is not familiar with the functions of trade unions.

2.2.1 Name the business sector in which AFM operates. Motivate your answer. (3)

2.2.2 Identify THREE challenges of the micro environment from the scenario above. Motivate your answer by quoting from the scenario above. Use the table below to present your answer.

Challenges of the micro environment	Motivation
(a)	
(b)	
(c)	

(9)

2.2.3 Advise AFM on the functions of a trade union. (6)

2.3 Explain the difference between *strikes* and *go-slows*. (4)

2.4 Describe the following ways in which a business can adapt to the challenges of the macro environment:

2.4.1 Information management (4)

2.4.2 Organisation design and flexibility (4)

2.5 Discuss the ways businesses can form power relationships. (6)

2.6 Read the scenario below and answer the questions that follow.

FIX IT (FI)

Ms Makatesi is the owner of Fix It (FI), a television repair shop. Ms Makatesi struggles with an unhappy labour force that often threatens to strike. Her business is also affected by a high rate of poverty, unemployment, crime and HIV/Aids.

- 2.6.1 Identify THREE socio-economic issues from the above scenario. (3)
- 2.6.2 Explain the impact of crime on FI. (6)
- 2.6.3 Suggest ways that FI can address HIV/Aids. (6)
- 2.7 Discuss the purpose of the Labour Relations Act (LRA), 1995 (Act 66 of 1995). (6)

[60]

QUESTION 3: BUSINESS VENTURES

- 3.1 State THREE key success factors for a business venture. (3)
- 3.2 Read the scenario below and answer the questions that follow.

NDODA'S HOMEWORK CENTRE

Mrs Ndoda worked as a teacher for many years and realised that many children struggled to complete their homework. She took a calculated risk by resigning from her teaching post and opened her own homework centre to assist parents and children with completing their homework daily.

- 3.2.1 Quote from the scenario why Mrs Ndoda would be classified as an entrepreneur. (1)
- 3.2.2 List FOUR other qualities of an entrepreneur. (4)
- 3.3 Outline FOUR factors that must be considered before starting a business. (8)
- 3.4 Read the scenario below and answer the questions that follow.

JABU DRESSES STYLE (JDS)

Jabu has a good business idea to design and manufacture evening dresses on order. She received a small loan from her local bank, after she handed in a business plan with her loan application. She desperately needs more funding to set up her business and has no knowledge in transforming her business plan into an action plan.

- 3.4.1 Elaborate on the meaning of an *action plan*. (4)
- 3.4.2 Explain the importance of an action plan to Jabu. (8)
- 3.4.3 Recommend FOUR other sources of financing Jabu can use. (8)
- 3.5 Differentiate between a *private* and *public company*. (12)
- 3.6 Discuss the benefits of establishing a company versus other forms of ownership. (8)
- 3.7 Suggest TWO reasons why an entrepreneur may decide to purchase an existing business. (4)

[60]

QUESTION 4: BUSINESS ROLES

4.1 State FOUR stages of team development. (4)

4.2 Read the scenario below and answer the questions that follow.

Sesethu is a project manager for a construction company. Her employees are not satisfied about the shortage of resources. Most employees are frustrated by poor communication and constant changes. Management has suggested that they use the workplace forum to resolve the conflict.

4.2.1 Identify THREE causes of conflict from the above scenario. (3)

4.2.2 Advise Sesethu on the functions of workplace forums to resolve conflict. (8)

4.3 Describe the contemporary conflict management theory (6)

4.4 Read the statement below and answer the questions that follow.

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

4.4.1 Elaborate on the meaning of *stress* and *crisis*. (4)

4.4.2 Outline the causes of stress in the business environment. (6)

4.4.3 Recommend ways businesses can deal with business-related crises. (6)

4.5 Explain the rights-based approach as one of the theories of ethics. (8)

4.6 Read the scenario below and answer the questions that follow.

EASTERN CAPE HARDWARE (ECH)

Eastern Cape Hardware directly assists abused women and children in rural areas. They offer group counselling, legal advice and entrepreneurial programmes to abused women and children.

4.6.1 Identify THREE ways in which Eastern Cape Hardware assists women and children. (3)

4.6.2 Outline FOUR citizenship roles and responsibilities that Eastern Cape Hardware need to perform within the business environment. (4)

4.6.3 Explain the role that Eastern Cape Hardware can play in the social and economic development of communities. (8)

[60]

QUESTION 5: BUSINESS OPERATIONS

- 5.1 State FOUR aspects that must be included in an employment contract. (4)
- 5.2 Explain the purpose of induction. (8)
- 5.3 Read the scenario below and answer the questions that follow.

HOPE ARCHITECTS (HA)

Hope Architects has advertised a post for a receptionist in the local newspaper.

