



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

29 MAY 2023

**BUSINESS STUDIES
JUNE EXAMS PAPER 2**

MARKS: 150

TIME: 2 hours

9 pages

INSTRUCTIONS AND INFORMATION

1. This question paper consists of THREE sections, namely SECTION A, SECTION B and SECTION C.

SECTION A: COMPULSORY

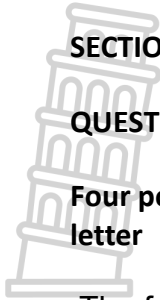
SECTION B: Consists of three independent questions covering Term 1 & 2, answer any TWO questions from this section.

SECTION C: Consists of two questions. Answer any One from this section.

- Consider the time allocation for each question when answering the questions.
- Read the instructions for each question carefully and answer only what is required.
- Number the answers correctly according to the numbering system used in this question paper.
- Except where other instructions are given, answers must be written in full sentences.
- Start the answer to each question on a NEW page, for example QUESTION 1 - NEW page, QUESTION 2 - NEW page, et cetera.

Use the table below as a guide for mark and time allocation when answering each question.

<u>SECTION</u>	<u>QUESTION</u>	<u>MARKS</u>	<u>TIME</u>
A: Objective-type questions COMPULSORY	1	30	20 minutes
B: THREE direct/indirect- type questions CHOICE (Answer any TWO.)	2	40	35minutes
	3	40	35 minutes
	4	40	35 minutes
C: TWO essay-type questions CHOICE (Answer any ONE.)	5	40	30 minutes
	6	40	30 minutes
TOTAL		150	120 minutes



SECTION A COMPULSORY

QUESTION 1

Four possible answers are given choose the correct one by writing correct letter

- 1.1.1 The following is a way that employees can use to manage stress in the workplace
- A. Strike action by union members
 - B. New competitor on the market
 - C. Apply good time-management skills
 - D. Transformation in the workplace
- 1.1.2 This problem- solving technique used by business to get ideas from the experts
- A. Force field
 - B. Empty chair
 - C. Stepladder
 - D. Delphi
- 1.1.3 Causes of stress in the workplace
- A. Competent bosses
 - B. Bullying or harassment
 - C. Job security
 - D. Accountability
- 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 Kentucky Fried Chicken and McDonalds are examples of....
- A. Chain stores
 - B. franchises
 - C. leasing
 - D. Outsourcing businesses

5 x 2 (10)



1.2 Choose one word from the box that matches the description below. Write only the word next to the question number (1.2.1 – 1.2.5)

Conflict, franchisor, ethics, routine thinking, outsourcing, creative thinking, professionalism, leasing, stress, franchisee

- 1.2.1** This is a method where a business can pay for the use of an asset rather than buying it outright for its self
- 1.2.2** It is a disagreement in the workplace
- 1.2.3** Individual who purchases the right to use the trademark or business model
- 1.2.4** Moral principles that govern the behaviour of a person or a group.
- 1.2.5** It refers to ordinary/every day/conventional thinking.

(10)



1.3. Choose a description from COLUMN B that matches a term in COLUMN A

Write only letter (A-J) next to the question number (1.3.1-1.3.5)

COLUMN A	COLUMN B
1.3.1 Creative thinking	A Loses are limited to the amount that the owner invested In the business.
1.3.2 Professionalism	B Vat Vendor is liable by law to pay the tax.
1.3.3 Limited liability	C Document inviting the public to buy securities/shares.
1.3.4. Vendor	D Apply new ways of thinking to old situation.
1.3.5. Prospectus	<p>E Refers to a set of behaviour for a particular occupation.</p> <p>F Document that contains exhaustive provisions with regards to the matters concerning the business.</p> <p>G A person or a business to whom a function is Outsourced.</p> <p>H Refer to doing the right thing in general, set of moral values</p> <p>I The owner's personal assets may be seized to pay for the debts of the business.</p> <p>J Apply old thinking patterns to new situations</p>

(5 x2) (10)

TOTAL SECTION A (30)

QUESTION 2 BUSINESS VENTURES

2.1.1 Elaborate on the meaning of *franchising* (4)

2.1.2 Name THREE examples of franchise businesses (3)

2.2 Read the scenario below and answer the question that follow

BONXA GRASS-CUTTER (BGC)
Bonxa Grass- Cutter render services for cutting the grass at Ntabankulu area. BGC hire Fikela's machines for cutting the grass for the period of five months. BGC purchases the right to use the trademark. BGC have enough cash to pay daily expenses. Fikela owns the machines and receive continual rental income.

2.2.1 Identify THREE business avenues from the above scenario. Motivate by quoting from the scenario (9)

Use the table below as a GUIDE to answer Question 2.2.1

Business Avenues	Motivation
1.	
2.	
3.	

