

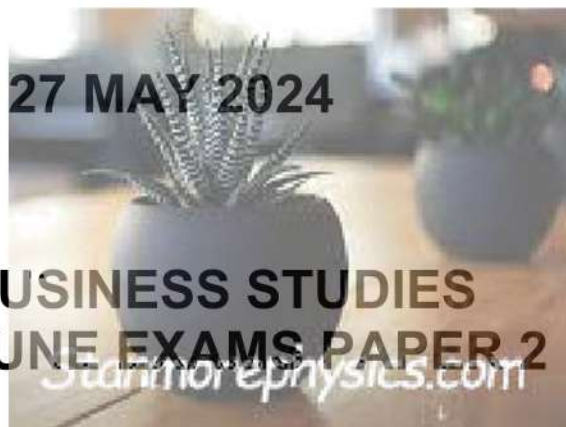


Province of the
EASTERN CAPE
EDUCATION



NATIONAL SENIOR CERTIFICATE

GRADE 11



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.

	SECTION	QUESTION	MARKS	TIME
	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

- 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 1.1.5) in the ANSWER SHEET, for example 1.1.6 D.

- 1.1.1 Using fair advertising is an example of..... business practice.

- A. Professional
- B. Unprofessional
- C. Ethics
- D. Unethical

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- 1.1.2 Ideas that are original and useful to solve business challenges, is known as.....

- A. Creative thinking
- B. Lateral thinking
- C. Non-conventional solutions
- D. Quality assurance

- 1.1.3 Lungi Enterprise did not declare all their income to the South African Revenue Service. This is an example of a ... decision.

- A. good
- B. moral
- C. bad
- D. right

- 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)

Globalisation, 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 Businesses must be able to deal with international influences known
as.....

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 Conventional solution	A Loses are limited to the amount that the owner invested in the business.
1.3.2 Professionalism	B Disagreement between two or more people
1.3.3 Limited liability	C Document inviting the public to buy securities/shares.
1.3.4. Crisis	D Obtained through creative thinking
1.3.5. Prospectus	E Refers to a set of behaviour for a particular occupation.
	F Document that contains exhaustive provisions with regards to the matters concerning the business.
	G sudden and potential disastrous events.
	H Refer to doing the right thing in general, set of moral values
	I The owner's personal assets may be seized to pay for the debts of the business.
	J Apply old thinking patterns to new situations
	(5 x 2) (10)

TOTAL SECTION A [30]

QUESTION 2 BUSINESS VENTURES

2.1 Name THREE examples of franchise businesses (3)

2.2 Outline aspects that must be included in a memorandum of incorporation (4)

2.3 Read the scenario below and answer the question that follow

BHUKU GRASS-CUTTER (BGC)

BHUKU Grass- Cutter render services for cutting the grass at Ntabankulu area. BGC hire FULANI'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. Fulani owns the machines and receive continual rental income.

2.3.1 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 2.3.1

Business Avenues	Motivation
1.	
2.	
3.	

2.4 Discuss the advantages of outsourcing. (8)

2.5 Outline FOUR Contractual Implication of franchising. (8)

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

QUESTION 3 BUSINESS ROLES

3.1 Outline THREE external causes of change (3)

3.2 **DREAM TRAVELS(DT)**
Dream Travels (DT) is an agency that offer transport and accommodation bookings for international travel groups. They are finding that more travel groups are arranging their own booking their own bookings and are concerned that they will be out of business soon. The management of Dream Travels have decided to use a group of business experts to complete questionnaires to help solve their problem.

