



education

Department:
Education
REPUBLIC OF SOUTH AFRICA

BUSINESS STUDIES

GRADE 11

JUNE EXAMINATIONS - 2015

EXAMINER : R NAIDOO
MODERATOR : R GOVENDER

MARKS : 300
DURATION : 3 hrs

This question paper consists of 15 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the question

1. This question paper consists of THREE sections :

- SECTION A : **COMPULSORY**
- SECTION B : **CONSISTS OF FIVE QUESTIONS**
CHOOSE ANY THREE QUESTIONS FROM THIS SECTION
- SECTION C : **CONSISTS OF FOUR QUESTIONS**
CHOOSE ANY TWO QUESTIONS FROM THIS SECTION

2. Read the instructions carefully for each question and take particular note of what is required

3. Number the answers correctly according to the numbering system used in the question paper.

4. Except where the instructions are given, answers must be in full sentences.

5. Use the mark allocation and the nature of each question to determine the length of an answer.

6. Use the table below as a guideline for marks and time allocation when answering each question and TICK the questions that you have chosen

SECTION	QUESTION	MARKS	TIME
A. COMPULSORY	ONE	40	24 min.
B. Five direct Questions. CHOOSE ANY THREE QUESTIONS	TWO	60	36 min.
	THREE	60	36 min.
	FOUR	60	36 min.
	FIVE	60	36 min.
	SIX	60	36 min.
C. ESSAY Questions CHOOSE ANY TWO QUESTIONS	SEVEN	40	24 min.
	EIGHT	40	24 min.
	NINE	40	24 min.
	TEN	40	24 min.
TOTAL		300	180 min. (3hrs)

SECTION A : COMPULSORY

QUESTION ONE : (40 marks)

1.1 **Choose the correct answer from the options given below.
Write only the correct letter.**

1.1.1 The providers of Capital and Labour to an organisation are part of the _____ environment.

- A) Economic
- B) Macro
- C) Micro
- D) Market

1.1.2 Which one of the following statements is TRUE regarding creativity?

- A) Distractions like noise inhibit our ability to focus and think creatively.
- B) Creativity is something that cannot be developed
- C) Only intelligent people are creative
- D) Only artistic people are creative

1.1.3 The Microsoft company wants to introduce new products to its existing range of computer software. Group participants need to generate as many ideas as possible without evaluation by others.

The most appropriate group decision-making technique is _____.

- A) The Nominal Group Technique
- B) Brainstorming
- C) Delphi Technique
- D) An electronic meeting

1.1.4 Salon Sharona is an example of a business in the _____ sector.

- A) Primary
- B) Secondary
- C) Tertiary
- D) None of the above

1.1.5 This refers to the involvement of a group of individuals or organisations who voluntarily exchange information and make contacts

- A) Networking
- B) Outsourcing
- C) Franchising
- D) Leasing

**(5 X 2) = 10
P.T.O/1.2**

- 1.2 In each case choose the correct concept from Column B, which matches the information given in Column A. WRITE ONLY THE CORRECT LETTER.

	COLUMN A		COLUMN B
1.2.1	Changes in this environment brings changes in the way that products are made and tested.	A	PHYSICAL ENVIRONMENT
1.2.2	Conditions in this environment include inflation, exchange rates, interest rates, etc.	B	LEGAL ENVIRONMENT
1.2.3	Challenges such as unemployment, poverty and crime the business faces	C	MACRO ENVIRONMENT
1.2.4	This environment includes transport systems, pollution control	D	TECHNOLOGICAL ENVIRONMENT
1.2.5	The challenges of globalisation effect this environment	E	SOCIAL ENVIRONMENT
1.2.6	The law regarding smoking in public places is part of this environment	F	MICRO ENVIRONMENT
1.2.7	This environment includes issues like land ownership and land redistribution	G	INSTITUTIONAL ENVIRONMENT
1.2.8	Local authorities, regional authorities and central govt. are included in this environment	H	POLITICAL ENVIRONMENT
1.2.9	This environment consists of all the uncontrollable influences that may have a positive or negative effect on business	I	ECONOMIC ENVIRONMENT
1.2.10	This environment is also known as the decision-making environment, because management has complete control over it	J	INTERNATIONAL ENVIRONMENT

(10 x 2) = 20

- 1.3 Choose the correct word from those given in brackets. Write only the correct word.

- 1.3.1 If the government decreases interest rates, entrepreneurs are **(more/less)** willing to take loans to start a business.
- 1.3.2 If government increases taxes, consumers will have **(more/less)** money to spend.
- 1.3.3 If government increases spending on infrastructure, employment will **(increase/decrease)**.
- 1.3.4 If the demand for goods and services increases, business make **(more/less)** profits.
- 1.3.5 An increase in the petrol price will cause transport costs to **(increase/decrease)**.

(5 X 2) = 10

TOTAL = 40

P.T.O/ SECTION B....

SECTION B

This section consists of **FIVE QUESTIONS**. Choose **ANY THREE QUESTIONS** from this section

QUESTION TWO: ENVIRONMENTS

2.1 Read the case study below and answer the questions that follow:



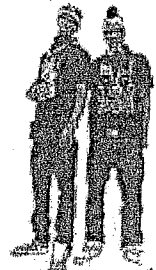
RASTA STORES

Jody is the owner of RASTA Stores, situated in Durban. It is a clothing store, selling clothes to "rappers", "hip-hoppers" and young teenagers. Jody has a degree in business management. The demand for clothes has increased. Jody decided to open another branch in Margate.

