



Province of the  
**EASTERN CAPE**  
EDUCATION

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 11**

**NOVEMBER 2016**

**BUSINESS STUDIES**

**MARKS: 300**

**TIME: 3 hours**



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This question paper consists of 14 pages.

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## INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

- This question paper consists of **THREE** sections and covers all main topics.  
  
 SECTION A: **COMPULSORY**  
 SECTION B: Consists of **FIVE** questions.  
 Answer any **THREE** of the five questions in this section.  
 SECTION C: Consists of **FOUR** questions.  
 Answer any **TWO** of the four questions in this section.
- Read the instructions for each question carefully and take particular note of what is required.
- Number the answers carefully according to the numbering system used in this question paper. No marks will be awarded for answers that are numbered incorrectly.
- Except where other instructions are given, answers must be written in full sentences.
- Use the mark allocation and nature of each question to determine the length and depth of an answer.
- Use the table below as guide for mark and time allocation when answering each question.

SECTION	QUESTION	MARKS	TIME
<b>A: Objective-type questions COMPULSORY</b>	1	40	30 minutes
	2	60	30 minutes
<b>B: FIVE direct/indirect-type questions CHOICE (Answer any THREE.)</b>	3	60	30 minutes
	4	60	30 minutes
	5	60	30 minutes
	6	60	30 minutes
	7	40	30 minutes
<b>C: FOUR essay-type questions CHOICE (Answer any TWO.)</b>	8	40	30 minutes
	9	40	30 minutes
	10	40	30 minutes
<b>TOTAL</b>		<b>300</b>	<b>180 minutes</b>

- Begin the answer to **EACH** question on a **NEW** page, for example QUESTION 1 – new page, QUESTION 2 – new page, et cetera.
- You may use a non-programmable calculator.
- Write neatly and legibly.

**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 to D) next to the question number (1.1.1 to 1.1.10) in the ANSWER BOOK, for e.g. 1.1.11 E.

1.1.1 A process where a business intentionally sends out a representative to influence high-level decision-makers on certain aspects affecting the business, is called ...

- A strategic alliances.
- B power relationships.
- C lobbying.
- D networking.

1.1.2 The law that protects a person's intellectual property is called ...

- A copyright.
- B patent.
- C piracy.
- D trademark.

1.1.3 A ... company is one where all directors are jointly and severally liable together with the company for any debts and liabilities incurred by the company.

- A private
- B public
- C state-owned
- D personal liability

1.1.4 A document that includes information that a potential investor may need to assess the financial position and prospects of the company:

- A Prospectus
- B Certificate of Incorporation
- C Notice of Incorporation
- D Memorandum of Incorporation

1.1.5 An employee may be dismissed because of ...

- A operational reasons.
- B misconduct.
- C incapacity.
- D All the above

- 1.1.6 ONE of the significant advantages of teamwork is that it ...
- A achieve greater capital through synergy.
  - B is time-consuming and costly.
  - C requires technology for success.
  - D encourages individualism.
- 1.1.7 The aim of this change-management theory is to have long-term success of the business through customer satisfaction:
- A Business process re-engineering
  - B Total quality management
  - C Kaizen model
  - D John Kotter's change model
- 1.1.8 The ... Act stipulates the rights of employees and employers and serve as a framework for collective bargaining in the workplace.
- A Compensation for Occupational Injuries and Diseases
  - B Employment Equity
  - C Basic Conditions of Employment
  - D Labour Relations
- 1.1.9 The ... is a legal document between the employee and the employer.
- A Letter of Appointment
  - B Letter of Acceptance
  - C Employment Contract
  - D Appointment Contract
- 1.1.10 The ... is calculated by subtracting the cost price from the selling price.
- A total production cost
  - B cost per unit
  - C profit
  - D break-even point
- (10 x 2) (20)
- 1.2 Choose the correct word/words from those given in brackets. Write only the word/words next to the question number (1.2.1 to 1.2.5) in the ANSWER BOOK.
- 1.2.1 A construction company operates in the (primary/secondary) sector.
- 1.2.2 A (company/co-operative) is a traditional way of a group of interested parties getting together and sharing resources, infrastructure and costs to achieve a better outcome.
- 1.2.3 A (trade union/workplace forum) is a juristic body.
- 1.2.4 (Globalisation/Exchange rate) refers to the movement between countries of more and more people, goods, capital and ideas.
- 1.2.5 A (cost/break-even) analysis is a calculation to see how many units a business must sell before a profit is made.
- (5 x 2) (10)

- 1.3 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A to J) next to the question number (1.3.1 to 1.3.5) in the ANSWER BOOK, for e.g. 1.3.6 K.

