



**BUSINESS STUDIES: PAPER II**

Time: 2 hours

100 marks

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**PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY**

1. This paper consists of 3 pages. Please check that your question paper is complete.
2. Read the questions carefully and plan the length of your answers in relation to the sections being covered in each question.
3. Answer **both Question 1 and Question 2**.
4. Number your answers exactly as the questions are numbered. Each question is to be answered on a **new page**.
5. Candidates are advised to pay special attention to the use of language.
6. It is in your own interest to write legibly and present your work neatly.
7. Answers must be completed in the Answer Book provided.

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The following aspects may be considered when marks are allocated in this paper:

- Format:
  - The **CORRECT** format for each question must be used, e.g. report, letter or dialogue.
  - Where applicable, include an introduction and conclusion.
  - Use headings and sub-headings where appropriate.
- Terminology: Correct Business terminology should be used.
- Content: Must be sufficient to cover all aspects of the question.
- Substantiation: Justification for statements made.
- Application to case study/context.
- Creative problem solving rather than just giving theoretical facts.
- Synthesis and sequencing.

**QUESTION 1      LO 2 and LO 4**

**Refer to the following sources before answering the question:**

**SOURCE A**

You are the Human Resources Manager for The SPAR Group Ltd. At a recent Board meeting, you were tasked with finding a new Insurance Manager that will oversee all Insurance related issues in the business.

**SOURCE B**

[Downloaded from:  
 <[http://www.toonpool.com/user/3622/Files/human\\_resources\\_drawing\\_426515.jpg](http://www.toonpool.com/user/3622/Files/human_resources_drawing_426515.jpg)> (5 January 2010)]

**SOURCE C****Interview Questions:**

- 1      What is the difference between insurance and life assurance?
- 2      Explain how insurance and life assurance can help SPAR to manage risks.
- 3      Discuss **three** different types of insurance applicable to SPAR.
- 4      What are the requirements for a valid insurance contract?
- 5      Ask the candidate to explain **three** different concepts relating to insurance.

**REQUIRED**

After you have studied Sources A, B and C, write a business report to the Managing Director of SPAR in which you explain the recruitment and selection process that you will follow in order to appoint a new Insurance Manager.

When you get to the Interview section of the Selection process, use the questions given in Source C to explain what type of knowledge the candidate should have about insurance (in other words, write the question and then give the answer to the question).

In conclusion, explain how SPAR's Human Resources Department will choose the best candidate for the position.

**[50]**

**QUESTION 2      LO 1 and LO 3**

The following article appeared in your local newspaper. Read it carefully and then answer the question that follows:

I have always been Proudly South African. However, today I have to acknowledge that there are some things in our beautiful country that are bothering me.

If one considers that South Africa has one of the most advanced constitutions in the world, the question that begs to be answered is 'Why is the progress made in terms of redressing imbalances of the past, so limited?' In my opinion there are two basic reasons for the unacceptable rate at which the welfare of the citizens of South Africa is promoted.

In the first place, I am convinced that many large organisations use Corporate Social Investment as a window dressing exercise because their efforts are not sustainable. Too often it is still seen as only Government's responsibility to promote the well-being of the people of South Africa. Not enough large corporations in South Africa take their Corporate Social Responsibility seriously enough and therefore the benefits of CSR are not seen at grassroots level.

My second concern is the lack of leadership displayed by influential and prominent business people. One only has to open a newspaper to read about another business that has conveniently forgotten its moral obligation towards the community in which the business is operating. The only thing ALL businesses care about is the bottom line: profit!

To me these two issues are highly problematic. What are the implications for us as South Africans if these two problems are not addressed? And how can every citizen of this beautiful country contribute to solving these two problems?

**REQUIRED**

You have owned a SPAR Franchise for the past 5 years and feel that some of the statements in the above article are valid, but that some are unfair.

Write a letter in response to the newspaper article in which you:

- support the journalist by explaining the concept of CSR, its importance in South Africa, arguments for and against CSR and the company's broader social responsibility.
- explain how the personal attitudes of a manager and his or her leadership style may promote OR work against the CSR approach of the business.

[50]

**Total: 100 marks**