Jody needs capital to open the new store. A good credit record can help her to negotiate favourable interest rates when she applies for a loan. If her loan application is turned down, it's the decision of the credit provider, not the credit regulator. She also faces the fact of a possible interest rate increase.

Jody has employed Cindy, a new cashier with no experience. Cindy treats customers unprofessionally.

The EThekweni Municipality has increased their rates and taxes, Unique Clothing Manufacturers (their supplier) demands higher prices because of higher electricity prices. The impact was a decrease in the profits of Rasta Stores.



2.1.1 Identify THREE(3) challenges in the above case study and name the environment in which each challenge exists (9)

2.1.2 Identify the business sector in which Unique Clothing Manufacturers operates (1)

P.T.O/2.2

2.2 Choose the correct term from the table below to match with the Statements given (8)

LESETJA NKANYAGO	REPO RATE
PRIME RATE	NHLANHLA NENE

- 2.2.1 Governor of the Reserve Bank.
- 2.2.2 Rate at which the commercial banks lend money to its clients
- 2.2.3 Rate at which the reserve bank lends money to the commercial bank
- 2.2.4 Minister of Finance

2.3 Identify the challenges of the MARKET ENVIRONMENT (10)

2.4 List any THREE(3) importance of NETWORKING (6)

2.5 List and explain any THREE(3) Main Role Players in Labour Relations (6)

2.6 Read the extract below and answer the questions that follow

Bubble Guppies started his own fashion design business, specialising in ladies and babies clothes. Bubble is not happy with his sales. His goods are only known by local clients and his friends. He now has another fashion design business operating just 1km away called 'Just for You' Fashions.

2.6.1 'Just for You' Fashions can be described as a competitor.
Explain the term competitor. (2)

2.6.2 In order for Bubble to succeed, he will need to overcome the PORTER's Competitive Forces.
List PORTER's FIVE FORCES (10)

2.6.3 Identify TWO(2) strategies that he can use to overcome the challenges he is facing. (4)

2.6.4 State the FORM of OWNERSHIP mentioned in the case study and give a reason for your answer. (4)

TOTAL = 60
P.T.O/QUESTION THREE.....

QUESTION THREE: VENTURES

3.1 Read the following case study and follow the instructions given below

Zummi and his friends are in the process of setting up their business, GUMMI BEAR TRADERS. The following tasks have to be done:

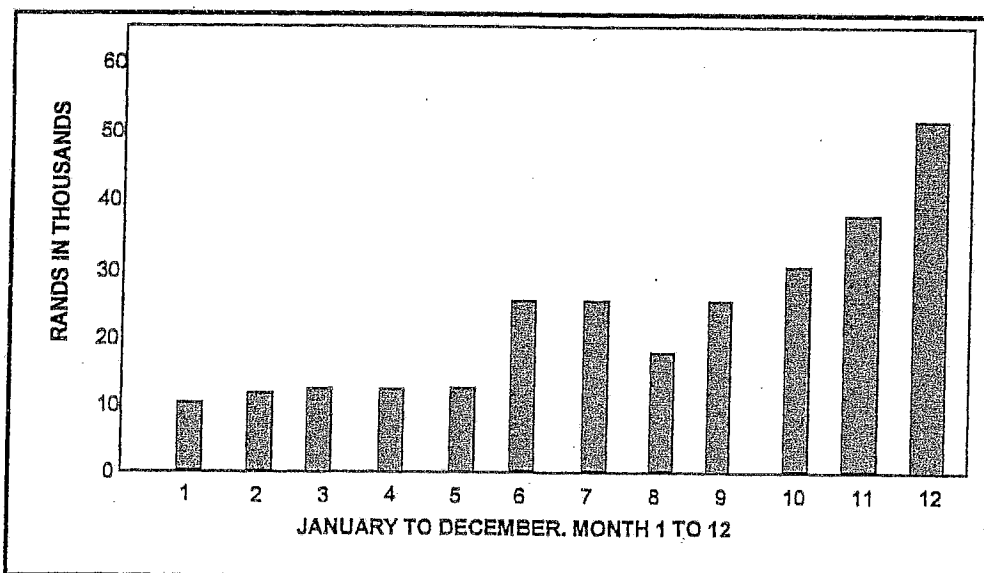
- ✓ Registration of the business which will be done in Week one by Tummi.
- ✓ The budgeting will be done in Week one and two by Gruffi.
- ✓ The recruiting of staff to be done by Sunni in Week three to five.
- ✓ The purchasing of stock to be done by Tummi in Week three
- ✓ The training of staff in Week five to be done by Zummi

3.1.1 Use the information above and draw up the **GANTT CHART** for Gummi Bear Traders. Copy the template in your answer book and complete the GANTT CHART. **SHADE THE SPECIFIED WEEK/S FOR EACH TASK** (20)

TASK	WK 1	WK 2	WK 3	WK 4	WK 5	PERSON RESPONSIBLE

3.1.2 Tabulate the difference between PARALLEL activities and SEQUENTIAL activities (4)

3.2 The following graph illustrates the monthly sales figures of duvets for HUB from January 2014 to December 2014.



- 3.2.1 Identify the type of graph depicted above (2)
- 3.2.2 Describe the sales trend in the above graph throughout the year (2)
- 3.2.3 What in your opinion has influenced the trend you described in (3.2.2) (2)
- 3.2.4 Identify ONE(1) strategy that HUB can use to improve sales (2)
- 3.3 Visual aids can be used in both verbal and non-verbal Presentations.**
- 3.3.1 What is the purpose of visual aids in a presentation (2)
- 3.3.2 List FIVE(5) forms of visual aids (10)
- 3.4 State any FOUR(4) steps that can be used when designing a presentation (oral or written) (8)
- 3.5 List the FOUR(4) Methods of Presenting Information and give an example for each one (8)

TOTAL = 60

P.T.O/QUESTION FOUR....