COLUMN A	COLUMN B
1.3.1 Outsourcing	A The obligations a business has to protect and improve the interests of all its stakeholders
1.3.2 Conventional solutions	B Copy and patent rights protecting original work from imitations and counterfeits
1.3.3 Intellectual property rights	C The description of the requirements of an employee who would be suitable for the job
1.3.4 Social responsibility	D A process where a business pays for the use of equipment, land, materials or assets rather than purchasing these itself
1.3.5 Human resources planning	E The routine way in which problems always have been or are usually solved
	F A business arrangement where a business uses another company or person to carry out a task or operation that would normally have been done within the business
	G Solving problems in unique ways
	H Determine how many employees the business needs to operate effectively
	I An exclusive right granted for a new invention

(5 x 2) (10)

**TOTAL SECTION A: 40**

**SECTION B**

Answer ANY THREE questions in this section.

**NOTE:** Clearly indicate the QUESTION NUMBER of each question that you choose. The answer to EACH question must start on a NEW page, for example QUESTION 2 on a NEW page, QUESTION 3 on a NEW page, et cetera.

**QUESTION 2: BUSINESS ENVIRONMENT**

2.1 Read the scenario on a vision and mission statement of QFC below and answer the questions that follow.

<b>QFC</b>	
<b>Vision</b>	To sell food in a fast, friendly environment that appeals to health minded customers.
<b>Mission</b>	Our passion, as a restaurant, is to put the yum on people's faces around the world, satisfying customers every time they eat our food and doing it better than any other restaurants.

2.1.1 Name the business sector in which QFC operates and motivate your answer. (3)

2.1.2 The vision and mission statement is one of the components of the micro environment.  
Indicate the extent of control that QFC would have over the micro environment. (2)

2.1.3 Explain how the lack of a vision and mission statement can be a challenge for businesses. (6)

2.2 Read the article below and answer the questions that follow.

<b>Local micro-lending on a slippery slope</b>	
Unsecure micro-lending is growing, despite high risk	
South Africa has witnessed extraordinary growth in unsecured micro-lending over the last few years. This is due to South African banks taking uncalculated risks in favour of higher premiums and due to a correction of previous discrepancies in the South African credit industry.	
[www.moneyweb.co.za]	

2.2.1 Quote TWO reasons from the article why South Africa has witnessed extraordinary growth in unsecured micro-lending over the last few years. (2)

2.2.2 Describe the term "*micro-lending*". (4)

2.2.3 Explain how micro-lending can be a challenge in the macro environment of a business. (4)

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

**Manager fired for sexual harassment**

“The sexually suggestive e-mails sent by the manager to a female employee, who operates a car cleaning service at a dealership premises, came back to haunt him last month”

[Adapted: The Herald 24 February 2015]

- 2.3.1 Quote the reason from the article why the manager was fired for sexual harassment. (2)
- 2.3.2 Define the concept “*sexual harassment*”. (4)
- 2.3.3 Explain the effect of sexual harassment on a business. (2)
- 2.3.4 Discuss ways in which sexual harassment can be addressed in the workplace. (10)

2.4 Read the article below and answer the questions that follow.

**Pikitup workers go on strike**

JOHANNESBURG – Waste management company Pikitup has confirmed its workers affiliated to the South African Municipal Workers’ Union (Samwu) have gone on strike, which has affected most of its depots in Johannesburg.

EWN

- 2.4.1 Identify the type of industrial action that Pikitup workers have resorted to. (1)
- 2.4.2 Explain the type of industrial action identified in QUESTION 2.4.1. (2)
- 2.4.3 Identify the trade union that the workers of Pikitup belong to. (1)
- 2.4.4 Define the term “*trade union*”. (3)
- 2.4.5 Analyse FIVE functions of a trade union. (10)
- 2.5 Discuss the following types of industrial actions:
- 2.5.1 Lock-out (2)
- 2.5.2 Go-slow (2)

**[60]**

**QUESTION 3: BUSINESS VENTURES**

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

**Headboy Industries' Ludwick Marishane**

Ludwick Marishane invented DryBath and is the founder of Headboy Industries. According to Forbes, he was in high school when he thought of DryBath, a gel that does all the work of a bath without water.

Marishane received the Global Student Entrepreneur of the year awards, in 2011.

