



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

NOVEMBER 2013

**BUSINESS STUDIES
MEMORANDUM**

MARKS: 300

This memorandum consists of 15 pages.

SECTION A**QUESTION 1**

1.1	1.1.1	B ✓✓	Team Dynamics		
	1.1.2	A ✓✓	Storage		
	1.1.3	D ✓✓	Limited liability		
	1.1.4	C ✓✓	Macro		
	1.1.5	C ✓✓	Strike		
	1.1.6	B ✓✓	Copyright		
	1.1.7	A ✓✓	Collective bargaining		
	1.1.8	A ✓✓	Forming		
	1.1.9	B ✓✓	Leasing		
	1.1.10	C ✓✓	Trademark	(10 x 2)	(20)
1.2	1.2.1	Quality Circle ✓✓			
	1.2.2	Inflation ✓✓			
	1.2.3	Dismissal ✓✓			
	1.2.4	Advertising ✓✓			
	1.2.5	Brainstorming ✓✓		(5 x 2)	(10)
1.3	1.3.1	D (Overtime) ✓✓			
	1.3.2	F (Sales promotion) ✓✓			
	1.3.3	H (Induction) ✓✓			
	1.3.4	A (Variable costs) ✓✓			
	1.3.5	E (Break-even point) ✓✓		(5 x 2)	(10)
TOTAL SECTION A:					40

SECTION B**QUESTION 2****2.1 SIX reasons for unemployment**

- **Cyclical unemployment:** ✓ Economic cycle such as recession put financial strain on businesses. ✓✓
- **Seasonal unemployment:** ✓ Sometimes a job is available for a specific season only, after which the position becomes unavailable. ✓✓
- **Structural unemployment:** ✓ Sometimes it is necessary to restructure the workplace because of new technology. Old positions become redundant. Workers either need to be retrained or are retrenched in order for the business to advance. ✓✓
- **Frictional unemployment:** ✓ The normal movement of jobs because of new positions opening elsewhere causes frictional unemployment. This means that one member of the family takes up the new position while the other family member is temporarily unemployed. ✓✓

(12)

2.2 2.2.1 **TWO different parties**

- The Franchisor: ✓ It comprises of three owners who sell the business idea. ✓✓
- The Franchisee: ✓ Is the person who purchases the business idea (new owner). ✓✓

(6)

2.2.2 **Critically evaluate franchising**

ADVANTAGES

- It reduces the entrepreneur's financial risk since the main business provides assistance ✓✓
- The potential entrepreneur can open more than one outlet ✓✓
- The entrepreneur trades with an already successful production if the parent company is growing ✓✓
- Business risks are limited ✓✓
- Any relevant answer

(Any 3 x 2) (6)

DISADVANTAGES

- It is very expensive ✓✓
- There are certain restrictions set by the parent company ✓✓
- The agreement can be difficult to terminate ✓✓
- The entrepreneur is able to use very little initiative ✓✓
- Ownership is limited and not permanent ✓✓
- Any other relevant disadvantage

(Any 3 x 2) (6) (12)

2.2.3 **FIVE aspects**

- Background information/origin of idea ✓✓
- Trading name ✓✓
- Location and hours ✓✓
- Management ✓✓
- Marketing plan ✓✓
- Production plan ✓✓
- Funding ✓✓

(Any 5 x 2) (10)

2.3 **FIVE advantages of getting involved in the macro environment.**

- Potential employees will recognise the business enterprise as a good employer ✓✓
- Consumers will recognise the enterprise as an entity that promotes the interests of consumers ✓✓
- Involvement in the macro-environment gives an enterprise as platform from which to influence the business environment ✓✓
- Involvements in the macro-environment will help the business keep informed about challenges and development in the macro-environment ✓✓
- The business's involvement in the macro-environment can help a business to anticipate challenges and deal with challenges quickly. ✓✓
- Any other relevant answer related to advantages to be involved to macro-environment.

