



NATIONAL SENIOR CERTIFICATE EXAMINATION
NOVEMBER 2012

BUSINESS STUDIES: PAPER I

Time: 2 hours

200 marks

PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY

1. This question paper consists of 11 pages and an Answer Booklet of 4 pages (i to iv). Please check that your question paper is complete.
 2. Detach the Answer Booklet from the centre of the question paper and ensure that it is handed in. Also ensure that your examination number is entered in the space provided on the Answer Booklet.
 3. Read the questions carefully.
 4. All questions are compulsory.
Section A (Questions 1 – 3) must be answered on the **supplied Answer Booklet**.
Section B (Questions 4 – 6) comprises **THREE** shorter answer type questions to be answered in your Answer Book. **In this section, some of the questions (Questions 4.1.1, 4.2.3, 5.1, 5.3.1 and 6.3) must be answered in the Answer Booklet supplied.** This is clearly indicated in the question.
 5. Refer to the case study when required.
 6. Demonstrate insight, where applicable, when answering questions.
 7. Answer each **new question** on a **new page**.
 8. Number your answers as the questions are numbered on the question paper.
 9. Candidates are advised to pay particular attention to the use of language and the **allocation of marks**.
 10. It is in your own interest to write legibly and present your work neatly.
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The following case study applies to many of the questions in the examination paper:

Windmaster College

- 1 Windmaster College is an independent (private) school founded in the early eighties by Michael Broadbent, a prominent South African educationalist, together with the Board of Trustees from the University of Kwa-Zulu Natal.
- 2 The following is a summary of some of the issues raised in a brochure handed out in 2011 to parents/guardians:
- 3 **Social responsibility:** Understanding that education is one of the most important tools for promoting equity, Windmaster College commits a significant portion of their profits to social investment. This is consistent with their approach of widening access to education for less privileged learners.
- 4 Windmaster College has a strong dedication to Triple Bottom Line Reporting.
- 5 The College management team recognises the high rate of prevalence of HIV/AIDS in South Africa and has developed a pro-active HIV/AIDS policy. In addition, HIV/AIDS is part of the Life Orientation curriculum of the College.
- 6 **Development of a strategic plan for the College:** The College regularly completes a SWOT analysis as part of its strategic planning. Some of the key issues that came up from this analysis were:
 - The low number of learners taking Mathematics and Science;
 - The possibility of the College offering learnership programmes (which will require a partnership with various SETAs);
 - A possible shift from a line organisation to a line and staff organisation structure.
- 7 **Management and leadership styles and approaches:** At Windmaster College the management team tends to use a combination of an autocratic, democratic and laissez faire leadership approach to everyday issues. This combination has proven very successful.
- 8 **Creative thinking in response to challenges in the College's dynamic and complex environment:** All academic departments are encouraged to use a wide range of creative thinking techniques in the process of problem solving. In a recent survey, it came to light that most departments used the DRIVE or SWOT technique as the preferred technique.
- 9 **Range of investment opportunities open to the Board of Trustees:** The Board of Trustees has invested funds in offshore investments and in the trading of shares in order to maximise their investment returns. An analysis of their investment portfolio shows a balanced investment strategy, i.e. looking for a combination of both growth and income with a moderate level of risk over the medium to long term. A financial audit has shown that management safeguards their tangible assets by means of a comprehensive insurance policy.
- 10 **Assessing entrepreneurial qualities and identifying success factors and areas for improvement:** The College has a dedicated Human Resources Department. Attracting and retaining good teachers requires Windmaster College to offer the right mix of competitive salaries, appropriate challenges, recognition, fair employment and entrepreneurial opportunities. **Given the contribution of women to education in South Africa, the College is committed to the empowerment of black women.**
- 11 **Form of ownership:** Michael Broadbent started the College as a sole proprietorship, but with the changes to the Companies Act, management is considering converting to a public company.

SECTION A **Answer all the questions in this section in the Answer Booklet supplied.****QUESTION 1**

Indicate the **most correct** answer by making a cross (X) in the column over the corresponding letter for each question in the **Answer Booklet** supplied.

- 1.1 ... is a systematic method of obtaining all the relevant information about the tasks related to a specific job.
- A Job analysis
 - B Subrogation
 - C Retention
 - D Recruitment
- 1.2 ... insurance covers losses sustained due to the dishonesty of staff.
- A Indemnification
 - B Bad debt
 - C Liability
 - D Fidelity
- 1.3 A planned progression of a staff member from teacher to Head of Department and then Deputy Principal at Windmaster College is commonly known as a ...
- A balanced scorecard approach.
 - B performance appraisal.
 - C career path.
 - D value chain analysis.
- 1.4 Which one of the following techniques would management use to analyse the micro-environment of Windmaster College?
- A Porter's Five Forces Model
 - B PESTLE
 - C Resource Based Approach
 - D None of the above
- 1.5 The management of Windmaster College uses Total assets : Total liabilities as a measure of ... when doing a quality of performance check.
- A solvency
 - B profitability
 - C liquidity
 - D gearing
- 1.6 Which one of the following factors may successfully impact on the conversion of Windmaster College to a company?
- A Limited continuity
 - B Limited liability
 - C Unlimited liability
 - D Joint decision making by the partners

