

BUSINESS STUDIES PAPER 1



GAUTENG PROVINCE
Department: Education
REPUBLIC OF SOUTH AFRICA

**GRADE: 12
EXAMINATIONS
PREPARATION
BANK: 2023**

SECTION	PAPER 1	MARKS	TIME PER PAPER
A	COMPULSORY SHORT QUESTIONS 30 MARKS BUSINESS ENVIRONMENT (15 MARKS) BUSINESS OPERATIONS (15 MARKS) MULTIPLE CHOICE CHOOSE THE CORRECT WORD MATCHING ITEM	30	20 MINUTES
B	CHOOSE ANY TWO QUESTIONS (40 X 2) QUESTION 2: BUSINESS ENVIROMENT (40 MARKS) QUESTION 3: BUSINESS OPERSTIONS (40 MARKS) QUESTION 4: MISCELLANEOUS: (TOTAL OF 40 MARKS) consisting of: BUSINESS ENVIROMENT (20 MARKS) BUSINESS OPERATIONS (20 MARKS)	80	70 MINUTES
C	SECTION C: ESSAY TYPE QUESTIONS Choose ONE question (40 x 1) QUESTION 5: BUSINESS ENVIROMENT (40 MARKS) QUESTION 6: BUSINESS OPERATIONS (40 MARKS)	40	30 MINUTES
TOTAL		150	120

BUSINESS ENVIRONMENT & BUSINESS OPERATIONS: PAPER 1

CLASSIFICATION OF SUBTOPICS ACCORDING TO PAPER 1 MAIN TOPICS

BUSINESS ENVIRONMENT	BUSINESS OPERATIONS
LEGISLATIONS	HUMAN RESOURCES FUNCTIONS
BUSINESS STRATEGIES	QUALITY OF PERFORMANCE
BUSINESS SECTORS AND THEIR ENVIRONMENTS	

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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 numbers (1.1.1 to 1.1.10) in the ANSWER BOOK, e.g. 1.1.11 D.

1.1.1 This Act compels businesses to display the prices of all goods and services:

- A Consumer Protection Act, 2008 (Act 68 of 2008)
- B National Credit Act (NCA), 2005 (Act 34 of 2005)
- C Compensation for Occupational Injuries and Diseases Amendment Act (COIDA), 1997 (Act 61 of 1997)
- D Skills Development Act, 1998 (Act 97 of 1998)

1.1.2 The aim of this Act is to protect consumers against unfair reckless lending by businesses:

- A Consumer Protection Act (CPA), 2008 (Act 68 of 2008)
- B Employment Equity Act (EEA), 1998 (Act 55 of 1998)
- C National Credit Act (NCA), 2005 (Act 34 of 2005)
- D Labour Relations Act (LRA), 1995 (Act 66 of 1995)

1.1.3 Cosmetics Ltd complied with the ... by providing the same work opportunities for people who are physically challenged.

- A Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997)
- B Employment Equity Act (EEA), 1998 (Act 55 of 1998)
- C Labour Relations Act (LRA), 1995 (Act 66 of 1995)
- D Compensation for Occupational Injuries and Diseases Amendment Act (COIDA), 1997 (Act 61 of 1997)

1.1.4 Employees are protected by the ... against workplace illnesses and accidents that may occur while performing their duties.

- A Consumer Protection Act (CPA), 2008 (Act 68 of 2008)
- B Employment Equity Act (EEA), 1998 (Act 55 of 1998)
- C Compensation for Occupational Injuries and Diseases Amendment Act (COIDA), 1997 (Act 61 of 1997)
- D Labour Relations Act (LRA), 1995 (Act 66 of 1995)

1.1.5 This Act creates a framework for acceptable employment practices and safety regulations in the workplace:

- A Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997)
- B Compensation for Occupational Injuries and Diseases Amendment Act (COIDA), 1997 (Act 61 of 1997)
- C Consumer Protection Act (CPA), 2008 (Act 68 of 2008)
- D Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003)

1.1.6 This Act requires businesses to provide pre-agreement statements to prospective clients:

- A Consumer Protection Act, 2008 (Act 68 of 2008) National
- B Credit Act, 2005 (Act 34 of 2005)
- C Employment Equity Act, 1998 (Act 55 of 1998) Occupational
- D Injuries Compensation and Amendment Act diseases, 1997 (Act 61 of 1997)

1.1.7 This Act promotes comprehensive safety regulations for employers and employees in the workplace:

- A Skills Development Act (SDA), 1998 (Act 97 of 1998)
- B Consumer Protection Act (CPA), 2008 (Act 68 of 2008)
- C Labour Relations Act (LRA), 1995 (Act 66 of 1995)
- D Compensation for Occupational Injuries and Diseases Amendment Act, 1997 (Act 61 of 1997)

1.1.8 Bavaro Limited used ... as a BBEE pillar when they requested their black employees to participate in the decision-making process.

- A ownership
- B enterprise and supplier development
- C skills development
- D management control

1.1.9 Workers are entitled to a meal break of ... minutes after five continuous hours of work.

- A 90
- B 45
- C 60
- D 15

1.1.10 It is easy for Power Electric to influence prices as there are limited businesses that provide electricity. This refers to the ... as an element of Porter's Five Forces model.

- A threats/barriers for new entrants to the market
- B threat of substitution/substitutes
- C power of buyers
- D power of suppliers

1.1.11 The cashiers at Sunshine Supermarket lack the skill of how to operate the new cash registers. This is an example of a/an ... in a SWOT analysis.

