



**BUSINESS STUDIES
PAPER 1**

EXAMINER: KA
MODERATOR: GL / GO / AK / LF

DURATION: 2 HOURS
MARKS: 150 MARKS

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 THREE questions.

Answer any TWO of the three questions in this section.

SECTION C: Consists of TWO questions.

Answer any ONE of the two questions in this section.

2. Read the instructions for each question carefully and take note of what is required.
3. Number the answers correctly according to the numbering system used in this question paper.
4. Except where other instructions are given, answers must be in full sentences.
5. Use the mark allocation and nature of each question to determine the length and depth of an answer.
6. Use the table below as a guide for mark and time allocation when answering each question.

SECTION	QUESTION	MARKS	TIME (minutes)
A: Objective-type questions COMPULSORY	1	30	20
B: THREE direct/indirect type questions CHOICE: Answer any TWO.	2	40	70
	3	40	
	4	40	
C: TWO essay-type questions CHOICE: Answer any ONE.	5	40	30
	6	40	
TOTAL		150	120

7. Begin the answer of EACH question on a NEW page.
8. You may use a non-programmable calculator.
9. 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-D) next to the question numbers (1.1.1-1.1.5), for example 1.1.6 D.

1.1.1 The ... environment is the external environment of a business.

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

1.1.2 The Chief Executive Officer (CEO) is part of the _____ management.

- A lower level
- B top level
- C strategic level
- D middle level

1.1.3 _____ is carried out during and after the production process.

- A Quality control
- B Quality management
- C Quality assurance
- D Quality performance

1.1.4 Eskom is part of the ... sector.

- A informal
- B primary
- C private
- D public

1.1.5 A statement that explains the reason for the existence of the business.

- A Vision
- B Mission
- C Goal
- D Objective

(5 x 2) (10)

- 1.2 Complete the following statements by using the word(s) in the list below. Write only the word(s) next to the question number (1.2.1-1.2.5).

Venture capital ; Strikes ; Internal ; Macro ; Data
Lock-outs ; Information ; Market ; Angel funding ; External

- 1.2.1 _____ is money offered by wealthy entrepreneurs to other businesses for a share in that business.
- 1.2.2 _____ are a collective refusal of employees to work.
- 1.2.3 Creating a good public image and awareness to employees in the company, is an example of _____ public relations.
- 1.2.4 ASA regulates advertising in South Africa and is part of the _____ environment.
- 1.2.5 _____ refers to raw, unprocessed facts found in graphs and tables.

(5 x 2) (10)

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

COLUMN A	COLUMN B
1.3.1 Inequality	A Serves as financial planning for 5 to 10 years.
1.3.2 Opportunities	B Whereby some people earn more money than others, restricting access to basic services.
1.3.3 Cash budget	C A businesses competitor closing down.
1.3.4 Diversity	D The general increase of interest over a period of time.
1.3.5 Inflation	E A new business entering the market.
	F Treating people fairly, regardless their culture.
	G Treating people unfairly based on their culture.
	H Addressing discrimination of persons based on gender and disability.
	I The general increase of prices over a period of time.
	J Serves as financial planning for a year.

(5 x 2) (10)

SECTION A: 30

Page 2 of 6

SECTION B

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, e.g. QUESTION 2 on a new page, QUESTION 3 on a NEW page etc.

QUESTION 2: BUSINESS ENVIRONMENTS

- 2.1 List THREE components of the macro environment. (3)
- 2.2 Explain the meaning of *micro environment*, and elaborate on the extent of control businesses have on this environment. (4)
- 2.3 Read the following scenario below and answer the questions that follow:

PINK MATTER HOTELS (PMH)

Pink Matter Hotels have announced that it would provide free antiretroviral treatment (ARV's) to all their infected employees. They have recognized the effect that chronic illnesses have on their workers ability to perform. This initiative will assist in reducing high levels of infection within the workplace.