QUESTION FOUR :ROLES

4.1 **Select the correct answer from the list of problem-solving techniques given below** (6)

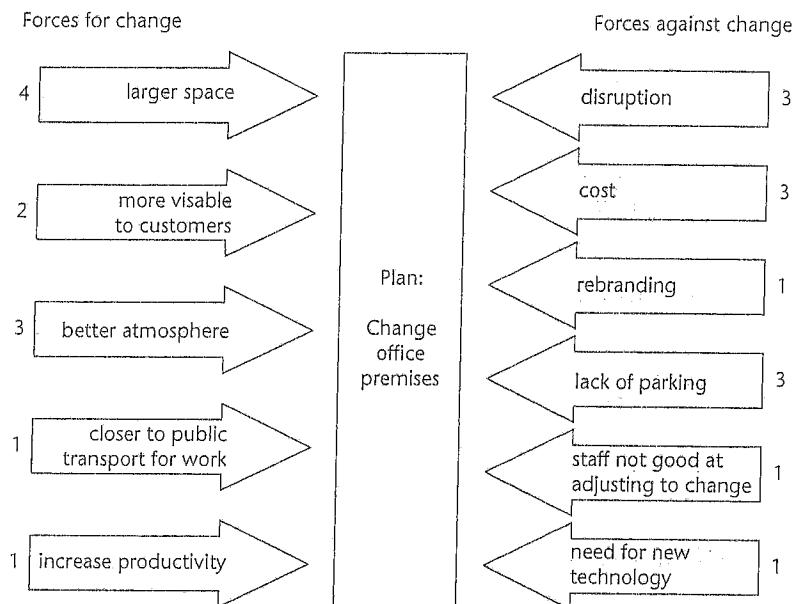
MINDMAPPING FORCE-FIELD ANALYSIS DELPHI TECHNIQUE	NOMINAL GROUP TECHNIQUE BRAINSTORMING
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4.1.1 Creating a picture or diagram of an idea or theme, by writing down the words and recording the links between ideas as branches.

4.1.2 A technique which helps groups to generate ideas and select solutions to a problem.

4.1.3 A way of obtaining the opinions of experts without bringing them face to face.

4.2 **Study the following diagram and answer the question based on it**



4.2.1 Identify the problem-solving techniques referred to in the above diagram (2)

4.2.2 Identify the problem that is being solved (2)

4.2.3 Explain the steps to this problem-solving technique (8)

4.2.4 Analyse the diagram and draw a conclusion as to what the final decision will be (2)

4.3 List the SEVEN(7) steps to Problem-solving (14)

P.T.O/4.4

4.4 Read the extract and answer the questions set on it

John Spy is the administrative manager of a large company. He has noticed that some of the employees are abusing the company's photocopier machine by making copies for personal use. He has decided to monitor the making of copies without their knowledge or consent.

- 4.4.1 Do you think the employees' personal use of the company's photocopier machine is unethical? Give TWO(2) reasons to motivate (5)
- 4.4.2 Do you think it is unethical to monitor the employees' use of the photocopier machine without their consent? Provide TWO(2) reasons for your answer. (5)
- 4.4.3 Suggest TWO(2) strategies that John Spy can use to deal with the situation (4)

4.5 Read the following scenario and answer the question based on it

Your clothing business gets an order from a client to produce 20% more T-Shirts than usual over a three-month period. You accept the order, but you start to run behind schedule.

- 4.5.1 What is a crisis? (2)
- 4.5.2 Tabulate the difference between PROACTIVE CRISIS MANAGEMENT and REACTIVE CRISIS MANAGEMENT (4)
- 4.5.3 You have decided to use Reactive Crisis Management. List THREE(3) strategies that can be included in this technique (6)

TOTAL = 60

P.T.O/QUESTION FIVE.....

QUESTION FIVE : ENVIRONMENTS and ROLES

5.1 How is business affected if income levels of consumers change (2)

5.2 Provide TWO(2) reasons why the challenges of the MICRO environment are easier to overcome than those of other environments (4)

5.3 Read the extract below and answer the questions that follow

Trade Unions in South Africa play a vital role in ensuring that stability exists in the workplace for employees. The predominant trade union in South Africa is COSATU (Congress of South African Trade Unions), who even through the apartheid era fought for the rights of its members. Today many say it is because of the actions of the trade unions which eventually led to democracy being established in SA.

