



Province of the  
**EASTERN CAPE**  
EDUCATION

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 11**

**NOVEMBER 2015**

**BUSINESS STUDIES**

**MARKS: 300**

**TIME: 3 hours**



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This question paper consists of 12 pages.

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## INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of THREE sections.

SECTION A: COMPULSORY

SECTION B: Consists of FIVE questions.

Answer any THREE questions of the five questions in this section.

SECTION C: Consists of FOUR questions.

Answer any TWO of the four questions from this section.

2. Take the time allocation into account when answering questions.
3. Read the instructions for each question carefully and take particular note of what is required.
4. Except where other instructions are given, answers must be written in FULL SENTENCES.
5. Number the answers correctly according to the numbering system used in this question paper.
6. Use the mark allocation and the nature of each question to determine the length of each answer.
7. Start each answer to EACH question on a new page, for example; QUESTION 2 – NEW PAGE, QUESTION 3 – NEW PAGE, etc.
8. Use the table below as guide to mark and time allocation when answering each question.

SECTION		QUESTION	MARKS	TIME
A	Multiple-choice questions Choose the correct word Matching items COMPULSORY	1	40	30 minutes
B	Answer any THREE of the five questions.	2	60	30 minutes
		3	60	30 minutes
		4	60	30 minutes
		5	60	30 minutes
		6	60	30 minutes
C	Essay questions Answer any TWO of the four questions.	7	40	30 minutes
		8	40	30 minutes
		9	40	30 minutes
		10	40	30 minutes
<b>TOTAL</b>			<b>300</b>	<b>180 minutes</b>

**SECTION A (COMPULSORY)****QUESTION 1**

1.1 FOUR possible options are provide as answers to the following questions. Choose the correct answer and write only the letter (A–D) next to the question number (1.1.1–1.1.10) in the ANSWERBOOK, for example 1.1.11 E.

1.1.1 Economic crimes include ...

- A piracy.
- B shoplifting.
- C money laundering.
- D armed robbery.

1.1.2 Which of the following does not form part of marketing mix?

- A Price
- B Product
- C Personnel
- D Place

1.1.3 Pauline's Pizza is an example of a business which forms part of the ... sector.

- A food and beverage
- B primary
- C secondary
- D tertiary

1.1.4 A trade union's main function is to ...

- A negotiate on behalf of the employees for better pay and conditions.
- B organise trade agreements with other countries.
- C be a political mouthpiece for the country.
- D organise strikes and go-slows and other forms of protest.

1.1.5 Kentucky Fried Chicken and McDonalds are examples of ...

- A chain stores.
- B franchises.
- C retailers.
- D outsourcing businesses.

1.1.6 The biggest trade union in South Africa is known as the ...

- A Congress of South African Trade Unions.
- B Conference of South African Trade Unions.
- C South African Democratic Teachers Union.
- D Congress of Trade Unions in South Africa.

1.1.7 ... is an example of a secondary sector industry.

- A Oil drilling
- B Milk production
- C Yoghurt production
- D An orchard garden

1.1.8 Pro bono work ...

- A is a means of solving problems or dealing with difficult situations.
- B is work undertaken without charge, especially for a client on low income.
- C means things given in order to help achieve or provide.
- D is training, counselling and guiding someone who is less experienced in something.

1.1.9 The manufacturing of large quantity of a standardised article can be identified as ... production.

- A batch
- B mass
- C job
- D product

1.1.10 What can employees claim in the event of a work related accident?

- A Fidelity insurance
- B Employees insurance
- C Road Accident Fund
- D Workmen's compensation

(10 x 2) (20)

- 1.2 Fill in the missing word(s) for each of the following. Write only the word(s) next to the question number (1.2.1–1.2.5) in the ANSWER BOOK.
- 1.2.1 A price deduction given to customers who buy products or services out of season is known as a ... discount.
- 1.2.2 Means to ensure that a customer base expands and that the service quality improves.
- 1.2.3 The ... is often used to check if a particular action is ethical.
- 1.2.4 VAT, SITE and PAYE registration must be completed through ...
- 1.2.5 The ... is the name of the act that was introduced to protect consumers and help prevent them from becoming over-indebted.
- (5 x 2) (10)
- 1.3 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–F) next to the question number (1.3.1–1.3.5) in the ANSWER BOOK, e.g. 1.3.6 F.