(Any 5 x 2) (10)

2.4 **FIVE main purposes of labour relations**

- Regulate the organisational rights of the trade union ✓✓
- Regulate the right to strike and option to lockout ✓✓
- Amend and repeal certain laws relating to labour relations ✓✓
- Promote and facilitate collective bargaining at the workplace ✓✓
- Provide simple procedures for the resolution of labour disputes ✓✓
- Provide a simplified procedure for the registration of trade unions ✓✓
- Establish the labour court and labour appeal court as the highest courts ✓✓

(10)
[60]

QUESTION 3

3.1 **FIVE functions of trade unions**

- Negotiate with employers for decent working conditions, remuneration and benefits for employees ✓✓
- Protect employees from discrimination and abuse ✓✓
- Negotiate recognition of the unions and the shop stewards by the employer ✓✓
- Represent the employees in meetings and disputes with employers ✓✓
- Protect employers from unfair labour practices and unfair dismissal ✓✓
- Inform employees of their rights and how to enforce their rights ✓✓
- Educate shop stewards and other members on how to carry out their tasks in the union ✓✓
- Take legal action on behalf of members when necessary ✓✓
- Any relevant answer related to functions of trade unions

(10)

3.2 3.2.1 **Gantt chart**

Activity or Task	WEEK 1	WEEK 2	WEEK 3	WEEK 4	Person responsible
Buy furniture ✓	✓✓				Siya and Naomi ✓
Business license ✓	✓✓				Siya ✓
Buy crockery ✓		✓✓			Siya ✓
Buy cutlery ✓		✓✓			Naomi ✓
Order bedding and curtaining ✓			✓✓		Naomi ✓
Arrange security ✓				✓✓	Siya ✓

(Accept any order)

(24)

3.2.2 FIVE advantages of a Gantt chart

- They are easy to prepare ✓✓
 - They are easy to read and understand ✓✓
 - Events are shown in chronological order ✓✓
 - The time needed for an activity is shown visually ✓✓
 - Managers and team members can see which activities run concurrently ✓✓
 - Team member can immediately see who is responsible for each activity ✓✓
 - Interrelated tasks can be seen at a glance ✓✓
 - More information can be include with the use of colour-coding ✓✓
 - If adjustments have to be made, you can see the effect on the other activities ✓✓
- (Any 5 x 2) (10)

3.3 FIVE factors to managing stress in the workplace

- Get eight hour of sleep every day ✓✓
 - Have a set of daily routine ✓✓
 - Get regular exercise that you enjoy ✓✓
 - Eat small, healthy meals throughout the day so that your blood sugar levels remain constant ✓✓
 - Plan ahead and be prepared for what you have to do ✓✓
 - Visualise yourself in or relaxing place ✓✓
 - Do not procrastinate ✓✓
 - Prioritise what you have to do each day ✓✓
 - Treat yourself kindly ✓✓
 - Spend time with family and friends – talk and laugh with them ✓✓
 - Accept that change is inevitable ✓✓
 - Arrive slightly early so you do not have to rush ✓✓
 - Breathe deeply ✓✓
 - Any relevant answer to stress management
- (Any 5 x 2) (10)

3.4 THREE steps in designing a presentation (orally or in writing)

- Ensure that you know exactly what information the readers need to gain from the presentation ✓✓
 - Consider who your audiences are and what they already know ✓✓
 - Write the report on scripts with current, relevant information ✓✓
 - Use clear, simple language with good grammar and short sentences ✓✓
 - Include tables, graphs, and diagrams to make information accessible/memorable ✓✓
 - Proofread the report or verbal presentation to ensure that it is error free ✓✓
 - Get an objective, informed person to proofread or listen to your presentation ✓✓
- (Any 3 x 2) (6)

[60]

QUESTION 4

4.1 4.1.1 An **international drive** is a movement that includes other countries in the world – it is a global effort ✓✓ (2)

4.1.2 **Getting socially involved**

Yes. ✓✓

- Getting socially involved includes caring and supporting your community at different levels ✓✓
- Caring for the environment in an attempt to improve conditions for all ✓✓ (6)

4.1.3 ➤ **Organisational or corporate citizenship** means that as citizens we all have rights and responsibilities in our country ✓✓

➤ Corporative citizenship is getting involved and taking responsibility for making the country a better place for all its citizens in all areas (environment, workplace, society and the make place) ✓✓ (4)

4.1.4 **Specific examples of how business can perform organisational/corporate citizenship**