5.3.1 Explain the term 'TRADE UNION' (2)

5.3.2 Explain what INDUSTRIAL ACTION means and provide TWO(2) examples of Industrial Action (4)

5.3.3 Discuss FIVE(5) functions of a Trade Union (10)

5.3.4 List the FOUR(4) steps in the procedure to be followed before a strike can take place (4)

5.4 Discuss the following issues regarded as ETHICAL MISCONDUCT:

5.4.1 Sexual Harassment (2)

5.4.2 Corruption (2)

5.4.3 Mismanagement of Funds (2)

5.5 Tabulate the difference between a COPYRIGHT and TRADEMARK (4)

P.T.O/5.6.....

5.6 Answer the following questions by studying the diagrams of the different business forms

A

NELL & CO ATTORNEYS

B

BRANDT CIVIL CONSTRUCTION LTD

C

TRAC RECYCLING (PTY)LTD

D

BOTHA STEELWORKS CC

- 5.6.1 Identify the form of ownership represented by **A, B, C** and **D** (4)
- 5.6.2 Which one of these businesses does not have legal entity? (2)
- 5.6.3 Identify the business that has a maximum membership restriction of 10 (2)
- 5.6.4 Who is responsible for the tax/liability of NELL & CO. ATTORNEYS? (2)
- 5.6.5 How many people are needed to start TRAC RECYCLING (PTY)LTD? (2)
- 5.6.6 Using the information from above to complete the following sentences by filling in the **correct names of the businesses**:
- a) _____ is automatically dissolved when one of the owners dies. (2)
- b) The shares of _____ may only be transferred with the consent of the other shareholders. (2)
- 5.6.7 Choose the most appropriate answer from within the brackets:
- a) The (owner/member/board of directors) manage(s) Business **B** (2)
- b) The owners of Business **C** are called (shareholders/members/partners) (2)
- 5.6.8 Which business had to register a prospectus? (2)
- 5.6.9 This business's financial information is freely available and is published in the press. (2)

TOTAL = 60
P.T.O/QUESTION SIX.....

QUESTION SIX : MISCELLANEOUS

6.1 Refer to the television advertisement below and answer the questions that follow :

<p>RINGTONES</p> <p>New ringtones for your cellphone. Download ringtones of your favourite musician/artist.</p> <p>SMS 42226 followed by your name and number.</p> <p><small>SMSs are charged at R10. Normal cellphone rates do not apply. Subscriptions are charged at R5 per week until you stop. Provide your banking details from which charges will be deducted.</small></p>
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- 6.1.1 Explain the term 'Unethical Advertising' (2)
- 6.1.2 Identify ONE(1) aspect you would regard as unethical advertising in the case study above. Give a motivation for your identification of the unethical advertising. (4)
- 6.1.3 Apart from unethical advertising, List FOUR(4) other issues that could Challenge ethical and professional behaviour (unethical conduct) (8)
- 6.1.4 Discuss THREE(3) ways in which ethical, responsible and effective business practice should be conducted (6)

6.2 **Complete the following table** (15)

	CLOSE CORPORATION	PRIVATE COMPANY	PUBLIC COMPANY
1. Name ending			
2. No. of owners			
3. Formation			
4. Managed by			
5. Taxation			

6.3 **Start-up Capital can be divided into Equity, Debt and Grants**

- 6.3.1 Tabulate the difference between : Equity; Debt and Grants (6)
- 6.3.2 List FOUR(4) different ways of sourcing loans (4)
- 6.4 List FIVE(5) advantages of a Franchisee (10)
- 6.5 Identify FIVE(5) ways in which stress can be managed (5)

TOTAL = 60
P.T.O/SECTION C.....

SECTION C

This section consists of **FOUR ESSAY** questions. Choose **ANY TWO ESSAY QUESTIONS** from this section

QUESTION SEVEN : ENVIRONMENTS

Read the following case study and answer the question

Workers at ALWAYS FRESH, a retail store specialising in fresh produce and health foods, have decided to strike.

They say the reason for this action is that management does not take care of them. They complain of the following challenges/problems they are facing:

- Bad working conditions
- Not satisfied with their salaries
- Too long working hours
- Lack of transport to work
- Poor medical benefits

Management states that under present conditions it does not have enough financial resources. They said that employees should be thankful that they have jobs, given the high rate of unemployment in South Africa.

The problems raised by the workers are classified under the MICRO ENVIRONMENT. Identify FIVE(5) challenges raised and advise management on two different ways the business can adapt to each of these challenges.

TOTAL = 40

QUESTION EIGHT : VENTURES

Nolwazi and Siya are qualified lawyers who completed their studies last year. They wish to start their own practice/business. They are considering a partnership as a possible form of ownership and need your advice.

Advise Nolwazi and Siya by preparing a detailed presentation that covers the following aspects :

- Characteristics of a Partnership
- Advantages of a Partnership
- Disadvantages of a Partnership

TOTAL = 40
P.T.O/QUESTION NINE.....

QUESTION NINE :ROLES

Enterprises agree that ethical and professional behaviour are important aspects of the business environment.

Discuss ethics and professionalism under the following headings :

- Definition of Ethics and Professionalism
- Principles of Ethics and Professional behaviour
- The following issues that could challenge ethical and professional behaviour:
 - ✓ Taxation
 - ✓ Sexual Harassment
 - ✓ Pricing of goods in rural areas
 - ✓ Unauthorised use of funds
- Provide recommendations on how to overcome the above challenges

TOTAL = 40

QUESTION TEN :ROLES

"The new of today becomes the old of tomorrow."
That is the speed of change and some entrepreneurs are afraid of change. All organisations need to consistently change.