2.3 Discuss positive impact of franchising (8)

2.4 Outline FOUR Contractual Implication of franchising (8)

2.5 Suggest reason why entrepreneurs may decide to purchase an existing business (8)
[40]

QUESTION 3 BUSINESS ROLES

3.1 Elaborate on the meaning of problems solving (2)

3.2

NGCOBO-DALUHLANGA SALON (NDS)

Ngcobo Daluhlanga Hair Salon is a popular hair salon for both females and males of all ages. NDS staff was interviewed by a local media about the quality of service rendered. Some clients mentioned that NDS does not change their hairstyles and threatened to stop using their services.

The management of NDS requested their employees to come up with new ideas on how this problem can be solved. They also offered reward schemes for employees who came up with creative ideas.

3.2.1 Quote TWO ways in which NDS created an environment that stimulates creative thinking. (2)

3.2.2 Advise NDS on other ways in which they can create an environment that stimulates creative thinking. (8)

3.3 Discuss the benefits of creative thinking (8)

3.4 Identify the causes of stress represented by EACH statement below

3.4.1 Dangwana is not able to perform his duty as he was given the responsibility to manage three department in the workplace.

3.4.2 The employees of Hlangwini Manufactures are not able to use the latest equipment to produce quality products.

3.4.3 The management of Huku Auditors always instruct their employees to work at home and spend less time with their families. (6)

3.5 Explain to the management of businesses on the ways that employees can manage stress in the workplace (8)

3.6 Advise the ways businesses can deal with crisis in the workplace (6)

[40]

QUESTION 4 MISCELLANIOUS

BUSINESS VENTURE

4.1 Elaborate on the meaning of the following business avenues:

- 4.1.1 Outsourcing (4)
- 4.1.2 Leasing (4)

4.2 Discuss the advantages of outsourcing (6)

4.3 Explain the characteristics of a public company (6)

BUSINESS ROLES

4.4 Read the scenario below and answer the question that follow.

SMOOTH FURNITURE LTD (SF)
<p>Smooth Furniture Ltd wanted to change the designs of some of their furniture. Panel of experts were requested to suggest new ideas working individually. These ideas were used to inspire new thoughts. The management of SF evaluated the advantages and disadvantages of each idea. Smooth Furniture turning new ideas into reality.</p>

4.4.1 Identify TWO problem-solving techniques used by Smooth Furniture Ltd. Motivate your answer by quoting from the scenario above. (6)

Use the table below as a GUIDE to answer QUESTION 4.4.1.

PROBLEM SOLVING TECHNIQUES	MOTIVATIONS
1.	
2.	

4.4.2. Suggest only ONE application of the problem-solving techniques identified Above (6)

4.5. Differentiate between routine thinking and creative thinking (8)

TOTAL SECTION B [40]
[80]

SECTION C
QUESTION 5

ANSWER ONLY ONE ESSAY
BUSINESS VENTURES (FORMS OF OWNERSHIP)

Company Act 71 of 2008 makes provisions for the establishment of companies. The incorporators who need to establish a company must ensure that the name of companies comply with the legal requirements. The procedure for the formation of companies must also to be followed including the Memorandum of Incorporation. Incorporators need to be well conversant with the benefits of establishing a company over other forms of ownership

Write an essay in which you include the following aspects

- Outline the aspect that must be included in prospectus
- Explain the legal requirements of the name of the company.
- Discuss the procedure of formation of the company
- Advise business on the challenges of establishing a company over other forms of ownership. **(40)**

QUESTION 6 : BUSINESS ROLES (STRESS AND CRISES MANAGEMENT)

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 importance of stress management in the workplace
- Discuss FOUR major changes people and businesses deal with
- Recommend ways businesses can deal with businesses-related crises.

(40)

TOTAL [150]



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GRADE 11

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**BUSINESS STUDIES
JUNE EXAMS PAPER 2
MEMORANDUM**

Stanmorephysics.com

MARKS: 150

TIME: 2 hours

This question paper consists of 20 pages



NOTES TO MARKERS

1. Candidates' responses for SECTIONS B and C must be in full sentences; however this would depend on the nature of the question.
2. A comprehensive memorandum has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:
 - Uses a different expression from that which appears in the memorandum
 - Comes from another source
 - Original
 - A different approach is used

NOTE: SECTION A:

- There are no alternative answers.
 - Each question has only one correct answer.
3. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
 4. The word 'sub-max' is used to facilitate the allocation of marks within a question or sub-question.
 5. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts.
 6. In an indirect question, the theory as well as the response must be relevant and related to the question.
 7. **Incorrect numbering of questions or sub-questions will be SEVERELY PENALISED. This is applicable to all the sections of the paper.**
 8. No additional credit must be given for repetition of facts. Indicate with an R.
 9. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in memo. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
- 10 SECTION B**
- 10.1 If, for example, FIVE facts are required, mark the candidate's FIRST FIVE responses and ignore the rest of the responses. Indicate by drawing a line across the unmarked portion or use the word 'Cancel'.