[Source: thesouthafrican.com]

- 3.1.1 Identify FIVE entrepreneurial qualities that Ludwick Marishane would need to make him a successful entrepreneur. (5)
- 3.1.2 Discuss the success factors of Headboy's Industries in terms of: (12)
- (a) Sustainability
  - (b) Profitability
  - (c) Customer base
- 3.1.3 Explain the sources of funding that Marishane can use to finance Headboy Industries. (10)

3.2 Read the statement below and answer the questions that follow.

**Path to success: Why a good business plan is indispensable?**

- 3.2.1 Outline the importance of having a business plan to ensure the success of a business. (6)
- 3.2.2 Explain THREE planning tools that are needed to transform a business plan into an action plan. (12)

3.3 Read the statement below and answer the questions that follow.

**'In business for yourself, but not by yourself'**

"As a Franchisor, my greatest reward comes from watching franchisees embrace the chance to succeed, and assisting them in every way I can to help them achieve their dreams."

Jim Evanger

- 3.3.1 List TWO parties involved in a franchise mentioned in the above article. (2)
- 3.3.2 Discuss ways that the franchisor can assist the franchisee to achieve their dreams. (6)
- 3.3.3 Identify the agreement that the two parties involved in a franchise enter into. (1)
- 3.3.4 Specify THREE payments that are stipulated in the agreement identified in QUESTION 3.3.3. (6)

**[60]**



**QUESTION 4: BUSINESS ROLES**

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

**COMBAT SECURITY**

Ruth inherited a security company from her father. She often went with him to work from a young age but had never realised how stressful his work environment has been all these years. Most of the security guards are exposed to dangerous situations and even the office employees need to deal with the one crisis after the next. She is considering making a few changes in the business, but is worried that some employees may resist change.

[Source: compiled by examiner]

- 4.1.1 Describe the term “*stressful work environment*”. (4)
- 4.1.2 Explain how the working hours of the security guards can contribute to their stress levels. (4)
- 4.1.3 Evaluate the effect of stress that Ruth had to consider in her business. (12)
- 4.1.4 List the EIGHT steps that John Kotter identified in his change model in order to manage change successfully. (8)
- 4.1.5 Suggest reasons why some of the employees might resist change. (12)

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

**EDU-PLAY**

Rene is running a small pre-school in Port Elizabeth. The school closes at 2 o'clock in the afternoon, but Rene often needs to wait for some parents to fetch their children well after 4 o'clock. She has spoken to the parents individually that are often late to collect their children. One afternoon while waiting for some parents to collect their children she reads an article on how creative thinking can be used to solve problems and also about the mental blocks that can prevent people from recognising a problem correctly or finding a solution to that problem.

[Source: compiled by examiner]

- 4.2.1 Identify Rene's problem. (2)
- 4.2.2 List FOUR problem-solving techniques that Rene can use to solve her problem. (4)
- 4.2.3 Describe the concept “*creative thinking*”. (4)
- 4.2.4 Explain FIVE mental blocks that can prevent people from recognising a problem correctly or finding a solution to that problem. (10)

**[60]**

**QUESTION 5: BUSINESS OPERATIONS**

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

**CAMPING SAFARIS**

Camping Safaris is a business that sells camping equipment. They have a large variety of products available, but recently realised that more and more people are asking for a dome tent that can also be opened up to serve as a gazebo. Camping Safaris tried to find a local supplier, but have been unsuccessful. They are now considering manufacturing their own or finding a supplier abroad that can supply the product.

[Source: compiled by examiner]

- 5.1.1 Identify the type of consumer goods mentioned in the scenario above. (2)
- 5.1.2 Outline FOUR advantages if Camping Safaris uses foreign marketing. (8)
- 5.1.3 Explain the SIX steps that Camping Safaris would have to follow in the design of the product. (12)

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

**EAST CAPE TRANSPORT**

Ayanda is the sole owner of East Cape Transport, the business that makes deliveries all over the Eastern Cape. He advertised a assistant manager's position in a national newspaper. The advertisement specified the job requirements and specifications and also stated that all shortlisted candidates will be subjected to screening tests. Successful candidates will be expected to sign an employment contract.

[Source: compiled by examiner]

- 5.2.1 Name any TWO examples of screening tests. (2)
- 5.2.2 Suggest FOUR important aspects of information that Ayanda will have to include in the employee's employment contracts. (8)
- 5.2.3 Recommend the procedures that Ayanda will follow when selecting and interviewing new employees. (12)
- 5.3 List FOUR methods of advertising that businesses can use to advertise the products and services that they offer. (4)
- 5.4 Discuss FOUR pricing strategies that businesses can use for their product. (12)
- [60]**

**QUESTION 6: MISCELLANEOUS TOPICS****BUSINESS ENVIRONMENTS**

6.1 Read the following scenario and answer the questions that follow.

South Africa's biggest fast-food restaurant chain, JJ Brands, will take a 51% stake in recently launched local firm *Braai Mexican Grill*.