- 2.3.1 Identify the socio-economic issue that is addressed by PMH. Motivate your answer by quoting from the scenario above. (3)
- 2.3.2 Discuss the reasons why socio-economic issues pose a challenge to businesses. (4)
- 2.3.3 Outline the term *technological resources* as part of organisational resources. (2)
- 2.4 Discuss the relationship between the micro, market and macro environments. (6)
- 2.5 Elaborate on the correlation between management and the success of a business. (4)
- 2.6 Suggest the importance of the formal sector. (6)
- 2.7 Explain the negative impact of violence on businesses. (8)

[40]

QUESTION 3: BUSINESS OPERATIONS

- 3.1 State any FOUR business functions. (4)
- 3.2 Outline any TWO methods of carrying out public relations. (4)
- 3.3 Read the scenario below and answer the questions that follow.

YAP BANK (YB)

YAP Bank was recently fined R30 million by the NCR for recklessly granting loans to clients who did not qualify for loans. The bank did not properly assess the client's creditworthiness and granted loans to many unemployed people.

- 3.3.1 Identify the Act that protects businesses and customers against reckless granting of loans. (2)
- 3.3.2 Discuss the negative impact of the Act (identified in 3.3.1) on the *credit provider*. (6)
- 3.4 Discuss the *purpose* of a business' organizational structure. (4)
- 3.5 Differentiate between leadership and management. (8)

Use the table below as a GUIDE to answer QUESTION 3.5.

	LEADERSHIP	MANAGEMENT
1		
2		

- 3.6 List TWO factors that *influence* the organizational structure of a business. (4)
- 3.7 Explain the importance of stock control. (8)

[40]

QUESTION 4: MISCELLANEOUS

BUSINESS ENVIRONMENTS

- 4.1 Elaborate on the meaning of the term *market environment*. (2)
- 4.2 Read the following scenario below and answer the questions that follow.

FRANK OCEAN FOODS (FOF)

Frank Ocean Foods is a factory that manufactures canned fruits and vegetables in the Western Cape region. Severe rainfall damaged agricultural products in the region. Fein Farmers also delayed the delivery fruits and vegetables to FOF. The business is negatively affected by the high rate of employee absenteeism on rainy days.

- 4.2.1 Name the sector in which FOF operates. Motivate your answer by quoting from the scenario above. (3)
- 4.2.2 Identify THREE challenges faced by FOF by quoting from the scenario above.

Classify each challenge according to the THREE business environments.

Use the table below as a GUIDE to answer QUESTION 4.2.2.

CHALLENGE	BUSINESS ENVIRONMENT
1.	
2.	
3.	

- (9)
- 4.3. Define the term *bootlegging*. (2)
- 4.4 Briefly discuss the negative impact of strikes on businesses. (4)

BUSINESS OPERATIONS

- 4.5 Explain the activities of the purchasing function. (6)
- 4.6 Differentiate between fixed capital and working capital. (8)

Use the table below as a GUIDE to answer QUESTION 4.6.

FIXED CAPITAL	WORKING CAPITAL
1.	
2.	

- 4.7 Suggest TWO methods used to indicate quality in products. (2)
- 4.8 Discuss the quality indicators of the marketing function. (4)

[40]

SECTION B: 80

SECTION C

Answer ONE question in this section.

NOTE: Clearly indicate the QUESTION NUMBER of the question chosen. The answer to the question must start on a NEW page, e.g. QUESTION 5 on a NEW page or QUESTION 6 on a NEW page.

QUESTION 5: BUSINESS ENVIRONMENT

Businesses play a huge role in making a meaningful contribution within different sectors and in society as a whole. In order to successfully capitalize on the market, businesses should have a sound understanding of the various environments it encompasses and their unpredictable socio-economic issues.

Write an essay on the above statement, in which you include the following aspects:

- Elaborate on the THREE business sectors.
- Differentiate between the formal and informal sectors.
- Advise businesses on the purpose of inclusivity in the workplace.
- Outline the different types of gambling.

[40]

QUESTION 6: BUSINESS OPERATIONS

The importance of access to various financial services can never be underestimated or ignored when it comes to running a sustainable business. The quality of goods and services also affects the profitability of businesses and its ability to survive.

Write an essay on business functions and concepts of quality, in which you include the following aspects:

- Discuss the following sources of funding:
 - Bank loans
 - Grants
 - Asset-based loan
- Explain the purpose of the financial function.
- Differentiate between *quality control* and *quality insurance*.
- Highlight the importance of quality for businesses.

[40]

SECTION C:	40
GRAND TOTAL:	150