- A strength
- B weakness
- C opportunity
- D threat

1.1.12 A business that takes over its suppliers to reduce the risk of dependency applies the ... integration strategy.

- A forward vertical
- B backward vertical
- C horizontal
- D conglomerate

1.1.13 Teddy Car Manufacturers implemented the ... integration strategy when they bought Tail Motors Spares.

- A horizontal
- B intensive
- C forward
- D backward

1.1.14 Businesses add unrelated products to their existing products which may appeal to new customers. This is an example of a ... diversification strategy.

- A conglomerate
- B horizontal
- C concentric
- D diagonal

1.1.15 A business that takes over its suppliers to reduce the risk of dependency applies the ... integration strategy.

- A forward vertical
- B backward vertical
- C horizontal
- D conglomerate

1.1.16 Jerome, a farmer, applied the... integration strategy when he bought the fruit and vegetable stall selling his products.

- A forward
- B conglomeration
- C horizontal
- D backwards

1.1.17 Sue Stationery applied the ... diversification strategy when they added cleaning materials to their product range that could appeal to new customers.

- A concentric
- B horizontal
- C conglomerate
- D vertical

1.1.18 ABC Paints operate in the ... sector as they specialise in the manufacturing of paint.

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

1.1.19 Moggy Transporters operate in the ... sector as they deliver products to various customers.

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



1.1.20 Dyna Auto Motors operate in the ... sector as they manufacture luxury cars.

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

1.1.21 A business has full control over the environment.

- A economic
- B macro
- C market-
- D micro-

1.1.22 Businesses may use . . . as a source of internal recruitment to advertise available vacancies.

- A word of mouth
- B professional associations
- C employment agencies
- D networking

1.1.23 The process of matching a new employee's skills and abilities with the requirements of a job is known as ...

- A placement.
- B selection.
- C recruitment.
- D training.

1.1.24 This benefit is compulsory by law for employees:

- A Housing allowance
- B Medical aid
- C Unemployment Insurance Fund Car Allowance
- D Allowance

1.1.25 The purpose of an interview is to ...

- A evaluate the skills and personal characteristics of the applicant.
- B avoid asking discriminatory types of questions.
- C prepare the venue for the interview.
- D invite possible candidates to apply for the vacancy.

1.1.26 Mano and Sons used the ... recruitment method when they advertised a vacancy on their business noticeboard.

- A agencies
- B online
- C internal
- D external

1.1.27 This function is responsible for the release of positive press statements in order to boost the image of the business:

- A Purchasing
- B Public relations
- C Marketing
- D General management

1.1.28 The marketing function is responsible for the... for a business.

- A design of advertising campaigns
- B augmentation of quality products
- C providing strategic plans providing
- D reliable information

1.1.29 The ... function is responsible for keeping documents orderly and in a safe place.

- A administration
- B purchasing
- C general management
- D public relations

1.1.30 This benefit is compulsory by law for employees:

- A Housing allowance
- B Medical aid
- C Unemployment Insurance Fund Car
- D Allowance

1.1.31 Angela Construction facilitates the training of its employees on a regular basis. This is an example of ... as a TQM element.

- A continuous skills development
- B adequate financing and capacity
- C monitoring and evaluation of quality processes
- D continuous improvement to processes and systems

1.1.32 KB Manufacturers have regular control checks and procedures in place to prevent product defects. This refers to ... as a total quality management element.

- A adequate financing and capacity
- B continuous skills development
- C monitoring and evaluation of quality processes
- D total client satisfaction

1.1.33 Businesses use ... to continuously improve on processes and systems in order to satisfy customers' needs beyond their expectations.

- A quality management
- B quality circles
- C total quality management
- D quality assurance

SECTION B QUESTIONS

QUESTION 2 (BUSINESS ENVIRONMENT)

LEGISLATION

- 2.1 Name any TWO consumer rights as stipulated in the Consumer Protection Act (CPA), 2008 (Act 68 of 2008). (2)
- 2.2 State any FOUR provisions of the Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997). (4)
- 2.3 Elaborate on the meaning of learnerships. (4)
- 2.4 Describe how SETAs are funded. (4)
- 2.5 Read the scenario below and answer the questions that follow.

REMI TRADERS (RT)

Remi Traders are well known for selling quality products to different outlets. They introduced online transactions for their remote customers. RT's employees do not have the knowledge and skills to provide online transaction services.

- 2.5.1 Name the PESTLE factor that poses a challenge to RT in the scenario above. (2)
- 2.5.2 Explain ways in which RT can deal with the challenges posed by the PESTLE factor identified in QUESTION 2.5.1 (4)

2.6

Read the scenario below and answer the questions that follow.

LEGEND PROJECTS (LP)

The management provided the Commissioner with false information regarding serious accidents that took place at Legend Projects. They also bribed one of their employees not to report injuries sustained while performing his/her duties.

- 2.6.1 Identify the Act that is applicable in the scenario above. (2)
- 2.6.2 Quote TWO actions that can be regarded as discriminatory according to the Act identified in QUESTION 2.6.1 (2)
- 2.6.3 Advise the management of LP on penalties they could face for non-compliance with the Act identified in QUESTION 2.6.1 (4)
- 2.7 Discuss any TWO consumer rights as stipulated in the Consumer Protection Act (CPA), 2008 (Act 68 of 2008). (6)
- 2.8 Outline the role of SETAs in supporting the Skills Development Act (SDA), 1998 (Act 97 of 1998). (6)

2.9 Identify the leave provision stipulated in the Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997) that Quick Shoe Manufacturers complied with in EACH statement below:

- 2.9.1 Ruth, the secretary, was allowed to stay home for four consecutive months after her baby was born.
- 2.9.2 Ashley, the supervisor, is entitled to take up to 21 days leave per year.
- 2.9.3 John, the financial clerk, was given permission to take three to five days off work to attend to his sick mother.
- 2.9.4 Zodwa, the production manager, brought a medical certificate for taking three days off to recover from flu. (8)

2.10 Name any TWO provisions of leave as stipulated in the Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997). (2)

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

KATLEGO LOGISTICS (KL)

Katlego Logistics complies with the Labour Relations Act (LA), 1995 (Act 66 of 1995) by observing the rights of employees in the workplace. Employees take part in legal strikes without any fear of victimisation. They are also locked out by KL to prevent damages to the property. The trade union representatives are given time off to attend to their respective duties

- 2.11.1 Quote TWO rights of employees in terms of the Labour Relations Act from the scenario above. (2)
- 2.12 Explain other rights of employees in terms of the Labour Relations Act
- 2.13 Explain the purpose of the Labour Relations Act (LRA), 1995 (Act 66 of 1995). (6)
- 2.14 Outline the rights of employees in terms of the Labour Relations Act (LRA), 1995 (Act 66 of 1995). (6)

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

MAJEED CONSTRUCTION (MC)

Majeed Construction ensures that accidents and illnesses that occur in the workplace are reported immediately.

- 2.12.1 Identify the Act that is applicable to the scenario above. (2)
- 2.12.2 Advise the management of MC on any other TWO ways in which they can comply with the Act identified in QUESTION 2.12.1 (4)
- 2.13 Explain the purpose of the Compensation for Occupational Injuries and Diseases Amendment Act (COIDA), 1997 (Act 61 of 1997). (6)

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

MONEY BANK (MB)

Money Bank charges the same interest rates regardless of the client's level of income. The National Credit Regulator (NCR) imposed a fine on Money Bank for reckless granting of credit. MB was instructed to bear all the costs related to the removal of the names of blacklisted clients from the credit bureau.

2.15 Quote TWO penalties imposed on MB for non-compliance with the National Credit Act (NCA), 2005 (Act 34 of 2005) from the scenario above. (2)

2.16 State any FOUR consumer rights as stipulated in the National Credit Act(NCA), 2005 (Act 34 of 2005). (4)

2.17 Describe the positive impact of the National Credit Act on businesses. (6)

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

EXCEL BANK (EB)

Excel Bank offers various financial products to prospective clients. The bank conducts an affordability assessment before credit is granted. EB ensures that their clients receive information in an understandable language. They also allow clients to access and challenge their credit records.

2.18.1 Quote TWO consumer rights in terms of the National Credit Act (NCA), 2005 (Act 34 of 2005) from the scenario above. (2)

2.19 Discuss the impact of the National Credit Act on businesses. (6)

2.20 Explain overtime as one of the provisions of the Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997). (4)

2.21 Suggest practical ways in which businesses may comply with the Employment Equity Act (EEA), 1998 (Act 55 of 1998). (6)

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

COMPUTER TECH (CT)

The management of Computer Tech complies with the Consumer Protection Act (CPA), 2008 (Act 68 of 2008). They allow customers to shop around for the best prices. Customers are also given a written warranty with their purchases.

2.22.1 Identify TWO consumer rights, according to the Consumer Protection Act (CPA), applied by CT. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 2.22.1.

CONSUMER RIGHTS	MOTIVATIONS
1.	
2.	

(6)

- 2.23 Explain the disadvantages of the Consumer Protection Act for CT as a business. (6)
- 2.23 Suggest ways in which businesses could comply with the Consumer Protection Act (CPA), 2008 (Act 68 of 2008). (6)
- 2.24 List THREE pillars of the Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003). (3)
- 2.25 Explain the implications of the following Broad-Based Black Economic Empowerment Act (BBBEE) pillars for businesses:
- 2.25.1 Management control (4)
- 2.25.2 Skills development (4)
- 2.26 Suggest ways in which businesses could apply enterprise and supplier development (ESD) as a BBBEE pillar in the workplace. (6)



BUSINESS ENVIRONMENT

EXAMPLE OF ESSAY QUESTIONS FOR LEGISLATION

The government has established Sector Education and Training Authorities (SETAs) to ensure effective implementation of the Skills Development Act (SDA), 1998 (Act 97 of 1998). The National Skills Development Strategy (NSDS) is aimed at achieving the purpose of the SDA. Businesses are required to comply with this Act.

As an expert on recent legislation, write an essay on the following SDA aspects:

- Outline the role of SETAs in supporting the Skills Development Act.
- Explain the purpose of the National Skills Development Strategy.
- Evaluate the impact of the SDA on businesses.
- Suggest ways in which businesses can comply with the SDA. [40]

The Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997) was introduced to redress the imbalances of the past. The provisions of the BCEA protect employees and provide guidelines to employers on how they should comply with this Act. Businesses may face penalties for non-compliance with the BCEA.

- Outline the purpose of the BCEA.
- Explain the following provisions of this Act:
 - Annual leave
 - Hours of work/Work hours
 - Child and forced labour
- Discuss the impact of the BCEA on businesses.
- Advise businesses on penalties that they may face for non-compliance with this Act. [40]

Many consumers have welcomed the introduction of the Consumer Protection Act (CPA), 2008 (Act 68 of 2008) and the National Credit Act (NCA), 2005 (Act 34 of 2005) as they protect them against unfair business practices. Some businesses believe that the NCA reduces their market share and therefore they do not want to comply with this Act.