3.2.1 Identify the problem- solving technique used by Dream Travels to solve their problem. Motivate your answer by quoting from the scenario. (3)

3.2.2 Explain to Dream Travels how is the problem-solving technique identified in QUESTION 3.3.1 applied. (4)

3.3 Discuss the benefits of creative thinking in the workplace. (8)

3.4 Outline any examples of good decisions for the business. (6)

3.5 Explain to the management of businesses the ways in which employees can manage stress in the workplace. (6)

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

3.7 Discuss how people and businesses can deal with a major change of unemployment (4)

[40]

QUESTION 4 – MISCELLANEOUS

BUSINESS VENTURES

- 4.1. Identify the concepts relating to franchising in EACH case below:
- 4.1.1 Monthly payment to a franchisor (2)
- 4.1.2 Legal document set up between franchisor and franchisee (2)
- 4.2. Differentiate between Private and Public Companies (8)
- 4.3 Explain the characteristics of a public company (4)

BUSINESS ROLES

- 4.4 Name FOUR examples of ethical business practices. (4)
- 4.5 Suggest ways in which professional, responsible and ethical business practice should be conducted. (6)
- 4.6. Recommend ways on how businesses can deal with change (6)
- 4.7. Differentiate between routine thinking and creative thinking. (8)
- [40]**

TOTAL SECTION B [80]

SECTION C – ANSWER ONLY ONE ESSAY

QUESTION 5 - BUSINESS VENTURES (FORMS OF OWNERSHIP)

Many entrepreneurs prefer to establish a public company for expansion and growth. The incorporators who need to establish a company must ensure that the name of companies comply with the legal requirements. The procedures for the formation of companies must also 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 aspects that must be included in a prospectus
- Explain the legal requirements of the name of the company
- Discuss the procedure for the formation of the company
- Advise businesses on the challenges of establishing a company over other forms of ownership

(40)

QUESTION 6 - BUSINESS ROLES (PROFESSIONALISM & ETHICS)

The management and workforce must recognize the distinction between professionalism and ethics. They must also be able to apply the principles of professionalism and understand the different perspectives on ethics.

Write an essay on ethics and professionalism in which you discuss the following aspects:

- Differentiate between professionalism and ethics
- Explain the principles of professionalism
- Discuss different perspectives on ethics.
- Advise businesses on the requirements for a good code of ethics.

(40)

TOTAL

[150]



Province of the
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EDUCATION



**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

27 MAY 2024

**BUSINESS STUDIES
JUNE EXAMS PAPER 2
MEMORANDUM**

MARKS: 150

TIME: 2 hours

This question paper consists of 20 page

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

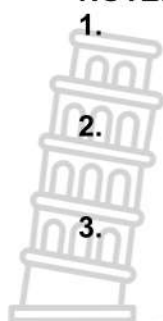
11.1 The breakdown of the mark allocation for the essays is as follows:


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:	<p>Are there relevant decisions/facts/responses made based on the questions?</p> <p>Marks to be allocated using this guide:</p> <p>No relevant facts: 0 (Two '-S')</p> <p>Some relevant facts: 1 (One '-S')</p> <p>Only relevant facts: 2 (Zero/No '-S')</p> <p>NB: 1. If there are no '-S' indicated, award the maximum TWO (2) marks.</p> <p>2. Where a candidate answers less than 50% of the Question with relevant facts, no -S appears in the Left margin, award a maximum of ONE (1) mark</p>	
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 A.✓✓

1.1.3 C.✓✓

1.1.4 A.✓✓

1.1.5 B.✓✓

5×2 (10)

1.2

1.2.1 Leasing✓✓

1.2.2 Globalisation.✓✓

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✓✓

5x2 (10)

TOTAL SECTION A [30]

NOTE: MARK ONLY TWO QUESTIONS IN SECTION B

QUESTION 2: BUSINESS VENTURES

2.1 Examples of a franchise

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

Mark the first THREE examples (3)

2.2 Aspects that must be included in a Memorandum of Incorporation

- Incorporators✓✓
- Nature of the company✓✓
- Shareholders and meetings✓✓
- Directors and officers✓✓
- Name of the company✓✓
- Main objective of the company✓✓
- Number of shares each incorporators will purchase✓✓
- Amount of share capital registered✓✓
- Rules and regulations of the company✓✓
- Name of the auditor✓✓

Max (4)

2.3

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)

2.4 Advantages of outsourcing

- Outsourcing allows the business to focus on important business activities ✓ rather than support activities. ✓
- A business have access to resources and equipment✓ for specific function. ✓
- The production team is often shortened and quality is often improved ✓ because

specialists are performing the function of 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 costs and overhead costs are lower ✓ for the business ✓
- Outsourcing will provide continuity ✓ during periods of high staff turnover.