NOTE: This only applies to questions where the number of facts is specified.
 10.2 If two facts are written in one sentence, award the candidate FULL credit. Point 10.1 above still applies.

10.3 If candidates are required to provide their own examples/views, brainstorm this to come up with alternative answers.

10.4 **USE OF THE COGNITIVE VERB AND ALLOCATION OF MARKS**

10.4.1 Where the number of facts are specified questions that require candidates to 'explain/discuss/ describe' will be marked as follows:
 • Heading 2 marks
 • Explanation 1 mark (or as indicated in the memorandum).
 The 'heading' and 'explanation' are given separately to facilitate mark allocation.

10.4.2 If the number of facts is not specified, the candidate must be informed by the nature of the question and the maximum marks allocated.

10.5 **ONE mark will be awarded for answers that are easy to recall, requires one-word answers, or is quoted directly from scenario/case study. This applies to SECTIONS B and C in particular.**

11. **SECTION C**

11.1 The breakdown of the mark allocation for the essays is as follows:

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

11.2 Insight consists of the following components:

Layout/Structure:	(Is there an introduction, body, proper paragraphs and a conclusion?)	2
Analysis and interpretation:	(Learners' ability to break down the question/interpret it correctly to show understanding of what is being asked.)	2
Synthesis:	Are there relevant decisions/facts/responses made based on the questions? Marks to be allocated using this guide: No relevant facts: 0 (Two '-S') Some relevant facts: 1 (One '-S') Only relevant facts: 2 (Zero/No '-S') NB: 1. If there are no '-S' indicated, award the maximum TWO (2) marks. 2. Where a candidate answer less than 50% of the Question with relevant facts, no -S appears in the	

	Left margin, award a maximum of ONE (1) mark	
Originality:	(Examples, recency of information, current trends and developments.)	2
TOTAL FOR INSIGHT:		8
TOTAL MARKS FOR FACTS:		32
TOTAL MARKS FOR ESSAY (8 + 32)		40

NOTE:

1. **No marks will be awarded for contents repeated from the introduction and conclusion.**
2. **The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.**
3. **No marks will be allocated for layout, if the headings 'Introduction, Conclusion,' etc. in 'Insight' is not supported by an explanation.**
4. **With the effect from November 2017 a candidate will be awarded a maximum of ONE (1) mark for headings/subheadings and ONE (1) mark for interpretation (16 or more out of 32 marks). This applies specifically to the analysis and interpretation part of insight.**

11.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, S and/or O').

11.4 The components of insight are indicated at the end of the suggested answer for each question.

11.5 Mark all the relevant facts until the MAXIMUM mark in a subsection has been attained. Write MAX after maximum marks have been obtained.

11.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follow: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

CONTENT	MARKS
Facts	32 (max.)
L	2
A	2
S	2
O	2
TOTAL	40

11.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember headings and sub-headings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARKS BREAKDOWN at the end of each question.)

- 11.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 11.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the memorandum.
- 11.10 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 11.11 With the effect from November 2017, the maximum of TWO (2) marks for facts shown as heading in the memo, will not necessarily apply to each question. This would also depend on the nature of the question.





SECTION A (COMPULSORY)

QUESTION 1

1.1

1.1.1 C.✓✓

1.1.2 D.✓✓

1.1.3 B.✓✓

1.1.4 A.✓✓

1.1.5 B.✓✓

5×2 (10)

1.2

1.2.1 Leasing✓✓

1.2.2 Conflict✓✓

1.2.3 Franchisee✓✓

1.2.4 Ethics✓✓

1.2.5 Routine thinking✓✓

5×2 (10)

1.3

1.3.1 D✓✓

1.3.2 E✓✓

1.3.3 A✓✓

1.3.4 G✓✓

1.3.5 C✓✓

(10)



5×2

TOTAL SECTION A

[30]

NOTE: MARK ONLY TWO QUESTIONS IN SECTION B

QUESTION 2: BUSINESS VENTURES

2.1.1 Meaning franchising

- Franchising refers to the purchase✓ of a business idea.✓
- The entrepreneur will obtain premises and the right to offer the same products/services, ✓ with specific rules and regulations as per the agreement. ✓
- Franchising is the practice of using another person’s business model✓ and it can be seen both as a marketing and a distribution.✓
- Franchising involves two parties:
 - **Franchisor**-the person who sells the right to trade in the products/services.✓
 - **Franchisee**-the person who purchase the right to reproduce the idea by offering the same products/services. ✓
- The franchisor grants the franchisee the right to distribute its products✓ and trademarks for a percentage of gross monthly sales and a royalty feel.✓