THE PHYSICAL ENVIRONMENT

- Implement waste control policies ✓✓
- Manage energy usage ✓✓ (4)

THE WORKING ENVIRONMENT

- Provide for educational development of staff ✓✓
- Pay market related incentives ✓✓
- Provide a healthy and safe working environment ✓✓ (Any 2 x 2) (4)

THE COMMUNITY

- Create jobs ✓✓
- Fund cultural or sport events ✓✓
- Provide scholarships to young learners ✓✓ (4)

THE MARKET ENVIRONMENT

- Maintain advertising standards ✓✓
- Adapt ethical trading standards ✓✓ (4) (16)

4.2 **FIVE qualities of a good entrepreneur**

- Willingness to take risk ✓✓
- Commitment to the business ✓✓
- Self-confidence ✓✓
- Desire for independence ✓✓
- Need for achievement ✓✓
- Entrepreneurs are made, not born ✓✓
- Any relevant answer related to the qualities of an entrepreneur ✓✓ (Any 5 x 2) (10)

4.3 4.3.1 **Problem-solving process**

- Identify and analyse the problem ✓✓
- State desired outcomes ✓✓
- Find the cause of the problem ✓✓
- Brainstorm alternative solutions to the problem ✓✓
- Evaluate the alternatives and choose the most appropriate ✓✓
- Implement the decision ✓✓
- Evaluate the results after implementation ✓✓

(12)

4.3.2 **FIVE strategies to manage her stress**

- Make effective decisions under conditions that require immediate solutions ✓✓
- Make temporary appointments in the two positions ✓✓
- Communicate effectively with the whole team in order to get the report done ✓✓
- Predict a crisis that may occur ✓✓
- Organise resources to support the management team ✓✓
- Put a plan of action in place ✓✓
- Provide strong leadership to the team to keep them focused on deadline ✓✓

(Any 5 x 2) (10)
[60]

QUESTION 5

5.1 **Determine the unit cost of a Back street cellphone**

Unit cost a cellphone = Total cost ÷ Total cellphones manufactured ✓
 Unit cost of a cellphone = (R210 000+R40 000+R10 000+R2500)/100 ✓
 Unit cost of a cellphone = R262 500/100 ✓✓
 Unit of a cellphone R2 625,00 ✓✓
 NB: Award FULL marks for the correct answer

(6)

5.2 Curriculum Vitae ✓✓

(2)

5.3 **FIVE main points for a CV**

- Personal information (name, address, hobbies, etc.) ✓✓
- School history (where, subjects, personal achievements) ✓✓
- Tertiary education – history (diplomas, certificates) ✓✓
- Work experience (where, responsibilities, duration, etc.) ✓✓
- References(who and contact details) ✓✓

(10)

5.4 **STAGES OF TEAM DEVELOPMENT**

FORMING: Getting to know you ✓

- Members are polite and cautious as they get to know each other ✓✓
- The members of the team are likely to discuss what they are trying to achieve ✓✓
- The team discusses its goal tasks and expected outcomes ✓

1 + (Any 2 x 2) (5)

STORMING: Gale force winds predicted ✓

- The politeness of the forming stage has worn off and the true characteristics of the members start to appear ✓✓
- Member should trust each other enough to express a difference of opinion ✓✓
- The storming stage is necessary for team development ✓✓

1 + (Any 2 x 2) (5)

NORMING: Charting a course ✓

- The members of the team revisit their purpose and establish ground rules and procedures of operating ✓✓
- The team members learn to live with each other's differences ✓✓
- The team finds ways to address any arguments and differences of opinion ✓✓
- The team members find effective ways of working together during this stage ✓✓

1 + (Any 2 x 2) (5)

PERFORMING: Action and Results ✓

- The focus during this stage is on accomplishing the team's task and all conflicts have been resolved ✓✓
- Team members learn to live with each other and draw on each other's strength ✓✓
- Team members show respect for individual differences and disagreements, and show loyalty to the team ✓✓
- During this stage, members are task orientated they stick to the rules and use problem-solving techniques to overcome obstacles ✓✓

1 + (Any 2 x 2) (5) (20)