COLUMN A		COLUMN B	
1.3.1	Economic dilemma	A	Giving a product an initial high price to attract the top level of the market
1.3.2	Critical path method	B	This chart shows how the critical work elements, called tasks, of a project are related to one another and to the project as a whole
1.3.3	Skimming	C	When every part of the business works so well together that they achieve greater outputs
1.3.4	Induction	D	A step-by-step technique for process planning
1.3.5	Work Breakdown Structure	E	The process by which an employee, whether new to the business or transferred from another position, is introduced to the new job
		F	Balancing the unlimited needs and wants of society with the limited resources available to satisfy them

(5 x 2) (10)

**TOTAL SECTION A: 40**

**SECTION B**

Answer any THREE questions from the five questions in the ANSWER BOOK.  
The answers to EACH question must be on a NEW page.

**QUESTION 2: BUSINESS ENVIRONMENT**

- 2.1 "Power relationships can make or break a business."  
Explain and support this statement with applicable examples. (6)
- 2.2 Discuss the impact of changes in the income levels of consumers on the business sector. (4 x 2) (8)
- 2.3 Distinguish between mergers, takeovers, alliances and acquisitions. (3 x 2) (6)
- 2.4 Briefly describe how social, cultural, and demographic issues affect business operations. (6)
- 2.5 "Outsourcing has become more popular over the years."  
Discuss FIVE advantages of outsourcing. (10)
- 2.6 "Every workplace manager should try to ensure that accidents are prevented in the workplace."  
Provide FIVE measures managers can put in place to ensure that accidents do not happen in the workplace. (5 x 2) (10)
- 2.7 "The importance of the primary sector industries which feeds the sub-sectors of the secondary sector is over-emphasised in the economy of a developing country, such as South Africa."  
Explain this statement by comparing the links between agriculture, forestry, fishery and mining sub-sectors of the primary and secondary sectors in the South African economy. (14)

**[60]**

**QUESTION 3: BUSINESS VENTURES**

- 3.1 Tabulate the differences between a sole proprietorship, close corporation and private company in terms of the following criteria:
- 3.1.1 Number of founders (3 x 2) (6)
- 3.1.2 Liability for the business debts (3 x 2) (6)
- 3.1.3 Taxation (3 x 2) (6)
- 3.2 Discuss THREE contractual implications of leasing for the business undertaking. (3 x 2) (6)
- 3.3 

A business plan is a written document describing the nature of the business, the sales and marketing strategy and the financial background, and containing a projected profit and loss statement. A business plan is also a road map that provides directions so a business can plan its future and helps it avoid bumps in the road.
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- 3.3.1 A business plan must be transformed into an action plan.  
Define the action plan. (2)
- 3.3.2 Explain the steps that must be followed to transform a business plan into an action plan. (5 x 2) (10)
- 3.4 List and explain FIVE functions of the trade union. (5 x 2) (10)
- 3.5 Name FIVE things to avoid in a question and answer session. (5 x 2) (10)
- 3.6 What is the difference between verbal and non-verbal formats of presenting business information? (4)
- [60]**

**QUESTION 4: BUSINESS ROLES**

- 4.1 “Force field analysis is a decision making technique that can be used in any business enterprise.”  
Name SIX steps to follow when using this technique. (6)
- 4.2 Name and explain stages that a business management can follow in order to deal with crises. (10)
- 4.3 Briefly outline FIVE reasons for resisting change. (5 x 2) (10)
- 4.4 Name FIVE important characteristics of entrepreneurial businesses. (5 x 2) (10)
- 4.5 “Micro lenders are not regulated by South African Banking Act.”  
Evaluate the nature and function of micro lending. (4)
- 4.6 Suggest FIVE strategies that can be used to manage stress. (5 x 2) (10)
- 4.7 Describe the purpose of the Labour Relations Act, 1995 (Act 66 of 1995). (5 x 2) (10)
- [60]**



**QUESTION 5: BUSINESS OPERATIONS**

5.1 Read the case study below and answer the questions that follow:

**ADVERTISING IS MY JOB**

James has been acting as the financial manager for six months when it was decided to advertise the job. His manager prepared the advertisement without specifying the required qualifications or experience needed for the job. It was therefore unclear what the selection criteria would be. The line manager decided to advertise the job internally through the notice board to the financial staff. James was the only applicant and was given the permanent post without an interview.

- 5.1.1 Suggest TWO alternative methods of recruitment the business could have used to advertise this post. (4)
- 5.1.2 The business made use of internal recruitment. Explain another method they could have used. (4)
- 5.1.3 Why is it necessary to specify qualifications and experience needed for a job in an advertisement? (4)
- 5.1.4 Differentiate between a *job description* and *job specification*. (4)

**[16]**

5.2 Match each of the following descriptions to the concepts given below.

Write ONLY the number of the question and the concept next to it.