Discuss the following with regards to change management:

- Cycle people go through when confronted with change
- The following changes business and people face :
 - Unemployment
 - Retrenchment
 - Dismissal
 - Affirmative Action
 - Globalisation

TOTAL = 40

TOTAL = 300

GOOD LUCK!!!!!!!!!!!!



300	KZN – DEPARTMENT OF EDUCATION GREENBURY SECONDARY SCHOOL JUNE EXAMINATION – 2015 BUSINESS STUDIES – GRADE 11 SPECIAL ANSWER SHEET	100
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NAME :
GR./DIV.

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QUESTION	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10
	40	60	60	60	60	60	40	40	40	40
LEARNER'S MARK										
MODERATOR										

SECTION A
QUESTION ONE

1.1

1.1.1 D ✓✓ Market
1.1.2 A ✓✓ Distractions like noise inhibit our ability to focus...
1.1.3 A ✓✓ Nominal group technique / B
1.1.4 C ✓✓ Tertiary
1.1.5 A ✓✓ Networking

10

1.2

1.2.1 D ✓✓	1.2.6 B ✓✓
1.2.2 I ✓✓	1.2.7 H ✓✓
1.2.3 E ✓✓	1.2.8 G ✓✓
1.2.4 A ✓✓	1.2.9 C ✓✓
1.2.5 J ✓✓	1.2.10 F ✓✓

20

1.3

1.3.1 More ✓✓
1.3.2 Less ✓✓
1.3.3 Increase ✓✓
1.3.4 More ✓✓
1.3.5 Increase ✓✓

10

40
40

SECTION B

QUESTION TWO

2.1

2.1.1

CHALLENGE	ENVIRONMENT
1. Increase in interest rates ✓✓	Macro environment ✓
2. New cashier with no experience ✓✓	Micro environment ✓
3. Increase in rates and taxes ✓✓	Macro environment ✓
4. Increase in suppliers prices	Market environment <u>9</u>

2.1.2 Tertiary sector ✓✓ *Secondary*

2.2

2.2.1 LesetjaNganyago ✓✓

2.2.2 Prime rate ✓✓

2.2.3 Repo rate ✓✓

2.2.4 Nhlanhla Nene ✓✓

2.3 CHALLENGES IN MARKET ENVIRONMENT

- Competition ✓✓
- Shortage of supply ✓✓
- Changes in consumer behaviour ✓✓
- Demographics and Psychographics ✓✓
- Socio-cultural factors ✓✓

2.4 IMPORTANCE OF NETWORKING

- Decreases duplication ✓✓
- Helps with exchange of information, skills, knowledge and experience ✓✓
- Helps people of different backgrounds to interact ✓✓
- Serves as a source of encouragement and motivation

2.5 ROLE PLAYERS IN LABOUR RELATIONS

- State ✓ - They law down the law ✓
- Employees ✓ - They sell labour for a wage/salary ✓
- Employers ✓ - Pay for labour ✓
- Trade unions - Bridge the gap between the employee and employer 6

2.6

2.6.1 COMPETITOR

- Is a another business that offers similar or identical goods and services to the market. ✓✓ 2

2.6.2 PORTER'S FIVE FORCES

- Power of suppliers ✓✓
- Power of buyers ✓✓
- Threat of new entrants ✓✓
- Competitive rivalry ✓✓
- Threat of substitute products ✓✓

10

2.6.3 STRATEGIES

- Aggressive advertising - advertise more both locally and abroad ✓✓
- Can improve on the quality and price of products to attract customers ✓✓
- ~~have sales~~ promotions ✓✓

4

- Sole Trader. He is the only one owning the business. ✓✓

4

TOTAL = 60

QUESTION THREE

3.1

3.1.1

TASK	WK 1	WK 2	WK 3	WK 4	WK 5	PERSON RESPONSIBLE
Registration ✓		✓✓				Tummi ✓
Budgeting ✓				✓✓	✓✓	Gruffi ✓
Recruiting of staff ✓						Sunni ✓
Purchasing of stock ✓				✓✓	✓✓	Tummi ✓
Training of staff ✓						Zummi ✓

20

3.1.2

PARALLEL ACTIVITIES	SEQUENTIAL ACTIVITIES
Activities that can be done at the same time as other activities are being carried out ✓✓	Activities that are dependant on the completion of other activities ✓✓

3.2

3.2.1 Bar graph ✓✓

2

3.2.2 Sales was low during the first half of the year and increased during the second half of the year. ✓✓

2

3.2.3 People do not need duvets during the hot months but will be buying them as the months get colder. ✓✓

2

3.2.4 Advertise more. ✓✓

2

3.3

3.3.1 PURPOSE OF VISUAL AIDS

- They summarise the information in a visual way to make it meaningful. ✓✓

2

3.3.2 FORMS OF VISUAL AIDS

- Transparencies ✓✓
- Tables, graphs, diagrams and images ✓✓
- Handouts ✓✓
- Posters ✓✓
- Flyers ✓✓

10

3.4 STEPS WHEN DESIGNING A PRESENTATION

- Ensure that you know exactly what the audience/readers need to gain from the presentation ✓✓
- Consider who your audience/reader are and how to communicate with them ✓✓
- Write the report with current, relevant and accurate information ✓✓
- Use clear, simple language ✓✓
- Include tables, graphs
- Proofread the report or verbal presentation to ensure it is error-free
- Get an objective, informed person to proofread or listen to your presentation and comment 8