Max (4)

2.1.2 Examples of a franchise

- McDonalds✓
- Kentucky Fried Chicken (KFC) ✓
- Fish & Chips ✓
- Food lovers ✓
- Filling stations✓

Mark the first THREE examples (3)

2.2

Business Avenues	Motivation
1. Leasing✓✓	BGC hire Fikela’s machines for cutting the grass for the period of five months.✓
2. Franchisee✓✓	BGC purchases the right to use the trademark.✓
3. Lessor✓✓	Fikela owns the machines and receive continual rental income.✓
Sub Max (6)	Sub Max (3)

Max(9)

2.3 Advantages of franchising

- It allows businesses to buy a well-known brand ✓ which guarantees sales and good return. ✓
- Purchasing a franchise is cheaper ✓ than starting a new business. ✓
- Franchising reduces ✓ long-term financial risk. ✓
- A business is based on a proven idea ✓ and the product and service are tried and tested. ✓
- A franchisee can get support from the franchisor, ✓ which often includes training, advice, and marketing. ✓
- Forms of financing that are not available to the public ✓ are often available to franchisees. ✓
- Purchasing a franchise could be cheaper ✓ than starting your own business. ✓
- Businesses are able to use a recognised brand name ✓ and registered trademark, which helps with advertising and marketing. ✓
- The systems/operations/goods and services ✓ are well established. ✓
- There is often access to group support from other franchisees ✓ and a network of communication and legal advice. ✓
- Established suppliers give bulk discounts ✓ as they form part of a larger group ✓.
- The marketing and advertising costs are shared so they are often lower than for a non-franchised business. ✓
- Management advice is often provided, ✓ so it is not necessary to be a business expert. ✓

Max (8)

2.4 Contractual Implication of franchising

- The franchisor and franchisee must sign a franchise agreement which is legally binding on both parties. The agreement must cover the following aspects:
 - Confidentiality clause. ✓✓
 - Tax requirements. ✓✓
 - Disclosure documents ✓✓
 - Settlement of disputes ✓✓
 - How to sell or transfer the franchise ✓✓
 - Total investment ✓✓
 - How to deal with trademarks, patents and logos. ✓✓
 - Advertising policies ✓✓
 - The initial duration of the franchise and any renewal rights. ✓✓
 - The policies that govern the product or service. ✓✓
 - Royalties and service fees payable. ✓✓
 - Termination clause and its consequences ✓✓
 - Training and operational support provided by the franchiser ✓✓
 - The obligations of the franchiser and franchisee ✓✓
 - The nature and extent of the rights granted to the franchisee. ✓✓
 - The form of ownership that the franchise will operate under ✓✓

NOTE: Mark the first FOUR Contractual Implications of Franchising (8)

2.5 Reason why entrepreneurs may decide to purchase an existing business

- Easier to raise finance if the business has a good history/image. ✓✓
- Immediate cash flow as there are already established customers. ✓✓
- Market research has already been done and there is an established customer base. ✓✓
- Distribution/Supply links/Staff/Network is/are already established. ✓✓
- A market for business products or services has already been established. ✓✓
- Existing employees and managers may have experience they can share.
- Many business problems have already been solved. ✓✓

Max (8)

[40]

QUESTION 3

3.1 Meaning of problem solving

- It is a clear process to follow ✓ whenever a problem needs to be solved ✓
- A process of finding the correct strategy ✓ to respond to a problem. ✓
- Problem solving involves analytical ✓ and creative skills. ✓
- Some businesses use the PDCA process/cycle ✓ to solve a problem. ✓ (2)
- PDCA stand for ✓ Plan-Do-Check-Act. ✓

- 3.2.1
- The management of NDS requested their employees to come up with new ideas on how this problem can be solved. ✓
 - They also offered reward schemes for employees who came up with creative ideas. ✓ (2)

NOTE Quote as it is from the scenario, no mark for incomplete quote

3.2.2 Ways in which businesses can create an environment that stimulate creative thinking

- Businesses must emphasise the importance of creative thinking to ensure that all staff know that their ideas will be heard. ✓✓
- Encourage job swaps within the organisation/studying how other businesses are doing things. ✓✓
- Encourage alternative ways of working/doing things. ✓✓
- Respond enthusiastically to all ideas and never let anyone feel less important ✓✓
- Provide a working environment conducive to creativity, free from distractions. ✓✓
- Make time for brainstorming sessions to generate new ideas, e.g. regular workshops/generate more ideas/build on one another's ideas. ✓✓
- Place suggestion boxes around the workplace and keep communication channels open for new ideas. ✓✓