- 5.3.1 Name the type of recruitment that HA has used to find suitable candidates for the vacant post. Motivate your answer. (3)
- 5.3.2 Discuss the role of the applicant during the interview. (8)
- 5.3.3 Recommend the procedure that HA should follow to place the new employee. (6)
- 5.4 Outline FOUR aspects that must be considered during the production planning. (4)
- 5.5 Discuss the characteristics of mass production. (8)
- 5.6 Suggest ways in which businesses can comply with the Occupational Health and Safety Act. (6)
- 5.7 Read the scenario below and answer the questions that follow.

TOP CLOTHING LTD (TCL)

Top Clothing Ltd manufactures active wear. They want to increase their sales. They are considering a joint promotion with Elite Active, a local fitness centre.

- 5.7.1 Name the component of marketing that Top Clothing Ltd is considering. Motivate your answer by quoting from the scenario above. (3)
- 5.7.2 Explain the purpose of the marketing component identified in QUESTION 5.7.1 to increase their sales. (4)
- 5.8 Discuss the advantages of electronic marketing. (6)

[60]

QUESTION 6: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENT**

- 6.1 Identify the type of ethical misconduct presented in EACH case below:
- 6.1.1 Jane is offering Sipho an increase if he has a relationship with her.
 - 6.1.2 Justin accepted a bribe in exchange for making sure Delta Ltd's tender application is successful.
 - 6.1.3 The CEO of Bags Ltd wasted the company's money by paying for his personal expenses. (3 x 2) (6)
- 6.2 Explain ways in which businesses can lobby for mutual trust. (6)
- 6.3 Recommend ways in which businesses can be involved in the macro environment. (4)

BUSINESS VENTURES

- 6.4 Identify the type of planning tools used to transfer a business plan into an action plan presented in EACH case below:
- 6.4.1 Jack indicates the due date or date of completion for each of the short term objectives and tasks on a linear scale. (2)
 - 6.4.2 Gugu used a bar graph to show the duration of each task against the progression of time. (2)
- 6.5 Discuss the advantages of leasing. (10)

BUSINESS ROLES

- 6.6 Distinguish between *ethics* and *professionalism*. (8)
- 6.7 Suggest ways in which professional, responsible, ethical and effective business practices should be conducted. (6)

BUSINESS OPERATIONS

- 6.8 Identify the pricing technique used in EACH case below:
- 6.8.1 Power (Pty) Ltd sells their re-chargeable light bulbs at R10 in an attempt to enter a new market.
- 6.8.2 Sports Take has an end-of-range sale by offering a 'buy-one-get-one-free' sale.
- 6.8.3 Coffee Beans dropped their selling price below that of Mega Coffee. (6)
- 6.9 Elaborate on the meaning of the break-even point. (2)
- 6.10 Explain reasons why manufacturers may prefer to make use of direct distribution methods. (4)
- 6.11 Differentiate between the *piecemeal* and the *time-related* method of salary determination. (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

Businesses are exposed to challenges in all three business environments. The success of businesses lies in adapting to the challenges of the market environment by differentiating themselves from their competitors and developing strong relationships with their suppliers.

With reference to the above statement, answer the following questions:

- Explain the components of the market environment.
- Discuss FOUR challenges of the market environment.
- Describe ways in which a business can differentiate itself from its competitors.
- Suggest ways in which businesses can develop strong relationships with their suppliers.

[40]

QUESTION 8: BUSINESS VENTURES**DREAM CARS LTD**

Mr Luke is the sales manager at Dream Cars Ltd. He needs to do a presentation on the latest product range to prospective buyers. He wants to use visual aids during his presentation. The marketing manager suggested that he compose a flyer and a written report to support his presentation.

Mr Luke needs details on the following aspects, therefore he requires you to:

- Outline FOUR different types of visual aids.
- Explain factors that must be considered when composing a flyer.
- Discuss steps in report writing.
- Propose ways in which Mr Luke may respond to feedback in a professional manner.

[40]

QUESTION 9: BUSINESS ROLES**SUPERB SUPERMARKET (SS)**

The Management of Superb Supermarket wants to improve on the quality of their service because of various complaints from their customers. They have requested employees to generate new, creative ideas on how to improve their services to satisfy customers' needs.

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

- Elaborate on the meaning of *problem solving*.
- Differentiate between *routine thinking* versus *creative thinking*.
- Explain the benefits of creative thinking in solving Superb Supermarket's problem.
- Suggest how Superb Supermarket can apply the Delphi technique and Force-field analysis in order to solve their business problem.

[40]**QUESTION 10: BUSINESS OPERATIONS****BOUNCE (PTY) LTD**

Bounce (Pty) Ltd manufactures different kinds of sports balls. They are designing a new ball that would be able to be inflated or deflated to different sizes so it can be used for different types of sport.

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

- Outline the components of the product policy that would be used by Bounce (Pty) Ltd.
- Explain the steps that Bounce (Pty) Ltd would follow in the design of this ball.
- Discuss the requirements of good packaging for their final product.
- Describe the importance of a trademark to Bounce (Pty) Ltd.

[40]

TOTAL SECTION C: 80
GRAND TOTAL: 300