3.5 METHODS OF PRESENTING INFORMATION

- Written information ✓ - Reports ✓
 - Electronic information ✓ - E-mail ✓
 - Visual information ✓ - Diagrams ✓
 - Oral Information ✓ - Telephone conversation ✓
- 8

QUESTION FOUR

4.1

4.1.1 Mindmapping ✓✓

4.1.2 Nominal group technique ✓✓

4.1.3 Delphi technique ✓✓

6

4.2

4.2.1 Force field analysis ✓✓

2

4.2.2 Business wants to change office premises ✓✓

2

4.2.3 STEPS TO FORCE FIELD ANALYSIS

	ALTERNATIVE
1. List all the forces in favour of the decision in one column and all the forces against the decision in one column ✓✓	1. Write your plan or proposal in the middle
2. Assign a score (1 for weak and 5 for strong) to each force ✓✓	2. List all forces in support of the change in one column and all forces against change in another column
3. Draw a diagram showing the pros and cons and the strength of each force ✓✓	3. Assign a score for each force
4. Decide whether the decision is viable ✓✓	4. Weigh the pros and cons and decide if the project is viable

8

4.2.4 Conclusion : The decision will be against the changing office premises. ✓✓

2

4.3 STEPS TO PROBLEM-SOLVING

- Identify the problem ✓✓
- Analyse and define the problem ✓✓
- Specify goals and criteria ✓✓
- Generate creative alternative solutions ✓✓
- Evaluate alternative solutions ✓✓
- Select the best solution ✓✓
- Monitor solution and conduct follow-up evaluation ✓✓

14

4.4

4.4.1 Yes ✓

- Employees must seek permission ✓✓
- Asset belongs to the company ✓✓

5

4.4.2 Yes ✓

- Invasion of privacy ✓✓
- Employees do not like to be watched ✓✓

5

4.4.3 STRATEGIES

- Admin manager may allow the controlled use of the photocopier ✓✓
- Employees must record reading on machine ✓✓
- Charge employees a rate for making copies

4

4.5

4.5.1 CRISIS

- Means a situation that is out of one's control ✓✓
Unforeseen circumstances

2

4.5.2

PROACTIVE CRISIS MANAGEMENT	REACTIVE CRISIS MANAGEMENT
This is done by forecasting a potential crisis and planning how to deal with it should the need arise. ✓✓	This is used when an unforeseen crisis occurs. ✓✓

4

4.5.3 STRATEGIES TO REACTIVE CRISIS MANAGEMENT

- Establish the real nature of the crisis ✓✓
- Intervene swiftly without panicking ✓✓
- Try to minimise damage ✓✓
- Take the necessary steps to end the crisis.

6

QUESTION FIVE

5.1

- When the income levels of consumers change, their values, needs and wants also change. Example if they lose jobs then there will be an increase in demand for basic goods and decrease for luxury goods. ✓✓

Business sales will decrease - people have less money to or
vice versa. 2

5.2

- It is easier to adapt to challenges in the micro environment because managers have access to all information ✓✓
- They can control every aspect of the internal operations of the business ✓✓ 4

5.3

5.3.1 TRADE UNION

- Represents the best interests of the worker and will negotiate working conditions, wage increases and employment contracts through collective bargaining ✓✓ 2
Protect and promote rights of workers/members.

5.3.2 INDUSTRIAL ACTION

- Action that is taken when there is a labour dispute ✓✓
- Examples : Strikes, go-slows 4

5.3.3 FUNCTIONS OF A TRADE UNION

- To enter into collective bargaining agreements on behalf of employees ✓✓
- To advise employers concerning their human resource policies and practices ✓✓
- To formulate and represent workers' rights at statutory level. ✓✓
- To promote a greater participation of workers in management decisions ✓✓
- To organise strikes and other industrial action to strengthen the demand of workers ✓✓
- To represent workers in disputes and grievances with their employers 10

5.3.4 PROCEDURE TO BE FOLLOWED BEFORE STRIKE

- Strikes and lockouts can only be used when an industrial dispute has not been resolved by the CCMA ✓✓
- The CCMA will issue a certificate confirming that a dispute remains unresolved ✓✓
- A strike may only be organised 30 days after the certificate has been issued ✓✓
- The union must provide 48 hours notice to the employer of the intended strike. ✓✓ 4

5.4

5.4.1 SEXUAL HARASSMENT

- Sexual harassment is illegal which can reduce employee motivation and creates strained relationships that could negatively affect operations and productivity ✓✓

5.4.2 CORRUPTION

- Corruption occurs when two parties enter into an illegal but mutually beneficial agreement ✓✓

5.4.3 MISMANAGEMENT OF FUNDS

- Is a criminal offence and usually involves fraud which can cause a business to lose a large amount of money. ✓✓ 6

5.5

COPYRIGHT	TRADEMARK
Protects intellectual property so that artistic creations and written, recorded or filmed ideas cannot be copied or pirated by others. ✓✓	Is a sign, logo or graphic representation that is used to distinguish one brand from another. ✓✓ <u>4</u>

5.6

5.6.1

- A - Partnership ✓
- B - Public Company ✓
- C - Private Company ✓
- D - Close Corporation ✓ 4