(8)

- Train staff in innovative techniques/creative problem solving skills/mindmapping/lateral thinking. ✓✓

NOTE: Do not accept answers written on Question 3.2.1 on Question 3.2.2

3.3. Benefits/Advantages of creative thinking in the workplace

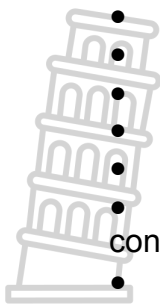
- Complex business problems ✓ may be solved. ✓
- Creativity may lead to new inventions ✓ which improves the general standard of living. ✓
- Better/Unique/Unconventional ideas/solutions ✓ are generated. ✓
- May give businesses a competitive advantage ✓ if unusual/unique solutions/ideas/strategies are implemented. ✓
- Managers/employees have more confidence ✓ as they can live up to their full potential. ✓
- Managers will be better leaders ✓ as they will be able to handle/manage change(s) positively and creatively. ✓
- Managers/Employees can develop a completely new outlook, which may be applied to any task(s) they may do. ✓
- Leads to more positive attitudes as managers/employees feel that they have contributed towards problem solving ✓/Improves motivation amongst staff members ✓
- Managers/Employees have a feeling of great accomplishment ✓ and they will not resist/obstruct once they solved a problem/contributed towards the success of the business. ✓
- Management/Employees can keep up ✓ with fast changing technology. ✓
- Stimulates brain function of employees/managers ✓, as they are continuously pushed out of their comfort zone/improving the total well-being of employees. ✓

Max (8)

- 3.4.1 • Heavy workload/ unrealistic targets ✓✓
- 3.4.2 • Keeping up to date with technology ✓✓
- 3.4.3 • Taking work home ✓✓

3.5 Ways employees can manage stress in the workplace

- Develop self-awareness ✓ to recognise the signs of stress and its causes ✓
- Create a balanced lifestyle ✓ and minimise extreme emotions. ✓
- Exercise regularly ✓ and keep fit. ✓



- Follow a balanced ✓ diet ✓
- Get enough sleep ✓ and relaxation ✓
- Replace negative self-talk ✓ with positive thoughts ✓
- Apply good time-management ✓ skills ✓
- Set personal realistic goals ✓ and targets ✓
- Accept things one cannot change ✓ and focus on things one can control ✓
- Practice ✓ time management ✓

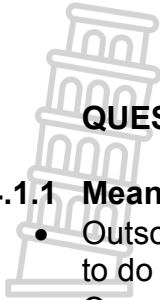
(8)

3.6

Ways businesses can deal with crisis in the workplace

- Businesses should respond appropriately and quickly to lessen the effects of the crisis situation. ✓✓
- Intervene swiftly and with urgency, but without panicking or overreacting ✓✓
- Identify the real nature of the crisis by making a thorough assessment of the situation and seeking expert opinions ✓✓
- Assess/If the crisis happens, face up to it and quickly find out what has happened without over-reacting. ✓✓
- Deal with crisis directly and timeously without trying to avoid/minimise the seriousness of the situation ✓✓
- Plan/Identify and prioritise the actions required ✓✓
- Inform/Provide accurate and correct information ✓✓
- Support/Guide others through the situation by providing training and support. ✓✓
- Attempt to contain the situation to minimise further damage ✓✓
- Communicate with all stakeholders so that they are properly informed about what has happened, what the impact is and how it is being dealt with. ✓✓
- Appoint a spokesperson from the management team who will deal with all questions and provide information ✓✓
- Regain control/Manage the situation in a calm manner until the crisis is over ✓✓
- Obtain expert advice if the crisis falls outside the business' scope of expertise ✓✓
- Call for help and seek assistance/advice and support from the appropriate agencies and professional ✓✓
- Arrange debriefing sessions for all those directly involved in the crisis or who have been traumatised by the event. ✓✓
- Evaluate how effective the emergency plan was throughout the crisis. ✓✓
- Amend the emergency plan after evaluating what worked and what did not work. ✓✓

Max (6)
[40]



QUESTION 4 MISCELLANEOUS

4.1.1 Meaning of outsourcing

- Outsourcing is when a business buys goods/services from another business ✓ to do the job instead of the business performing the function themselves. ✓
- One of the reasons for outsourcing is that a business may not have sufficient capital ✓ to purchase the equipment to perform a specific function. ✓

Max (4)