Max (8)

2.5 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)

2.6 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

- Political factors✓ e.g change in government policy and international relations✓
- Social factors✓ e.g poverty/unemployment/HIV&Aids/etc.
- Legal factors✓ e.g the passing of new laws✓.
- Economic factors✓ e.g increases in the interest rate✓.
- Technological factors✓ e.g advances in production techniques and the information and communication technology (ICT) revolution✓.
- Market factors✓ e.g new firms entering the market and introducing new products✓

(3)

Mark the first

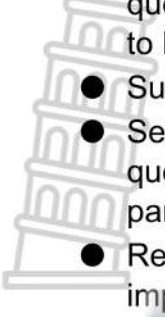
three

3.2.1 Delphi technique✓✓ - The management of Dream Travels have decided to use a group of business experts to complete questionnaires to help to solve their problem✓.

(3)

3.2.2 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. ✓✓

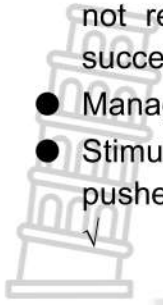
- 
- Request the panel to individually respond to the questionnaire/suggest improvements to the products and return it to businesses. ✓✓
 - Summarise the responses from the experts in a feedback report.
 - Send the feedback report and a second set of questions/questionnaire based on the feedback report 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. ✓✓

MAX (4)

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



Examples of good decisions

- Maintaining high levels integrity✓✓
- Honouring professional business practices✓✓
- Respecting diversity✓✓
- Not starting a business venture at the expense of others✓✓
- Payment of fair wages✓✓
- Not discriminating against employees. ✓✓
- Regular payment of tax✓✓
- Reducing environmental pollution✓✓
- Importing goods that have been produced by factories with fair labour practice✓✓

Max (6)

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 ✓

Max (6)

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 when the crisis happened, 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)

3.7 Unemployment as one of the changes people and businesses has to deal with

It is when employees lose their jobs due to resignation for a better position ✓. Being fired, or choosing to stop working ✓.

- Change can lead to unemployment ✓due retrenchment ✓.
- A business may close down/sold/merge ✓resulting to unemployment ✓.
- Coping with unemployment is traumatic ✓ and can lead to depression and illness ✓.
- Any other relevant answer related to unemployment as major change that the people and businesses deal with

Max (4)



[40]

QUESTION 4 MISCELLANEOUS

4.1.1 Royalties ✓✓ (2)

Max (4)

4.1.2 Franchise Agreement ✓✓ (2)

4.1.2 Advantages and Disadvantage of outsourcing

- 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 Differences between a Public & Private Companies

PRIVATE COMPANY	PUBLIC COMPANY
May not offer shares ✓ to the general public ✓	Trades its shares publicly on the Johannesburg Securities Exchange
Shares ✓ are not freely transferrable ✓	Shares are freely transferrable
Minimum of one director ✓	Minimum of three directors ✓
Name must end ✓ with (Pty) Ltd ✓	Name must end ✓ with Ltd ✓
Annual financial statements ✓ need not to be audited ✓	Annual financial statements ✓ need to be audited and published ✓
Does not need to publish a prospectus ✓ as it cannot trade its shares publicly. ✓	Have to register and publish a prospectus ✓ with the Companies and Intellectual Property Commission / CIPC ✓