5.6.2 Partnership - Nell & Co. Attorneys ✓✓ Accept 'A' as well 2

5.6.3 Close Corporation - Botha Steelworks CC ✓✓ Accept 'D' 2

5.6.4 The partners ✓✓ 2

5.6.5 One or 1-50 ✓✓ 2

5.6.6 a) Nell & Co Attorneys ✓✓ Partnership 2

b) Trac Recycling (PTY)LTD ✓✓ Private Co. 2

5.6.7 a) Board of Directors ✓✓ 2

b) Shareholders ✓✓ 2

5.6.8 Brandt Civil Construction LTD - Public Company ✓✓ 2

5.6.9 BrandtCvil Construction LTD - Public Company ✓✓ 2

QUESTION SIX

6.1

6.1.1 UNETHICAL ADVERTISING

- Refers to information in the advertisement that is not reliable and deliberately misleading. ✓ 2

6.1.2

- UNETHICAL : Request you to supply your banking details ✓
- MOTIVATION : It is unethical for the advertisement to request for your banking details because bank cards can be cloned ✓
personal information
- UNETHICAL : The actual advertisement for ring tones is in bold print but the costs for the customer is in fine print
- MOTIVATION : SMS charges of R10, normal cellphone rates do not apply
Subscriptions are charged at R5 per week
- UNETHICAL : Piracy
- MOTIVATION : It is unethical to download songs/ringtones

6.1.3

- Tax evasion ✓
- Unfair pricing in rural areas ✓
- Abusing work time ✓
- Unauthorised use of funds ✓
- Sexual harassment

6.1.4 ETHICAL, REPOSNSIBLE AND EFFECTIVE BUSINESS PRACTICE

- Not starting a venture at the expense of someone else ✓
- Payment of fair wages ✓
- Regular payment of tax ✓
- Being environmentally responsible
- Treating all employees equally

6.2

	CLOSE CORPORATION	PRIVATE COMPANY	PUBLIC COMPANY
1. Name ending	Ends with CC ✓	(PTY)LTD ✓	LTD ✓
2. No. of owners	1 - 10 ✓	1 - 50 ✓	7 - unlimited ✓
3. Formation	Founding statement ✓	MOI ✓	MOI and prospectus ✓
4. Managed by	Members ✓	Min 1 director ✓	Min 3 directors ✓
5. Taxation	Company's tax ✓	Company's tax ✓	Company's tax ✓

15
15

6.3

6.3.1

EQUITY	DEBTS	GRANTS
Is money that you already have. //	Is money that you borrow from somewhere //	Are made available by govt. for small developing business //

6

6.3.2 SOURCING OF LOANS

- Bank loans ✓
- Overdraft ✓
- Angel funding ✓
- Venture capital ✓

4

6.4 ADVANTAGES OF A FRANCHISEE

- Has immediate access to an established, successful business //
- Easier to obtain finance //
- Franchisor provides training, support and assistance //
- Franchisee is protected by the franchise agreement //
- Franchisees benefit from lower costs of group buying //
- Franchisees benefit from extensive marketing strategies. //

10

6.5 STRESS MANAGEMENT

- Identify the cause of stress ✓
- Stay healthy ✓
- Avoid things that relax you artificially ✓
- Plan and organise ✓
- Don't try to change things you cannot change ✓
- Make time for things you enjoy

5

SECTION C

QUESTION SEVEN

INTRODUCTION

- Businesses face challenges from the different environments. The degree of control varies among the environments and they therefore need to find ways of adapting to these challenges. The challenges in the case study belong to the micro environment. ✓✓✓✓

BODY

1. CHALLENGE

- Bad working conditions ✓✓

1.1 WAYS TO ADAPT

- Business must adhere to legislation. ✓✓
- Business can also improve working conditions by getting inputs from workers. ✓✓

2. CHALLENGE

- Not satisfied with their salaries ✓✓

2.1 WAYS TO ADAPT

- Form a bargaining council with the employees to negotiate salaries ✓✓
- The business should also be fair in their payment of salaries and should not underpay workers. ✓✓

3. CHALLENGE

- Too long working hours ✓✓

3.1 WAYS TO ADAPT

- Business can have employees working shifts ✓✓
- They should also give workers adequate days off from work ✓✓

4. CHALLENGE

- Lack of transport to work ✓✓

4.1 WAYS TO ADAPT

- Business can provide transport for workers in the form of a company vehicle ✓✓
- They should also adjust their closing time so that workers can get transport easily ✓✓✓✓

5. CHALLENGE

- Poor medical benefits ✓✓

5.1 WAYS TO ADAPT

- The business can improve medical benefits by researching the best and affordable option for their workers ✓✓
- They should also support workers that have HIV/AIDS by distributing ARV's. ✓✓

CONCLUSION

- Challenges are always there in business and therefore need to be controlled. In order to control these challenges the business has to find effective ways to adapt to them. ✓✓

FACTS (35)	- F max.	32
LAYOUT	- L	2
ANALYSIS	- A	2
SYNTHESIS	- S	2
ORIGINALITY	- O	2
TOTAL		40

QUESTION EIGHT

INTRODUCTION

- A partnership is an association between 2 to 20 people who intend to make a profit
- They must all contribute something to the partnership - be it capital, goods, labour, knowledge or skills
- They are jointly and severally liable for the debts of the business ✓✓✓