Induction; Recruitment; Placement; Contract of employment; Selection

- 5.2.1 Provides the conditions of employment, including remuneration and working hours.
- 5.2.2 Action of making a decision after interviewing a number of candidates.
- 5.2.3 The process of finding suitable employees to perform work.
- 5.2.4 Introducing the candidate to the policies and procedures and work processes of the business.
- 5.2.5 Process of allocating a new employee to a vacant post. (5 x 2) (10)
- 5.3 Which details should be included in an employment contract? (10)
- 5.4 Name TWO quality control bodies that ensure that the quality of manufactured goods is maintained. (2 x 2) (4)

5.5 Read the following case study and answer the questions that follow:

Beaux-Arts was founded in 1996 by Linda Lloyd in Kempton Park. Linda started an art and craft service offered to schools for children from three years of age. She operated as a pilot franchise for a year and thereafter became a member of the Franchise Association of South Africa. By June 2001 she had franchises servicing schools in 101 cities, towns and municipalities throughout the country. She does the training herself, which includes product training, business and marketing skills. Franchisees and their employees also receive on-going training by specialists in their field of pottery, arts and crafts to ensure the use of appropriate skills.

- 5.5.1 Discuss TWO advantages and TWO disadvantages of a franchise. (4 x 2) (8)
- 5.5.2 Linda wants to outsource some activities undertaken by her as a franchisor. Recommend ONE activity she could outsource and supply a reason for your choice. (4)
- 5.5.3 Suppose you applied to purchase the right to own a franchise from Linda, you want to assume all the responsibility for the business yourself. Which form of ownership would you choose? Explain why. (8)

**[60]**

**QUESTION 6: MISCELLANEOUS**

- 6.1 6.1.1 List FOUR causes of conflict in an organisation. (8)
- 6.1.2 Which strategies can be used to resolve conflict? (8)
- 6.2 All successful teams share the same four essential elements. Write down the FOUR elements that make a team successful. (8)
- 6.3 State any FOUR characteristics of good governance as laid down by the King Code III. (4 x 2) (8)
- 6.4 "Packaging must distinguish a product from its competitors' products."  
Briefly name and describe FOUR different forms of or types of packaging. (4 x 3) (12)
- 6.5 Identify the problem solving techniques being described below:
- 6.5.1 Gather information by using a selected panel based on their knowledge of a specific topic or target area; seek to bring about agreement from differing views by means of a questionnaire. (2)
- 6.5.2 Method used to list, discuss and assess the various advantages and disadvantages of a proposed change. (2)
- 6.6 

After all the interventions and meetings, everyone accepted Joseph as a team member. Everyone is focusing on the big game in the next two weeks. As time flies past, everyone is starting to stress about the game. The coach realised that he needs to teach the team on how to manage stress.
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- 6.6.1 Why is it important for the coach to manage stress levels? (10)
- 6.7 Define collective bargaining. (2)

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

**SECTION C**

Answer any TWO questions from this section.

**QUESTION 7**

Determining a suitable price for a product is one of the key success factors for an enterprise. Due to frequent changes that occur in the business environment, business enterprises sometimes need to adapt their prices in order to either retain existing customers, or attract new customers.

Analyse and discuss this statement under the following headings:

Pricing Techniques, Pricing Strategies, Price Determination and Factors influencing Price

[40]

**QUESTION 8**

Many businesses are facing socio-economic issues directly or indirectly. This speaks to their corporate social responsibility.

Discuss the impact of THREE of these contemporary socio-economic issues on a business's operations: e.g. low income levels; poverty; inflation; demographic/cultural factors and population growth; unemployment and/or economic crime. Recommend possible solutions or contributions that businesses can make to deal with these socio-economic issues.

[40]

**QUESTION 9**

A good example of franchising is Kentucky Fried Chicken. They are found in almost every city around the country. A small business owner buys the right to sell the goods and services of a large well established company. The person buying a franchise is known as the *franchisee* and the person selling the right is known as the *franchisor*.

Elaborate on the above statement and in your discussion include advantages and disadvantages of both franchisor and franchisee and the franchising contract.

[40]

**QUESTION 10**

The Labour Relation Act (Act 66 of 1995), the Employment Equity Act 55 of 1998 and BCEA 75 of 1997 was put in place to redress the imbalances of the passed in the labour force.

Discuss the nature and purpose of each Act and explain the impact of it on business.

[40]

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