4.1.2 Meaning of leasing

- Leasing is the method whereby a business pays ✓ for the use of an asset e.g. equipment, land, material etc. ✓
- The person who owns the asset ✓ is known as the lessor ✓
- The lessee is the person ✓ who uses the asset. ✓
- The lessor will make the asset available to the lessee, ✓ who lease the asset in return for an agreed amount called leasing charges. ✓
- The leasing fee usually includes ✓ a maintenance fee and insurance fee. ✓
- The lessor has to repair /replace ✓ the asset if needed. ✓
- This is a method gives businesses the option of obtaining the use of an asset ✓ for a certain period, instead of buying the asset ✓

Max (4)

4.2 Advantages of outsourcing

- Outsourcing allows the business to focus on important business activities ✓ rather support activities. ✓
- A business has access to resources and equipment ✓ for a specific function. ✓
- The production team is often shortened and quality is often improved ✓ because specialists are performing the function for the business. ✓
- A company is able to reduce costs as outsourcing can lead to a decrease in staff ✓, remuneration, control and operating costs. ✓
- The business can focus on its vision /goals ✓ and to apply its staff more effectively in its core business. ✓
- Improved access to skilled people as the outsourced work will be done by highly skilled people ✓ without the company having to employ them. ✓
- Fixed cost and overhead costs are lower ✓ for the business. ✓
- Outsourcing will provide continuity ✓ during periods of high staff turnover. ✓

Max (6)

4.3 Characteristics of a public company

- A minimum of one person is required ✓ to start a public company. ✓
- Requires three or more directors ✓ and three or more shareholders. ✓
- Register with the Registrar of Companies ✓ by drawing up Memorandum of Incorporation. ✓

- The company name ✓ ends with letters Ltd. ✓
- Has legal personality ✓ and therefore has unlimited continuity ✓
- Raises capital by issuing shares to the public ✓ and borrowing capital by issuing a debenture. ✓
- A prospectus is issued to the public ✓ to raise capital. ✓
- Shareholders have a ✓ limited liability ✓
- The new Act forces personal liability on directors who knowingly participated ✓ in carrying out business in a reckless/fraudulent manner. ✓
- The company has a legal personality ✓ as well as unlimited continuity. ✓

Max (6)


BUSINESS ROLES

4.4.1 Scenario

PROBLEM SOLVING TECHNIQUES	MOTIVATIONS
1. Delphi ✓✓	Panel of experts were requested to suggest new ideas working individually. ✓
2. Force field ✓✓	The management of SF evaluated the advantages and disadvantages of each idea ✓
Sub-max (4)	Sub-max (2)
Max (6)	

4.4.2 Ways in which businesses can apply the Delphi Technique in the workplace

- Businesses must invite a panel of experts to research the complaints from customers. ✓✓
- Experts do not have to be in one place and will be contacted individually. ✓✓
- Design a questionnaire consisting of questions on how to improve the quality of their tiles and distribute it to the panel members/experts. ✓✓
- Request the panel to individually respond to the questionnaire/suggest improvements to the products and return it to businesses. ✓✓
- Summarise the responses from the experts in a feedback report.
- Send the feedback report and a second set of questions/questionnaire based on the feedback report to the panel members. ✓✓

- 
- Request panel members to provide further input/ideas on how to improve the quality of their tiles after they have studied the results/documentation. ✓✓
 - Distribute a third questionnaire based on previous feedback from the second round. ✓✓
 - Prepare a final summary/feedback report with all the methods to improve the quality of products. ✓✓
 - Choose the best solution/proposal after reaching consensus. ✓✓

OR

Ways in which businesses can apply the force field analysis

- Describe the current situation/problem and the desired situation. ✓✓
- Identify what is going to happen if there is no action taken. ✓✓
- List all driving/pros and restraining/cons forces that will support and resist change. ✓✓
- Discuss the key restraining forces and determine their strengths. ✓✓
- Discuss the key driving forces and determine their strengths. ✓✓
- Allocate a score to each force using a numerical scale, where 1 is weak and 5 is strong. ✓✓
- Weigh up the positives and negatives then decide if the project is viable.
- Analyse the restraining forces and best way of advancing ✓✓
- Explore the driving forces and the best way of advancing them ✓✓
- Choose the force with the highest score as the solution. ✓✓
- If the project is viable, find ways to increase the forces for change. ✓✓
- Identify priorities and develop an action plan. ✓✓

Max (6)