5.5 FIVE factors to consider when preparing for an interview

- Be familiar with job requirements ✓✓
- Study the applicant's CV ✓✓
- Make notes of questions to ask the applicant ✓✓
- Plan the topics to cover, such as planning, organising, problem analysis, risk taking, judgment, etc. ✓✓
- Plan specific questions that analyses these topics ✓✓
- Remember interviewers' own prejudices ✓✓
- Be careful not plan questions of a discriminatory nature ✓✓

(Any 5 x 2) (10)

5.6 5.6.1 An **employment contract** is a written agreement between the employer and the employee. (2)

5.6.2 Employment contract must contain

- The full name and address of the employer ✓✓
- The name of the employee and his/her occupation ✓✓
- The employee's place of work ✓✓
- The date of the commencement of the employment relationship and details of probationary period ✓✓
- Ordinary days and hours of work plus arrangement pertaining to overtime ✓✓
- Ordinary rate of pay, overtime rate, other cash payment in kind ✓✓
- Details of deduction to be made, for example PAYE, UIF and medical aid and schemes ✓✓
- Frequency of pay-out and machine thereof, for example by direct bank deposits ✓✓
- Details of termination either a period of notice or upon expiry of a fixed term contract ✓✓

(Any 5 x 2) (10)

[60]

QUESTION 6**6.1 FIVE types of crises**

- Tight deadline crisis ✓✓
- Financial crisis ✓✓
- Life threatening events ✓✓
- Destruction of property ✓✓
- Business operation halted ✓✓
- Serious illness ✓✓

(Any 5 x 2) (10)

6.2 FIVE advantages of the formal sector

- Activities that take place in the formal sector are regulated ✓✓
- Products supplied by the formal sector are legal ✓✓
- People employed in the formal sector contribute towards the employment insurance fund ✓✓
- Government is able to generate in the form of tax from the sector ✓✓
- Products bought from the formal sector can be returned if it is faulty ✓✓
- The formal sector can make are of services offered by informal sector become services offered by the informal sector are often cheaper than services offered by the formal sector ✓✓

(Any 5 x 2) (10)

6.3 SIX characteristics of King's code 111 on good governance

- Discipline ✓✓
- Transparency ✓✓
- Independency ✓✓
- Accountability ✓✓
- Responsibility ✓✓
- Fairness ✓✓
- Social responsibility ✓✓
- Commitment ✓✓

(Any 6 x 2) (12)

6.4 FIVE characteristics of maturity stage of a product life cycle

- Costs are reducing when large-scale production takes place ✓✓
- Production efficiency increased and productivity improves ✓✓
- Large competition in market ✓✓
- Large demand for production due to increase awareness and familiarity ✓✓
- Sales increase ✓✓
- Price decrease due to increase in competition ✓✓
- Diversification and advertising to differentiate from competitors ✓✓
- Profits begin to decrease ✓✓

(Any 5 x 2) (10)

6.5 FOUR advantages of a sole trader/sole proprietorship

- The owner can easily start the business ✓✓
- The owner makes all the decisions ✓✓
- The owner requires very little capital to start ✓✓
- All profits belong to the owner ✓✓
- The management structure is very simple ✓✓
- It is a dynamic and flexible business that can adapt to the needs of the clients ✓✓
- No legal processes and requirements ✓✓
- Any other relevant answer ✓✓

(Any 4 x 2) (8)

6.6 Advantages of outsourcing

- Reduce costs ✓✓
- Focus on their vision and goals ✓✓
- Give access to skilled people ✓✓
- Give access to resources and equipment ✓✓
- Pay less tax ✓✓
- Lower fixed costs ✓✓
- Shorter production time ✓✓

(Any 5 x 2) (10)
[60]

TOTAL SECTION B: 180

SECTION C

QUESTION 7

Siphosihle and her nine friends received a sponsorship from Vodacom – a franchise business for mobile cellular phones. She received a sponsorship of R200 000 and now they want to open a business that can have a maximum of ten members.

Advise Siphosihle about the form of ownership that can be formed by one to ten members. Also include characteristics, advantages and disadvantages of having such a business.