As an expert on recent legislation, write an essay on the following aspects:

- Outline the purpose of the CPA.
- Discuss the impact of the CPA on businesses.
- Recommend ways in which businesses could promote the following consumer rights, as stipulated in the CPA:
 - Right to privacy and confidentiality
 - Right to information about products and agreements
 - Right to fair value/good quality and safety
- Advise businesses on penalties/consequences that may be imposed for non-compliance with the NCA. [40]

The National Credit Act (NCA), 2005 (Act 34 of 2005) provides a framework to regulate the credit market. It protects the rights of consumers and provides guidelines on how businesses should comply with this Act. Businesses may face penalties for not complying with the National Credit Act.

Write an essay on the National Credit Act in which you include the following aspects:

- Outline the rights of consumers in terms of the National Credit Act.
- Discuss the impact of the NCA on businesses.
- Explain ways in which businesses could comply with the NCA.
- Advise businesses on the penalties they may face for non-compliance to the Act. [40]

The Labour Relations Act (LRA), 1995 (Act 66 of 1995) makes provision for the rights of employees in the workplace. Businesses are expected to have a sound knowledge of this Act for effective implementation. Many businesses implement legal advice to avoid penalties for non-compliance with the LRA.

Write an essay on the Labour Relations Act in which you include the following aspects:

- Outline the rights of employees in terms of the Labour Relations Act.
- Explain the purpose of the Labour Relations Act.
- Discuss the impact of the Labour Relations Act on businesses.
- Advise businesses on penalties they may face for non-compliance with this Act. [40]

The Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003) is one of the popular Acts that benefits both businesses and designated groups. Businesses should know the advantages of the Act on their operations to avoid penalties for non-compliance. They should also apply management control and ownership as part of the BBBEE pillars in the workplace.

Write an essay on the Broad-Based Black Economic Empowerment Act in which you include the following aspects:

- Outline the purpose of the Broad-Based Black Economic Empowerment Act.
 - Explain the advantages of the BBBEE Act for businesses.
 - Discuss penalties that businesses may face for non-compliance with the Act. Suggest ways in which businesses could apply the following pillars of BBBEE in the workplace:
 - Management control
 - Ownership
- [40]

BUSINESS STRATEGIES

- 2.27 Name any FOUR forces from Porter's Five Forces model. (4)
- 2.28 Identify the PESTLE elements that pose a challenge to Berry Farm in EACH of the following statements: (6)
- 2.28.1 Employees are unable to operate the modern machinery that has been purchased recently.
- 2.28.2 Management received a fine for dumping their waste material in the river.
- 2.28.3 Berry Farm can no longer export their products due to the unfavourable exchange rate. (6)
- 2.29 Identify the PESTLE elements that pose a challenge to Simmy Traders in EACH statement below:
- 2.29.1 Many customers cannot afford their products due to low income levels, resulting in a decline in sales.
- 2.29.2 They do not have internet facilities to cater for customers who prefer to make online purchases.
- 2.29.3 Simmy Traders can no longer afford to deliver goods due to the increase in the fuel price. (6)
- 2.30.1 Discuss how the following PESTLE factors pose challenges for businesses:
- Economic (4)
 - Social (4)
 - Technologies (4)
 - Legislation (4)
 - Environmental (4)
 - Political (4)
- 2.31.1 Advise businesses on how they could deal with the above PESTLE factors
- 2.32 Read the scenario below and answer the questions that follow.
- JAMES ENGINEERS (JE)**

James Engineers are responsible for inspecting housing projects. The management of JE set specific dates for control and follow up as part of their inspection programme. They also implement corrective actions when deviations occur.
- 2.32.1 Quote TWO steps in strategy evaluation implemented by JE from the scenario above. (2)
- 2.33.2 Explain other steps in strategy evaluation. (6)

2.34 Identify the type of defensive strategy that Mega Constructions applied in EACH statement below:



2.34.1 Mega Constructions sold all their assets in order to pay their creditors.

2.34.2 They terminated the employment contracts of many employees to reduce costs.

2.34.3 Management decided to close their unproductive information technology department.

(6)

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

PUMZA UNIQUE CAKES (PUC)

Pumza Unique Cakes specialises in designing birthday cakes. Pumza scanned the environment as part of the strategic management process. She only needed a small amount of capital to start her business. Sam Wholesalers is the only provider in the area from whom she buys her baking ingredients.

2.35.1 Identify TWO forces of Porter's Five Forces model that are applicable to PUC. Motivate your answer by quoting from the scenario above.

2.36 Use the table below as a GUIDE to answer QUESTION 2.35.1.

PORTER'S FIVE FORCES	MOTIVATIONS
1.	
2.	

(6)

2.36.1 Identify the force of Porter's Five Forces model that applies to Louisa's Hair Salon in EACH statement below:

2.36.2 Lwazi opened a new hair salon across the street offering services at lower prices than Louisa's Hair Salon.

2.36.3 Louisa's Hair Salon is highly profitable and attracts many new entrepreneurs to enter this market.

(6)

2.37 Advise businesses on how they could apply the following forces of the Porter's Five Forces model to analyse their position in the market environment:

- Power of suppliers (4)
- Power of competitors/Competitive rivalry (4)



2.38 Advise businesses on how they could apply the following forces of the Porter's Five Forces model to analyse their position in the market environment:

- Power of buyers (4)
- Threat/Barriers to new entrants to the market (4)

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

TOM TRADING ENTERPRISE (TTE)

Tom Trading Enterprise wanted to increase the sale of their products. TTE employed additional sales representatives to distribute their products to other provinces.