6.1.1 Explain what is meant by 51% stake of "...JJ Brands, will take a 51% stake in recently launched local firm *Braai Mexican Grill*." (2)

6.1.2 Outline THREE benefits of take-overs/acquisitions. (6)

6.2 Differentiate between *networking* and *lobbying*. (8)

**BUSINESS VENTURE**

6.3 Read the following extract and answer the questions that follow.

Businesses communicate with various stakeholders on a daily basis. Communication can either be verbal or non-verbal. Effective presentation of business information is one of the key elements in the communication process.

6.3.1 List THREE visual aids that can be used during a presentation. (3)

6.3.2 Explain the difference between verbal and non-verbal communication. (4)

6.4 Name the SEVEN steps in report-writing. (7)

**BUSINESS ROLES**

6.5 Identify each of the following statement below as unprofessional or unethical.

6.5.1 The financial manager's personal assistant tells his colleagues and friends how much his manager receives in bonuses.

6.5.2 The human resource department does not let candidates know that their application was unsuccessful.

6.5.3 A police officer accepted a bribe to let an offender go free. (3 x 2) (6)

6.6 Discuss THREE principles of professionalism. (9)

**BUSINESS OPERATIONS**

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

**Just Paint Ltd**

Linda works in a paint factory and she has been struggling with lung infection caused by the paint fumes. The factory does not supply its workers with protective masks and the lunch break is not in accordance with the law.

- 6.7.1 Name TWO violations that Just Paint Ltd is not adhering to in the above scenario. (2)
- 6.7.2 Identify the Act that Linda can look into to get advice on payment for her medical condition. (1)
- 6.8 Explain the purpose of legislation regarding the impact on the human resources function in terms of the following acts:
- 6.8.1 Labour Relations Act (6)
- 6.8.2 Employment Equity Act (6)

**[60]****TOTAL SECTION B: 180**

**SECTION C**

Answer ANY TWO questions in this section.

**NOTE:** Clearly indicate the QUESTION NUMBER of each question that you choose. The answer to EACH question must start on a NEW page, for example QUESTION 7 on a new page, QUESTION 8 on a NEW page, et cetera.

**QUESTION 7: BUSINESS ENVIRONMENT**

Socio-economic factors can influence the efficiency of a business, the way products are marketed and distributed, the level of revenue and the cost of doing business. Dealing with these factors forces the entrepreneur and business to make strategic management decisions that require the ability to understand the nature and the impact of these factors on the business.

With reference to the statement above:

- Define the term “*socio-economic issues*”.
- Explain the following socio-economic issues:
  - Economic crime
  - Illiteracy and lack of skills
  - Unavailability of natural resources
  - Dumping
- Outline FOUR challenges that each socio-economic issue has on business operations.

[40]

**QUESTION 8: BUSINESS VENTURES****ZP GUESTHOUSE**

Zuko and his brother Phiwe have been running a guesthouse for the past five years. They have also been very happy running the business together. After their sister graduated she approached them to assist with running the business. She realised very quickly that their business had one major weakness; they are personally liable for the business' debt. She wants them to consider changing their current form of ownership to a private company.

She contacted you as an independent business advisor. Your advice must include the following:

- Identify their current form of ownership.
- Outline FOUR disadvantages of their current form of ownership.
- Discuss the advantages of changing to a private company.
- Explain the formation procedure of a private company.

[40]

**QUESTION 9: BUSINESS ROLES*****WILD COAST CONSTRUCTION***

Luke and Themba are old school friends and after they finished their degrees in Construction Engineering and Business Management respectively, they decided to start a construction business. After running the business for only six months, they conclude that they are often in conflict with each other and their labour force. They are not working well together and their business is suffering because of it.

Refer to the scenario above and write an essay in which you include the following aspects:

- Define the concept of conflict.
- Outline SIX possible causes of conflict.
- Discuss the FOUR stages of team development.
- Explain the components of a balanced team according to the Belbin role theory to them.

**[40]****QUESTION 10: BUSINESS OPERATIONS*****ULTI-TANG***

*Ulti-tang* is a soft drink manufacturer. They use a batch production system in their factory. Safety management and quality control are important to ensure the safety of their workers and the quality of their products.

Refer to the scenario above and write an essay in which you include the following aspects:

- Explain a batch production system.
- Discuss the characteristics of a batch production system.
- Evaluate the positive impact of quality control for *Ulti-tang*.
- Outline the requirements that *Ulti-tang* need to comply with regarding the safe use of their machinery.

**[40]**

**TOTAL SECTION C: 80**  
**GRAND TOTAL: 300**