A INTRODUCTION

- Close Corporation is a practical and easy way to set up a business ✓
- It is a separate legal entity of one to ten members ✓
- Its members make all the financial and strategic decisions ✓ (3)

B CHARACTERISTIC OF CLOSE-CORPORATION

- A Close Corporation ends with the letters CC ✓✓
- It had to be registered with the registrar of CCs ✓✓
- This form of business will exist until it is closed down by members ✓✓
- The financial and management decisions are shared by the members ✓✓
- Although now close corporations cannot be registered anymore ✓✓
- Any relevant answer related to characteristics of CCs (Any 5 x 2) (10)

C ADVANTAGES

- There are simple management structure ✓✓
- Member’s joint skills can reduce costs ✓✓
- Members have limited liability ✓✓
- The members can have unequal distribution of interest in the business ✓✓
- The business has its own legal entity, trading name and own its own assets ✓✓
- Members receive profits according to the percentage membership interest they hold ✓✓
- It is possible to buy out the interest of other member ✓✓ (Any 5 x 2) (10)

DISADVANTAGES OF CLOSE CORPORATION

- Limited amount of capital available ✓✓
- Company tax is payable ✓✓
- Members could have conflict over management style and decisions ✓✓
- Each member is allowed to act on behalf of close corporation ✓✓ (4 x 2) (8)

D CONCLUSION

- The contribution in close corporation depends upon ten members ✓✓
- Any relevant conclusion regarding close corporation (Any 1 x 2) (2)

Maximum: 32

08 [40]

QUESTION 8

Many people have suggested theories on how to manage change when dealing with business related theories. Generally people do not like change. It is in human nature to resist change. To implement change successfully, managers must be aware of why people resist change. John Kotter is one of the people who suggested these theories.

Identify steps that need to be taken in order to manage change successfully. Discuss the reasons for resisting change and stages for adaptation.

A INTRODUCTION

- Change means a planned or unplanned reaction to pressures and forces ✓
- It has become a powerful issue because pressures happening at the same time are more unpredictable and more extreme ✓
- Successful change management is of the most important management survival skills of this country ✓

(3)

B STEP TO CONSIDER IN ORDER MANAGING CHANGE (John Kotter's)

- Establish a sense of urgency among employees to deal with the change ✓✓
- Management and employee must work together ✓✓
- Create a clear vision ✓✓
- Communicate and explain the vision to all employees ✓✓
- Make it all possible for all employees to respond to the vision ✓✓
- Plan and create short-term goals and success ✓✓
- Combine all improvements and produce ever more change ✓✓
- Make new approaches part of the business's standard procedures ✓✓

(Any 5 x 2) (10)

C REASONS FOR RESISTING CHANGE

- Loss of security: ✓ workers feel secure with what they know and with an old manager ✓✓
- Fear of economic loss: ✓ workers may disapprove a new production process because they feel that it will lead to retrenchments ✓✓
- Loss of power and control: ✓ when a business restructures, some people may not have as much power as they had before ✓✓
- Reluctance to change old habits: ✓ people get into the habit of making the same decisions ✓✓
- Awareness of weakness in the proposed change: ✓ when employees resist change because they see that it may cause problems ✓✓
- Peer pressure: ✓ when groups of people pressurise others to resist change ✓✓
- Time and scope of change: ✓ change should happen when people are receptive and well prepared for it ✓✓
- Misunderstanding: ✓ when management proposes a change that benefits everyone, people may resist because they do not fully understand its purpose ✓✓

(Any 5 x 3) (15)

D STAGES OF ADAPTATION

- Immobilised ✓
- Dermal ✓
- Self-doubt or depression ✓
- Accepting reality ✓
- Testing self ✓
- Seeking meaning ✓
- Internalising ✓

(Any 2 x 1) (2)

CONCLUSION

- Change in the workplace is unavailable, therefore business owners managers and workers have to face it ✓✓
- Any relevant conclusion related to change.

(Any 2 x 1) (2)
Maximum: 32
08 [40]

QUESTION 9

Packaging can make a big difference in sales because unique, creative and promotional packaging catches consumer attention.

Based on the statement above identify functions and requirements of packaging and also discuss the different forms/types of packaging.