2.39.1 Identify the type of intensive strategy used by TTE in the scenario above.

(2)

2.40 Explain TWO other types of intensive strategies.

(6)

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

RAINBOW FURNITURE MANUFACTURERS (RM)

Rainbow Furniture Manufactures took over Woody Furniture to reduce competition in the market. The management of RFM evaluate their strategies regularly.

2.41.1 Identify the type of integration strategy in the scenario above (2)

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

ANDREW GARDEN SERVICES (AT)

Andrew Garden Services has experienced a decline in demand for their services. They decided to sell some of their tractors to pay off their debts.

2.42.1 Identify the type of defensive strategy that AT has applied. Motivate your answer by quoting from the scenario above. (3)

2.42.2 Explain ONE other type of defensive strategy that can be considered by AT. (3)

2.43 Discuss the steps in the strategy evaluation (6)

2.44 Advise businesses on the strategic management process (6)

2.45 Name THREE types of diversification strategies. (3)

2.46 Discuss any TWO types of defensive strategies. (6)

2.47 Explain the advantages of intensive strategies. (6)

2.48 Outline the advantages of diversification strategies. (6)

2.49 Explain any TWO types of intensive strategies. (6)

2.50 Advise businesses on the steps they should consider when evaluating strategies. (6)

EXAMPLE OF ESSAY QUESTIONS FOR BUSINESS STRATEGIES

Businesses realise the importance of the strategic management process when devising suitable business strategies. Some businesses maintain that Porter's Five Forces model plays an important role in remaining competitive in the market environment.

Write an essay on business strategies in which you include the following aspects:

- Describe the strategic management process.
- Discuss the THREE types of defensive strategies that businesses may use to address challenges in the macro environment
- Explain how businesses could apply Porter's Five Forces model to analyse the market environment.
- Advise businesses on the steps they should consider when evaluating strategies.

[40]

A strategic management process enables businesses to implement appropriate strategies to overcome the challenges posed by the business environments. Many businesses prefer to diversify their products to stay sustainable in the market. Others apply the PESTLE factors to identify challenges in the macro environment and to find ways to address these challenges.

Write an essay on the business strategies that include the following aspects:

- Briefly describe the process of strategic management.
- Explain THREE types of diversification strategies.
- Discuss how the following PESTLE factors pose challenges for businesses:
 - Economic
 - Social
 - Technologies
- Recommend ways in which businesses can address the challenges posed by the PESTLE factors above.

[40]

Businesses need to develop suitable strategies to deal with challenges in the business environment. Integration strategies could be implemented in response to findings from applying Porter's Five Forces model. Businesses need to evaluate their strategies.

Write an essay on business strategies in which you include the following aspects:

- Outline the steps in developing a strategy.
- Discuss THREE types of integration strategies.
- Explain how businesses could apply the following Porter's Five Forces model to analyse their position in the market environment:
 - Power of suppliers
 - Power of competitors/Competitive rivalry
 - Threat of substitution/Substitutes
- Advise businesses on the steps they should consider when evaluating strategies.

[40]

SECTION B QUESTIONS

BUSINESS SECTORS

2.50 Name THREE types of business environments and state the extent of control businesses have over EACH of these environments. (3)

Use the table below as a GUIDE to answer QUESTION 2.50.

BUSINESS ENVIRONMENTS	EXTENT OF CONTROL
1.	
2.	
3.	

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

CAREL TELEVISIONS (CT)

Carel Televisions specialise in the manufacturing of smart television sets. They signed a contract with Thuli Distributors (TD) to deliver their products to customers. CT wants to implement intensive strategies for sustainable growth in the market.

2.51.1 Identify the type of business sector in which CT and TD operate. Motivate your answer by quoting from the scenario above.

2.52 Use the table below as a GUIDE to answer QUESTION

	BUSINESS SECTORS	MOTIVATIONS
Carel Televisions (CT)		
Thuli Distributions (TD)		

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

ZALO ENTERPRISE (ZE)

Zalo Enterprise sells a variety of products to different customers. ZE always receives stock late from Smart Wholesalers. The management of ZE has difficulty in dealing with unproductive employees

Use the table below as a GUIDE to answer QUESTIONS

CHALLENGES	BUSINESS ENVIRONMENTS	EXTENT OF CONTROL

2.53.1 Quote TWO challenges for ZE from the scenario above. (2)

2.53.2 Classify ZE's challenges according to the business environments. (2)

2.53.3 State the extent of control that ZE has over EACH business environment named in QUESTION (2)

SECTION B QUESTIONS

QUESTION FOR HUMAN RESOURCES FUNCTION

- 3.1 Name TWO salary determination methods. (2)
- 3.2 Elaborate on the meaning placements a human resource activity. (2)
- 3.3 Name FOUR methods/sources of external recruitment. (4)
- 3.4 Read the scenario below and answer the questions that follow.

KHAN PRIVATE HOSPITAL (KPH)

Khan Private Hospital has advertised a vacancy for a nurse. The advertisement includes the following aspects regarding the position:

- Applicants must have a diploma in nursing as a minimum requirement.
- Responsible for observing patients and giving medication.
- Two years' experience in nursing will be an advantage.
- Compiling daily reports on the progress of the patients.

The advertisement indicates that only shortlisted candidates will be contacted for an interview.

- 3.4.1 Quote TWO examples of job description and TWO examples of job specification in the scenario above.

Use the table below as a GUIDE to answer QUESTION

JOB DESCRIPTION	JOB SPECIFICATION
1.	1.
2.	2.

- (8)
- 3.5 Distinguish between job description and job specification. (8)

Use the table below as a GUIDE to answer QUESTION

COMPONENTS OF JOB ANALYSIS	MOTIVATIONS
1.	
2.	