NOTE: Mark only ONE application of Problem-solving techniques

4.5 Differences between routine versus creative thinking

ROUTINE THINKING	CREATIVE THINKING
<ul style="list-style-type: none"> • It refers to ordinary/ every day/conventional thinking ✓ 	<ul style="list-style-type: none"> • It refers to looking at an opportunity/ problem ✓ in a new and different way. ✓
<ul style="list-style-type: none"> • It is suitable for work that requires logic ✓, consistency and attention to detail. ✓ 	<ul style="list-style-type: none"> • It is invaluable in keeping the business innovative ✓ and relevant in a changing market and to solve new problems. ✓
<ul style="list-style-type: none"> • It does not lead to new ideas or pattern ✓ of thought. ✓ 	<ul style="list-style-type: none"> • It leads to an idea that is original ✓ compared to existing ideas. ✓
<ul style="list-style-type: none"> • Requires businesses to apply old thinking patterns ✓ to new 	<ul style="list-style-type: none"> • Requires businesses to apply new ways of thinking ✓ to old

situations. ✓	situations. ✓
Sub-max (4)	Sub-max (4)

Max (8)
[40]

TOTAL SECTION B [80]

SECTION C MARK ONLY ONE ESSAY

QUESTION 4 BUSINESS VENTURES (FORMS OF OWNERSHIP)

5.1 INTRODUCTION

- A company's name must appear on all company documents, e.g. on letterheads. ✓
- Each company must provide a copy of its MOI to the Companies and Intellectual Property Commission (CIPC). ✓
- Any relevant introduction on the aspect that must be included in the prospectus, legal requirements of the name of the company, formation of a company and on the challenges of establishing a company over other forms of ownership.

Any 2 x1

Max (2)

Aspects that must be included in the prospectus.

- Company overview, including the vision, mission, and goals of a business. ✓✓
- Product or service portfolio. ✓✓
- Market analysis and strategy. ✓✓
- Management team. ✓✓
- The risk and potential of the business. ✓✓
- Available financial and share information. ✓✓
- Company's assets and liabilities. ✓✓
- Financial position. ✓✓
- Profits and losses. ✓✓
- Cash flow. ✓✓
- Prospects for growth. ✓✓
- Pre-incorporation contracts that have been signed. ✓✓
- Date of registration of the prospectus. ✓✓
- The minimum subscription. ✓✓

Max(8)

5.3 Legal requirements of the name of the company

- The name of a company must be original ✓ and must not be misleading. ✓

- Reserving a name for a company is the first step to register a company, ✓ but it is not compulsory. ✓
- Names can be reserved for a period of 6 months ✓ by the CIPC. ✓
- The name must not be similar/same as any other company ✓ unless it is part of the group. ✓
- The name must not imply/suggest/mislead a person ✓ to believe that the company is part of another person/business/the state. ✓
- The name must not be offensive/promote violence/hatred ✓ and cause any harm. ✓
- The name must not be shortened ✓ and translated. ✓
- The name of a company must indicate the type of company as follows: ✓ The name of a company must end with. ✓

Max (10)

5.4 Procedure for the formation of companies

- Determine the people ✓ establishing the company. ✓
- Reserve a company name with the Registrar of Companies
- Prepare ✓ a memorandum of incorporation. ✓
- File ✓ a notice of incorporation. ✓
- Obtain a unique ✓ registration number. ✓
- All companies must be registered ✓ with the Registrar of Companies. ✓
- Open a bank account ✓ and register for taxation. ✓
- Draw up a prospectus ✓ for potential investors. ✓

Max(14)

5.5 Challenges of establishing a company versus other forms of ownership

- Directors may not have a personal interest in the business and this could prevent the business from gaining maximum growth and profits. ✓ ✓
- Directors who do not have a personal interest in the business may not attract investors. ✓ ✓
- There may be conflict between the owners of the company and management in control. ✓ ✓
- The more shares there are the less profit per share. ✓ ✓
- The limited liability aspect of the company generates more paper work in the registration process. ✓ ✓
- The owners of the company have more liability. ✓ ✓
- When directors change there could be a lack of continuity in management ✓ ✓.
- Companies have more taxation requirements and other taxes are high. ✓ ✓
- They are required to disclose all financial information which could provide their competitors with an unfair advantage. ✓ ✓
- Politics can get in the way and managers are appointed for the wrong reasons. ✓ ✓

- State owned companies often deliver non-profitable services that lead to government losing money through the business. ✓✓
- A company can stop existing if deregistered by the Registrar of Companies. ✓✓
- A large amount of money of funds is spent on financial audits and accounting fees due to government regulations. ✓✓

Max (10)

5.6 CONCLUSION

- A company is required to submit a full report to all stakeholders each financial year. ✓✓
- Any relevant conclusion on aspect that must be included in the prospectus, legal requirements of the name of the company, procedure of formation of a company and on the challenges of establishing a company over other forms of ownership.