The Company is not required to✓ raise the minimum subscription / issue minimum shares✓	Must raise a minimum subscription✓ prior to commencement of the company✓
Sub-max (4)	Sub-max (4)



Max (8)

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 (4)



BUSINESS ROLES

4.4. Examples of ethical business practices

- fair advertising✓.
- Not using child labour✓.
- Treating all employees equally✓.
- Paying fair wages✓
- Operating within the law✓
- Business deals are conducted openly✓
- Not engaging in illegal business practices✓
- Ensuring that the environment is not polluted✓.
- Adopting codes of good ethical practice✓.
- Establishing corporative social responsibility initiatives✓
- Encouraging employees to adopt ethical behavior✓
- Clients and employees' information is not disclosed/used for the benefit of the business✓
- Shareholders and employees personal interest and business interest do not conflict with one another✓
- Any other relevant answer related to the examples of ethical business practices.

NOTE: Mark the first FOUR (4) examples only. (4x1)

4.5 Suggest ways in which professional, responsible and ethical business practice should be conducted.

- Businesses should treat all employees equally✓.
- Plan properly and put preventative measures in place✓.
- Pay fair wages/salaries which are in line with the minimum requirements of the BCEA. / Remunerate employees for working overtime/during public holidays✓.

- Engage in environmental awareness programmes. /Refrain from polluting the environment, e.g. by legally disposing of toxic waste✓
- Refrain from starting a venture using other businesses' ideas that are protected by law✓
- Business decisions and actions must be clear/transparent to all stakeholders✓.
- Businesses should be accountable /responsible for their decisions and actions/patent rights✓.
- Hiring honest/trustworthy accountants/financial officers with good credentials✓.
- Regular/Timeous payment of taxes✓.
- Draw up a code of ethics/conduct✓.
- Ongoing development and training for all employees✓.
- Performance management systems. /Appraisals should be in place✓.
- Adequate internal controls/monitoring/evaluation✓

Max (6)

4.6. Ways businesses can deal with change

- Sound decision-making process, employees be part of planning the change through transparency and trust
- Good communication by keeping employees informed of decision and anticipated changes.
- Interpersonal relationship through training workshops, courses to develop emotional intelligence, effective conflict resolution processes and investing in team development.
- Acknowledge that change is stressful by creating learning and empowering forums to cope with change.
- Anticipate future current events and adapt in advance for the change.
- Any other relevant answer related to ways in which businesses can deal with change in the workplace.

Max (6)

4.5 Differences between routine versus creative thinking

ROUTINE THINKING	CREATIVE THINKING
● It refers to ordinary/ every day/conventional/ thinking✓	● It refers to looking at an opportunity/ problem✓ in a new and different way. ✓

● It is suitable for work that requires logic✓, consistency and attention to detail. ✓	● It is invaluable in keeping the business innovative✓ and relevant in a changing market and to solve new problems. ✓
● It does not lead to new ideas or pattern ✓of thought. ✓	● It leads to an idea that is original ✓compared to existing ideas. ✓
● Requires businesses to apply old thinking patterns✓ to new situations. ✓	● Requires businesses to apply new ways of thinking✓ to old 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. ✓✓

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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 ETHICS)

BUSINESS ROLES (PROFESSIONALISM AND

6.1 Introduction

- Professionalism and ethics mean that the highest legal and moral standards are upheld when dealing with standards✓.
- Business ethics refers to the rules and principle which influence the best business practice✓.
- Many institutions in South Africa have their own code of conduct and commitment to ethical and professional behaviour✓.
- Businesses that adopt professional, responsible and ethical business practices will remain/ sustainable over long period of time✓.
- Any other relevant introduction related to professional and ethics/principles of professionalism/different perspectives on ethics/ ways in which professional, responsible, ethical and effective business practice should be conducted.