- 3.6 Explain the advantages of external recruitment for businesses. (4)
- 3.7 Explain the advantages of internal recruitment for businesses. (6)
- 3.8 Name the TWO components of job analysis. (2)



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

SIPHO STATIONERS (SS)

Sipho Stationers advertised a vacancy for a bookkeeper in a local newspaper. The advertisement stated that the prospective candidate should have a relevant formal qualification. The bookkeeper must be able to draw up financial statements.

3.9.1 Identify TWO components of a job analysis highlighted by Sipho Stationers. Motivate your answer by quoting from the scenario above.

3.10 Explain the role of the interviewee/applicant during the interview. (6)

3.11 Explain the role of the interviewer during the interview. (6)

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

SUKI CONSULTING (SC)

Suki, the owner of Suki Consulting, will be conducting interviews for a vacant position. She prepared a set of questions that will be asked during the interviews. Suki also booked a suitable venue for the interviews.

3.12.1 Quote TWO roles of Suki, as the interviewer, before the interview, from the scenario above. (2)

3.13 Outline the role of the interviewer before the interview. (4)

3.14 Explain the purpose of an interview as a human resources activity. (6)

3.15 Discuss the implications of the Skills Development Act (SDA), 1998 (Act 97 of 1998) on the human resources function. (6)

3.16 Give any TWO examples of fringe benefits. (2)

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

FOURIE LOGISTICS (FL)

Fourie Logistics developed an induction programme that will be used to orientate new employees. The management of FL took their employees on a tour of the premises. They also highlighted all the necessary safety regulations and rules.

3.17.1 Quote TWO aspects of the induction programme from the scenario above. (2)

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

TUMISHO CONSULTANTS (TC)

Tumisho Consultants recently employed Mandy as a senior cashier. The management of TC agreed that Mandy will be offered in-service training to improve her skills. TC drew up a programme to ensure a smooth induction process. Mandy will be given the opportunity to experience different departments.

- 3.18.1 Quote TWO purposes of induction from the scenario above. (2)
- 3.19 Describe the benefits of induction for businesses. (4)
- 3.20 Discuss the benefits of induction for businesses. (6)
- 3.21 Explain TWO salary determination methods that businesses could apply to remunerate their employees. (6)

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

IMPALA CONSTRUCTION (IC)

Impala Construction advertised a vacancy for a production manager. The successful applicant will receive a remuneration package which includes a medical aid, pension fund and a housing allowance. The management of IC invited shortlisted candidates to attend the interview.

- 3.23 Name THREE examples of fringe benefits offered by IC in the scenario above. (3)
- 3.23 Discuss the impact of fringe benefits on IC as a business. (6)
- Read the scenario below and answer the questions that follow.

SEAVIEW PROPERTIES (SP)

Seaview Properties offers attractive fringe benefit packages in order to reduce employee turnover. SP encourages employees to attend training programmes. Employees are also loyal and willing to go the extra mile

- 3.24.1 Quote TWO advantages of fringe benefits that are applicable to SP from the scenario above. (2)
- 3.24.2 Explain other advantages of fringe benefits for businesses. (6)
- 3.25 Evaluate the impact of fringe benefits on businesses. (6)
- 3.26 State FOUR aspects that should be included in an employment contract. (4)

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

SKY LTD

Helen has been working for Sky Ltd for the past 30 years. The management terminated her employment contract when she reached the age of 65.

3.27.1 Identify the reason why Helen's employment contract was terminated.

Motivate your answer by quoting from the scenario above. (3)

3.28 Explain other reasons for the termination of an employment contract. (4)

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

KHULA CHICKEN FARM (KCF)

Khula Chicken Farm is looking for an experienced supervisor to fill a vacant position. They conducted preliminary interviews as there were many applicants. KCF gave a written offer for the job to the successful candidate.

3.29.1 Quote TWO steps of the selection procedure from the scenario above. (2)

3.30 Explain other steps in the selection procedure. (6)

3.31 Discuss the purpose of induction as a human resources activity. (6)

3.32 Outline the benefits of induction for businesses. (6)

3.33 Name FIVE sources of internal recruitment. (5)

3.34 Elaborate on the meaning of screening as part of the selection procedure. (4)

3.35 Outline the placement procedure as an activity of the human resources function. (4)

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

MAPS COMPUTERS (MC)

Maps Computers specialise in the manufacturing of computers. MC advertised a vacancy for a project manager on their business noticeboard.

3.36.1 Identify the method of recruitment used by MC. Motivate your answer by quoting from the scenario above. (3)

3.37 Explain the advantages of the method of recruitment identified in QUESTION for a business. (4)

3.38 Quote TWO implications of the EEA on the human resource function of GT from the scenario above. (2)

3.39 Explain other implications of the EEA on the human resource function. (6)

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

LUNIC ENTERPRISE (LO)

Lunic Enterprise advertised a vacancy for a stock controller in the local newspaper. Preliminary interviews were conducted because many people applied for the vacancy. LO invited the shortlisted candidates for interviews.

3.40.1 Quote TWO aspects of the selection procedure that LO applied in the scenario above. (2)

(2)

SECTION C QUESTIONS

BUSINESS OPERATIONS

EXAMPLES ESSAY QUESTION FOR HUMAN RESOURCE FUNCTION

An engineer at Hendricks Civil Engineers (HCE) recently terminated his employment contract. HCE is considering advertising this position externally. The human resources manager will prepare for the interview and also develop the induction programme.