A INTRODUCTION

- Packaging refers to the container or wrapping that holds a product or group of products ✓
- Packaging can create a “new” product by expanding the ways in which it can be used and this is potential markets ✓
- A microwavable bowl might appeal to working people and lead to increased sales through packing ✓

(3)

B FUNCTIONS/PURPOSE OF PACKAGING

- Physical protects the products ✓✓
- Promotes marketing of the product ✓✓
- Prevents the product from spoiling ✓✓
- Prevents tempering or theft of the product ✓✓
- Improve convenience in use of storage ✓✓
- Makes product easier to identify ✓✓
- Any relevant answer related to functions of packaging

(Any 4 x 2) (8)

C REQUIREMENTS OF GOOD PACKAGING

- It must be eye-catching and attract the attention of the consumer ✓✓
- It must suit the production ✓✓
- It must be designed for the target market ✓✓
- Must be able to distinguish itself from its competitors ✓✓
- It must support the image of the business ✓✓
- Must be suitable for display purposes ✓✓
- It must be environmentally responsible ✓✓
- Must protect the content ✓✓
- Should be easy to distribute, handle, transport and use ✓✓

(Any 5 x 2) (10)

D DIFFERENT FORMS/TYPES OF PACKAGING

- **Speciality packaging:** ✓ is designed for a specific product and suit the characteristics of the product ✓✓
- **Packaging for a double use:** ✓ is designed so that it can be used again after the contents have been used ✓✓
- **Combination packaging:** ✓ two or more similar products that are packed together ✓✓
- **Kaleidoscopic packaging/Continual changing packaging:** ✓ is a marketing technique where part of the packaging is constantly changed ✓✓
- **Unit packaging:** ✓ this is suitable for products that are used immediately and the packaging is the thrown away after use ✓✓
- **Multiple packaging:** ✓ bulk packaging makes it easier for retailers to handle, store and transport products ✓✓
- Any relevant answer related to types of packaging. (Any 4 x 3) (12)

CONCLUSION

- Packaging can make a big difference in sales, because unique, creative products catches the consumer' eyes ✓✓
 - Any relevant conclusion related to packaging (Any 2 x 1) (2)
- Maximum: 32
08 [40]

QUESTION 10

Discuss the following points related to the case study.

- The selection procedure that will take place to appoint a suitable candidate for the vacancy at SAVE bank.
- Include the importance of teamwork and causes of conflict management as attributes needed when appointing a general manager.

A INTRODUCTION

- Selection is a process of trying to determine which individuals will best suit certain jobs, taking into account differences and job requirements. ✓
- HR departments must separate the CVs of suitable candidates from the CVs of the candidates who are not suitable ✓
- Inform all applicants about the outcome of their applications ✓ (3)

B SELECTION PROCEDURE

- Candidates will send in their letters of application, Curriculum Vitae's and any other forms required ✓✓
- Compile a long list of potential candidates ✓✓
- Screening and reference checks ✓✓
- The pre-interviews is often a situation where the potential candidates and employee get to know each other ✓✓
- Testing: Some other companies required certain tests to be completed by potential candidates ✓✓
- Short listing is compiled of suitable candidates ✓✓
- Interviews take place ✓✓ (Any 6 x 2) (12)

C IMPORTANCE OF TEAMWORK

- Team workers are responsible for ensuring that team members are working together ✓✓
- They are supportive and diplomatic ✓✓
- They are rational thinkers who are capable of obligating work effectively ✓✓
- Responsible for exploring alternative options ✓✓
- Plans practical, workable strategies ✓✓
- Focus on team objectives ✓✓
- Keeps a team moving ✓✓
- Makes impartial judgments ✓✓

(Any 5 x 2) (10)

D CAUSES OF CONFLICT IN A BUSINESS

- Personal differences ✓✓
- Poor communication ✓✓
- Competition ✓✓
- Not following rules and procedures ✓✓
- Poor organisation ✓✓
- Workload and stress ✓✓

(Any 4 x 2) (8)

CONCLUSION

- Conflict is a struggle, disagreement or argument between people and it needs to be resolved ✓✓
- Any relevant answer related to selection, teamwork and conflict (Any 1 x 2) (2)

Maximum: 32

08 [40]

TOTAL SECTION C: 80
GRAND TOTAL: 300