Max (2x1) (2)



6.2 Differences between professionalism and ethic

PROFESSIONALISM	ETHICS
● Set of standards✓ of expected behavior✓.	● Conforms to a set of values✓ that are morally acceptance✓.
● Forms part of a code of conduct✓ to guide employees to act professionally✓.	● Form part of the employees' code ✓of conduct✓.
● Focuses on upholding the reputation✓ of a business/ profession✓.	● Focuses on developing a moral compass✓ to use in decision-making✓.
● Includes guideline on employees'✓ appearance/communication/attitude/responsibility. etc✓	● Involves following the principles of right or wrong ✓in the business activities/practices/ dealings✓.
● Used for the good ✓of the employees/individuals✓.	● Acceptable ✓to society/ group/community✓.
● Apply a code of conduct ✓set by the profession on business✓.	● Forms part of the employees' code of conduct✓ to guide employees to act ethically✓.

● Any other relevant answer related to professionalism.	● Any other relevant answer related to ethics
Sub-max. (6)	Sub-max (6)

NOTE

1. The answer does not have to be in tabular format.

2. The distinction does not have to link, but must be clear.

3. Award a maximum of SIX (6) marks if the distinction is not clear/ Mark either professionalism or ethics only.

Max (12)

6.3 Principles of professionalism

- Employees should respect themselves ✓ and the rights and dignity of others, for example other languages/ cultures ✓.
- Respect the image of the business/ your profession ✓ e.g. adhere to the dress code of the business/profession ✓.
- Act with integrity/honest/reliability ✓ e.g. keep to working hours even if no other workers are around/do not use the business resources for personal gain.
- Be committed to quality and apply skills and knowledge to the benefit of the business/society at large.
- Adhere to confidentiality measures by not disclosing sensitive information about customers/business.
- Remain objective, act fairly and justly to all without being biased or showing favoritism.
- Continually improve/develop skills and knowledge e.g. attending refresher courses and seminars.
- Share knowledge by investing time and expertise in junior staff members e.g. uplifting/empowering others.
- Any other relevant answer related to the principles of professionalism.

Max (10)

6.4 Different perspectives on ethics

- There are certain universal ethical principles such as human rights but they differ according to culture/religion e.tc. ✓✓.
- There is no absolute right or wrong when it comes to ethics as societies decided on acceptable behaviours ✓✓.
- Different cultures have different rules and conduct ✓✓.
- Some people believe cloning animals or people is interfering with nature, while others believe that cloning indicates scientific progress and medical hope ✓✓.



- Some believe that tax evasion is wrong, while others regard tax evasion to be a creative bookkeeping✓✓.
- Drawing up code of ethics, business need to be in line with the human rights and the law✓✓.
- Any other relevant answer related to different perspective on ethics.

Max (10)

6.5 Requirements of a good code of ethics

- Regular identification of ethical risk areas✓✓
- Development of compliance policies, procedures and systems✓✓
- Easy accessibility, confidentiality and non-discriminatory✓✓
- Alignment with the disciplinary code✓✓
- Integrating the integrity assessment with selection and promotion✓✓
- Induction of new employees✓✓
- Training ethical principles, standards and decision-making✓✓
- An internal audit that monitors compliance with ethical principles and standards✓✓
- Any other relevant answer related to the ways in which professional, responsible, ethical and effective business practice should be conducted

Max (10)

6.4 Conclusion

- A business code on ethics and conduct should improve relationships and eliminate unethical business practices✓✓.
- Employees who do not have adhere to a code of ethics and conduct should be disciplined✓✓.
- Businesses can make use of good corporate governance to address issues that challenge ethical and professional behaviour✓✓.
- Businesses are expected to conduct their operations in a professional and ethical manner✓✓.
- Any other relevant conclusion related to professionalism and ethics/ principles of professionalism/ different perspectives on ethics/ ways in which professional, responsible, ethical and effective business practice should be conducted.

(Any 2x1)

Max (2)

TOTAL 150

[15