Keeping the above scenario in mind, write an essay on human resources referring to the following aspects:

- Elaborate on the reasons for the termination of an employment contract.
- Explain the impact of external recruitment on HCE as a business.
- Discuss the role of the interviewer while preparing for an interview.
- Advise HCE on the benefits of induction.

Businesses must follow the correct recruitment procedure to find suitable candidates. Some businesses prefer the external recruitment method and ensure that new employees receive proper induction. It is important that new employees sign a legal employment contract.

Write an essay on the human resource function in which you discuss the following aspects:

- Briefly describe the recruitment procedure.
- Explain the impact of external recruitment on businesses.
- Discuss the benefits of induction for businesses.
- Advise businesses on the legal requirements of the employment contract.

[40]

The human resources manager is responsible for compiling the job description and job specification. Suitable candidates can be recruited internally using various recruitment sources. The interviewees should be familiar with their role during the interview. Businesses must ensure that the employment contract complies with the legal requirements of employment.

Write an essay on the human resources function in which you include the following human resources activities:

- Outline the differences between job description and job specification.
- Discuss the impact of internal recruitment on a business.
- Explain the role of the interviewee during the interview.
- Advise businesses on the legal requirements of the employment contract. [40]

Businesses follow the correct selection procedure to fill vacant posts in order to minimise fruitless expenditure. They also ensure that the interviewers understand their role before conducting interviews. The successful candidates and employers must know the legal requirements of an employment contract. Businesses must also ensure that newly appointed employees receive proper induction.

Write an essay on the human resources function in which you include the following aspects:

- Outline the selection procedure as a human resources activity.
- Explain the role of the interviewer before the interview.
- Discuss the legal requirements of an employment contract.
- Advise businesses on the purpose of induction.



BUSINESS OPERATIONS

SECTION B QUESTIONS

QUALITY OF PERFORMANCE

- 3.41 Elaborate on the meaning of quality management. (4)
- 3.42 Elaborate on the meaning of quality performance. (4)
- 3.44 Distinguish between quality control and quality assurance. (4)
- 3.45 Advise businesses on the difference between quality control and quality assurance. (4)

3.46 Read the scenario below and answer the questions below.

KOBUS MOTOR SPARES (KMS)

Kobus Motor Spares is a large business that sells different car parts across the country. They perform checks during and after the production process KMS also implements total client/customer satisfaction to keep ahead of the latest developments in the market.

- 3.46.1 Identify the quality concept implemented by KMS in the scenario above. (2)
- 3.47 Explain the difference between quality management and quality performance. (4)
- 3.48 Discuss the benefits of a good quality management system. (6)
- 3.49 Advise businesses on the benefits of a good quality management system. (6)
- 3.50 Outline TWO quality indicators of the production function. (4)
- 3.51 Outline the quality indicators of the production function. (4)
- 3.52 Outline TWO quality indicators of the administration function. (4)
- 3.53 Outline the quality indicators of the financial function. (4)
- 3.54 Advise businesses on the quality indicators of the purchasing function. (4)

3.55 Read the scenario below and answer the question that follows.

VASHNI LIMITED (VL)

Vashni Limited uses aggressive advertising campaigns to increase their customer base. Jabu, the senior manager, draws up budgets to ensure accurate application for monetary resources.

- 3.55.1 Identify TWO business functions that are applicable to VL. Motivate your answer by quoting from the scenario above. (4)

Use the table below as a GUIDE to answer QUESTION 3.56.

BUSINESS FUNCTIONS	MOTIVATIONS
1.	
2.	

(6)

3.56 Use the table below as a GUIDE to answer QUESTION

PURPLE ENTERPRISE (PE)

Purple Enterprise is a large retail business that provides a variety of products. They prepare their own accounting records to ensure accurate tax payments. PE responded quickly when one of their clients was not happy with their service.

3.56.1 Identify TWO business functions that are applicable to PE. Motivate your answer by quoting from the scenario above.

BUSINESS FUNCTIONS	MOTIVATIONS
1.	
2.	

(6)

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

MEGA MANUFACTURERS LIMITED (MML)

Mega Manufacturers Limited specialises in the production of quality furniture. MML always request their buyers to provide feedback on their purchasing experience. They conduct regular quality checks to avoid replacing machinery unnecessarily. MML is aware of the impact of total quality management (TQM) if poorly implemented.

3.58 Identify TWO total quality management (TQM) elements implemented by MML. Motivate your answer by quoting from the scenario above.

3.59 Use the table below as a GUIDE to answer QUESTION 3.6.1.

TQM ELEMENTS	MOTIVATIONS
1.	
2.	

(6)

3.59.1 Discuss the impact of TQM if poorly implemented by businesses. (4)

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

EXCLUSIVE RESTAURANT LIMITED (ERL)

Exclusive Restaurant Limited ensures that all their activities are well scheduled to avoid the duplication of tasks. Their chefs are sent on advanced cooking courses regularly to learn more about healthy cooking methods.

3.60.1 Quote TWO ways in which total quality management (TQM) reduces the cost of quality in the scenario above. (2)

3.61 Explain other ways in which TQM can reduce the cost of quality. (6)

3.62 Name any THREE steps of the PDCA model/cycle. (3)

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

DAIRY'S LIMITED (DB)

Dairy's Limited offered a variety of perishable products to their customers. They have developed ideas to improve their processes and systems. DB has decided to implement change on a small scale.

3.63.1 Identify TWO steps of the PDCA model that DB applied. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDELINE to answer QUESTION

STEP OF PDCA MODEL	MOTIVATIONS
1.	
2.	