Max (2)



QUESTION 6: BUSINESS ROLES (STRESS, CRISIS MANAGEMENT)

6.1 Introduction

- Stress is experienced by everyone in different situations. ✓
- Change is difficult for most individuals, organisations and management ✓
- Change causes stress levels to increase ✓
- A crisis causes a huge and sudden increase in stress levels ✓
- Any other relevant answer related to stress and crisis ✓

(2x1) (2)

6.2 Meaning

Stress

- The body's reaction ✓ to a change ✓ that requires a physical, mental or emotional adjustments or response ✓
- The adverse reaction ✓ people have to excessive pressures ✓ or other types of demands placed on them at work. ✓
- Is the way the body reacts ✓ to situations ✓ that a person finds difficult to control ✓

Sub max 04

Crisis

- Is a time of intense difficulty, trouble or danger
- An event that can within a short period of time, harm the businesses' stakeholders, its property, finances or its reputation.
- Any other relevant answer

Sub max 04

Max 08

6.3 The importance of stress management in the workplace

- If stress is not managed effectively ✓, it can result in absenteeism, poor performance of staff, conflict, grievances and complaints, amongst other things in the workplace ✓
- Stressed employees are more likely to miss work because they cannot cope ✓, or because of serious health problems ✓
- Managing workplace stress ✓ will minimise absenteeism and maintain productivity in the workplace ✓
- Workers who suffer from stress ✓ often make poor decisions and errors of judgement in times of crisis, and this could result in unforeseen emergencies. ✓
- Grievances or complaints that lead to staff turnover ✓ can be addressed if stress is well managed ✓

- Conflict✓ and interpersonal problems can be avoided if stress is managed at the workplace✓
- Having stressed and tired employees serving the public may lead✓ to poor service and unhappy customers and can be avoided through good stress management✓
- Stressed employees ✓are more likely to cling to the old ways of doing things by resisting change, but this can be managed through proper management of stress✓
- Constant stress can cause many problems for a business✓ since it become an unhealthy working environment✓
- Too much stress can become a barrier✓ to success and lower the performance of employees✓

Max (14)

6.4 Four major changes people and businesses deal with

Unemployment✓✓

- it is when employees lose their jobs because they are fired, or they quit their jobs✓
- Change can lead to unemployment due to retrenchment✓
- It is because may close down/sold/merge resulting to unemployment✓
- Any other relevant answer

Retrenchment✓✓

- It is when a business cuts the number of workers to reduce their wages and salary bill✓
- Economic changes may result in many people being retrenched from their jobs✓
- Any other relevant answer

Globalisation✓✓

- It is a trend where businesses are able to trade in different countries✓
- Businesses must deal with and adapt to changes that globalization brings✓
- Any other relevant answer

Affirmative action✓✓

- It is a policy that ensures that qualified people from designated groups have equal opportunities in the workplace✓
- The policy aims to ensure that Black South Africans women and people with disabilities are well represented in businesses✓
- Any other relevant answer



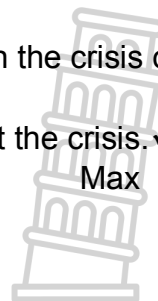


Change	(2)
Explanation	(1)
Sub max	(3)
(4 x 3)	(12)
Max	(12)

6.5 Ways businesses can deal with crisis in the workplace

- Businesses should respond appropriately and quickly to lessen the effects of the crisis situation. ✓✓
- Intervene swiftly and with urgency, but without panicking or overreacting ✓✓
- Identify the real nature of the crisis by making a thorough assessment of the situation and seeking expert opinions ✓✓
- Assess/If the crisis happens, face up to it and quickly find out what has happened without over-reacting. ✓✓
- Deal with crisis directly and timeously without trying to avoid/minimise the seriousness of the situation ✓✓
- Plan/Identify and prioritise the actions required ✓✓
- Inform/Provide accurate and correct information ✓✓
- Support/Guide others through the situation by providing training and support. ✓✓
- Attempt to contain the situation to minimise further damage ✓✓
- Communicate with all stakeholders so that they are properly informed about what has happened, what the impact is and how it is being dealt with. ✓✓
- Appoint a spokesperson from the management team who will deal with all questions and provide information ✓✓
- Regain control/Manage the situation in a calm manner until the crisis is over ✓✓
- Obtain expert advice if the crisis falls outside the business' scope of expertise ✓✓
- Call for help and seek assistance/advice and support from the appropriate agencies and professional ✓✓
- Arrange debriefing sessions for all those directly involved in the crisis or who have been traumatised by the event. ✓✓
- Evaluate how effective the emergency plan was throughout the crisis. ✓✓

Max 12



6.6 Conclusion

- It is very important for a business to deal with stress, change and crisis to ensure the success of the business ✓✓
- Any other relevant answer

Max 02 [40]



TOTAL = 150