BODY

1. CHARACTERISTICS

- 2 - 20 partners ✓✓
- Partners can contribute money/assets/skills, etc. ✓✓
- Aim is to make a profit ✓✓
- It may be an oral or written agreement
- Not a legal entity
- Partners are taxed on profits
- Limited continuity
- Unlimited liability

2. ADVANTAGES

- Cheap and easy to start ✓✓
- Partners knowledge/skills are combined ✓✓
- Partners specialize on their area of expertise ✓✓
- Partners share costs and responsibilities ✓✓
- Partners can maintain personal contact with customers ✓✓

3. DISADVANTAGES

- Partners have unlimited liability for the debts of the business ✓✓
- Changes to partners lead to an end to the partnership ✓✓
- Capital is limited to what partners can contribute ✓✓
- Partners bind each other with their actions ✓✓
- Is not a legal entity ✓✓
- Slow decision making - consultation

CONCLUSION

- The partners take an active part in the management of the business. ✓✓

FACTS	32
LAYOUT	2
ANALYSIS	2
SYNTHESIS	2
ORIGINALITY	2
TOTAL	40

QUESTION NINE

INTRODUCTION

- Enterprises realise they cannot exist in isolation, but are constantly interacting with the various environments
- Many SA institutions have their own code of conduct and a commitment to ethical and professional behaviour ✓✓

BODY

1. ETHICS

- Business ethics deals with norms and values. Values are what we consider to be acceptable and proper and norms are criteria for judging values. ✓

2. PROFESSIONALISM

- Professionalism includes courtesy, integrity, honesty and complying with the highest ethical standard. Being professional means taking into account your behaviour, appearance and work. ✓

3. PRINCIPLES OF ETHICS AND PROFESSIONALISM

- The business must create benefits for society ✓✓
- The business must be sustainable ✓✓
- The business must not be harmful to society ✓✓
- Business operations must take place within the boundaries of the law. ✓✓

4. CHALLENGES IN BUSINESS

4.1 TAXATION

- Tax evasion is illegal in SA and is regarded as a crime punishable with a fine or even prison sentence. ✓
- Professional behaviour for business in this regard would be for business not to evade tax by falsifying financial statements ✓✓
- The best way to reduce tax evasion is to reduce tax.

4.2 SEXUAL HARASSMENT

- Sexual harassment includes unwelcome physical, verbal or non-verbal conduct. ✓✓
- Employers must be proactive and prevent the problem, rather than having to address it after damages have been done.
- Steps to deal with this includes formulating clear policies regarding sexual harassment, implementing clear complaints and disciplinary procedures. ✓✓

4.3 UNFAIR ADVERTISING

- The ASA regulates advertising and protects the interests of the public. ✓✓
- Unethical/unfair advertising practices include giving goods deceptive names, selling second hands goods as new, criticising competitors
- All advertisers must adhere to the Code of Advertising Practice ✓✓

4.4 PRICING OF GOODS IN RURAL AREAS

- Prices of goods in rural stores are much higher than the national average. ✓✓
- Some rural store-owners abuse their monopolistic position
- Attention must be given to infrastructure in rural areas. ✓✓

CONCLUSION

- Policies and legislation which have been implemented must be continually monitored and improved to lead to a successful business. ✓✓

FACTS (33)	Max. 32
LAYOUT	2
ANALYSIS	2
SYNTHESIS	2
ORIGINALITY	2
TOTAL	40

QUESTION TEN

INTRODUCTION

- Although it is an inevitable natural experience we feel threatened, angry and insecure by change. There is a cycle we go through when confronted by change. ✓✓✓

BODY

1. CYCLE OF CHANGE

1.1 RESISTANCE ✓

- No one likes change as we prefer things as they were. ✓✓

1.2 ADAPTATION ✓

- Once we realise that is inevitable we have to learn how to deal with it. ✓✓

1.3 MANAGEMENT ✓

- Once we have learnt to adapt, we have to learn to manage it. ✓✓

1.4 ACCEPTANCE ✓

- Once we learn to manage it, we can accept and enjoy the benefits from it. ✓✓✓

2. CHANGES BUSINESS AND PEOPLE FACE

2.1 UNEMPLOYMENT

- This social problem results from changes in the structure of the economy and in the demand of goods and services.
- People lose their jobs and have to adapt to new ones, have to be reskilled and sometimes change place of residence ✓✓✓

2.2 RETRENCHMENT

- Business retrench to reduce capacity
- One of the reasons for this could be the introduction of new technology that replaces many humans from doing the job ✓✓✓

2.3 DISMISSAL

- The dismissed person now has to adjust to being unemployed
- He has to join the queue for job seekers ✓✓✓
- Several parties have to adjust to the change

2.4 AFFIRMATIVE ACTION

- This a strategy put in place to make up for the wrongs of the past by giving opportunities to those who were previously disadvantaged.
- The job equity measure is designed to prevent discrimination ✓✓✓

2.5 GLOBALISATION

- It is the development of world markets
- Because business has an opportunity to sell their products all over the world, it lead to an increase in the number and size of companies
- Improved communication has made it easier to see the world as one single market. ✓✓✓

CONCLUSION

- Change contributes to the effectiveness of the individual as well as the business. Once we learn how to manage the change we accept it and enjoy the benefits. ✓✓

FACTS	32
LAYOUT	2
ANALYSIS	2
SYNTHESIS	2
ORIGINALITY	2
TOTAL	40