3.64 Discuss the impact of total quality management (TQM) if businesses implement it poorly. (6)

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

PETER SHOES LIMITED (PSL)

The management of Peter Shoes Limited continuously improves on their processes and systems. Management always requests quality circles to investigate problems that relate to poor-quality products. Quality circles also increase productivity through regular reviewing of quality processes

3.64.1 Quote TWO roles of quality circles as part of the continuous improvement to processes and systems in the scenario above. (2)

3.65 Explain other roles of quality circles as part of the continuous improvement to processes and systems. (4)

3.66 Discuss the importance of quality circles as part of continuous improvement to processes and systems. (6)

3.67 Suggest ways in which total quality management (TQM) can reduce the cost of quality. (6)

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

RASHID MANUFACTURERS (RM)

Rashid Manufacturers implement total quality management (TQM) to reduce the cost of quality. The employees of RM attend regular training sessions to understand their role in quality management. RM share good practices with business partners. They also work closely with suppliers to improve the quality of their raw materials.

3.68.1 Quote TWO ways in which TQM reduces the cost of quality from the scenario above. (2)

3.69 Explain other ways in which TQM can reduce the cost of quality. (4)

3.70 Discuss the impact of total quality management (TQM) if poorly implemented by businesses. (6)

3.71 Explain the impact of TQM if it is poorly implemented by businesses. (4)

3.72 Read the scenario below and answer the questions that follow

KOBUSMOTOR SPARES (KMS)

Kobus Motor Spares is a large business that sells different car parts across the country. They perform checks during and after the production process KMS also implements total client/customer satisfaction to keep ahead of the latest developments in the market.

- 3.72.1 Identify the quality concept implemented by KMS in the scenario above. (2)
- 3.73 Discuss the impact of total client/customer satisfaction as a total quality management (TQM) element on large businesses (6)

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

MEGA MANUFACTURERS LIMITED (MML)

Mega Manufacturers Limited specialises in the production of quality furniture. MML always request their buyers to provide feedback on their purchasing experience. They conduct regular quality checks to avoid replacing machinery unnecessarily. MML is aware of the impact of total quality management (TQM) if poorly implemented.

- 3.74.1 Identify TWO total quality management (TQM) elements implemented by MML. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 3.74.1.

TQM ELEMENTS	MOTIVATIONS
1.	
2.	

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

IKHAYA BRICKS MANUFACTURER (IBM)

The employees of Ikhaya Bricks Manufacturer are not adequately trained, resulting in the production of poor quality products. IBM is experiencing a decline in sales as more goods are returned by unhappy customers. The management of IBM maintains that the business has a good image regardless of these challenges.

- 3.75.1 Quote TWO results of poor implementation of TQM by IBM from the scenario above. (2)
- 3.76 Advise the management of IBM on the impact of TQM if poorly implemented, except for those quoted in QUESTION (4)
- 3.77 Explain how the quality of performance of the administration function can contribute to the success of the business. (4)
- 3.78 Evaluate the impact of adequate financing and capacity as a total quality management (TQM) element on large businesses. (6)
- 3.79 Advise large businesses on the advantages of adequate financing and capacity as a total quality management (TQM) element. (6)
- 3.80 Evaluate the impact of total client/customer satisfaction on large businesses. (6)
- 3.81 Recommend ways in which total quality management (TQM) can reduce the cost of quality. (4)

BUSINESS OPERATIONS

EXAMPLE OF ESSAY QUESTION FOR QUALITY OF PERFORMANCE

A good management system includes the quality control and quality assurance of products. Businesses need to manage the purchasing and marketing functions so that the end product satisfies the customer. A sound knowledge of continuous improvement to processes and systems, as a total quality management (TQM) element, can reduce the cost of quality.

Write an essay on quality of performance in which you address the following aspects:

- Outline the differences between quality control and quality assurance.
- Explain the quality indicators for the following business functions:
 - o Purchasing
 - o Marketing
- Evaluate the impact of continuous improvement to processes and systems as a TQM element on large businesses.
- Suggest ways in which TQM can reduce the cost of quality. [40]

Businesses implement quality control and quality assurance processes to produce high quality products. They also enjoy the benefits of a high quality management system. Continuous skills development and total client satisfaction contribute towards the effective implementation of total quality management (TQM). Other businesses prefer to use the services of quality circles to achieve the desired outcome.

Write an essay on quality of performance in which you include the following aspects:

- Outline the differences between quality control and quality assurance.
- Explain the benefits of a good quality management system.
- Discuss the impact of the following TQM elements on large businesses:
 - o Continuous skills development/Education and training
 - o Total client/customer satisfaction
- Advise businesses on the role of quality circles as part of continuous improvement to processes and systems. [40]

Businesses implement quality assurance in order to produce quality products. Some managers believe that this can be achieved by focusing on quality management and quality performance. Others argue that the general management function and production function play an important role in implementing total quality management (TQM).

Write an essay of quality of performance by referring to the following aspects:

- Elaborate on the meaning of quality assurance.
- Distinguish between quality management and quality performance.
- Suggest quality indicators of the general management function and the production function.
- Advise businesses on how TQM could impact on the reduction of the cost of quality. [40]

Total quality management (TQM) enables businesses to strive for continuous growth and customer satisfaction. The effective implementation of TQM elements will enable businesses to keep abreast with changes and to reduce the cost of quality.

Write an essay on total quality management (TQM) in which you address the following aspects:

- Outline the benefits of a good quality management system.
- Distinguish between quality control and quality assurance.
- Discuss the impact of the following elements of TQM on large businesses:
 - o Total client/customer satisfaction
 - o Continuous skills development
 - o Adequate financing and capacity
- Suggest ways in which TQM can reduce the cost of quality. [40]