- 1.7 ... is a process whereby Windmaster College's management team looks at its own methodologies to perform a task and then compares it to methods used elsewhere.
- A Diversification
 - B Benchmarking
 - C Business Process Re-engineering
 - D Project management
- 1.8 A document that describes expected behaviour for employees would be a/an ...
- A memorandum of association.
 - B prospectus.
 - C endowment policy.
 - D code of conduct.
- 1.9 Windmaster College has a ... organisation structure.
- A matrix
 - B project
 - C line
 - D networking
- 1.10 When people refuse to work towards a solution and the task at hand is compromised, it is referred to as ... conflict.
- A functional
 - B dysfunctional
 - C inclusive
 - D compromising
- 1.11 Windmaster College has ... control over the implications of the Labour Relations Act as it relates to staff employment contracts.
- A full
 - B no
 - C limited
 - D external
- 1.12 An unethical practice could be ...
- A Windmaster College providing financial assistance to underprivileged learners.
 - B employing unskilled workers.
 - C requiring new learners to undergo an HIV/AIDS test without appropriate counselling.
 - D selling second-hand textbooks.
- 1.13 A successful business strategy for Windmaster College would be to ...
- A upgrade the training of senior management.
 - B diversify their investment portfolio.
 - C re-evaluate the performance appraisal procedures of teaching staff.
 - D ALL of the above.

- 1.14 The synergy of a team can best be described as ...
- A the interaction of two or more team members so that their combined effort is greater than their individual efforts.
 - B a lack of clarity between the roles that team members are expected to play.
 - C the management style of the team leader.
 - D the compliance of the team to ethical business practices.
- 1.15 The curriculum content prescribed by the IEB to Grade 12s at Windmaster College represents a challenge from the ... environment.
- A micro
 - B external
 - C internal
 - D international

[30]

QUESTION 2

Choose the correct term in brackets in each question. Write down the chosen term next to the question number in the Answer Booklet supplied.

- 2.1 Research that involves asking parents to give their views on the financial affairs of Windmaster College is (**primary/secondary**) research.
- 2.2 The (**Unemployment Insurance Fund (UIF)/Compensation for Occupational Injury and Diseases Act (COIDA)**) provides for people who have lost their jobs.
- 2.3 A (**Delphi technique/resource based approach**) examines how changes to investments in assets, both tangible and human, affect the overall performance of the organisation.
- 2.4 (**NAPE/SAQA**) is responsible for developing a legal framework for different qualifications in South Africa.
- 2.5 When our values determine whether an action is right or wrong we use the (**consequence/principle**) based theory of ethics.

[10]

QUESTION 3

Choose the most correct answer from the possible terms/words provided in the 'Business Studies Dictionary' below, for the statements/explanations that follow. Write down the **most correct answer** next to the number on the supplied Answer Booklet.

NOTE: There is only one correct answer for each statement.

Business Studies Dictionary

Tax avoidance	Customer perspective
Separate legal personality	Prejudice
Organisational culture	Tax evasion
Exit interview	Continuity
Performance evaluation	Learning and growth perspective

- 3.1 The part of the balanced scorecard that describes intangible assets such as information and human capital in the organisation.
- 3.2 The ability of a business to enter into contracts in its own name.
- 3.3 The psychology, attitudes, experiences, beliefs and values of a business.
- 3.4 An annual review of an employee's ability to complete his/her job appropriately.
- 3.5 Using legal means to pay less tax to the authorities.

[10]

50 marks

SECTION B

Answer these questions in your Answer Book.

In some cases, questions have to be answered in the Answer Booklet supplied. This will be clearly indicated in the question.

Remember to use the mark allocation as a guide to the length of your answers.

QUESTION 4

- 4.1 4.1.1 Answer this question **in the table provided in the Answer Booklet supplied.**
- Explain, with the use of an example, a situation where the management team at Windmaster College would successfully use the following leadership styles. Also describe ONE disadvantage/problem associated with each of the leadership styles:
- (a) autocratic
 - (b) democratic (8)
- 4.1.2 Michael Broadbent, as a leader/entrepreneur, displayed certain attitudes, attributes and characteristics that contributed to his success. Discuss THREE of these attitudes and characteristics. (6)
- 4.1.3 Describe TWO benefits that environmental scanning will have for the management of Windmaster College. (4)
- 4.2 4.2.1 Explain, with examples, the difference between Windmaster's primary social responsibility and broader social responsibility. (4)
- 4.2.2 Discuss THREE arguments against Windmaster College being involved in a Corporate Social Responsibility programme. (6)
- 4.2.3 Answer this question **in the table provided in the Answer Booklet supplied.**
- (a) Identify the missing elements, other than the Economic/Profit element, of Triple Bottom Line Reporting or Integrated Reporting in Column A of the table. (2)
 - (b) For each of the elements in Column A, give an example to show how Windmaster College could meet the requirement of Triple Bottom Line Reporting or Integrated Reporting. Complete this in the space provided in Column B. (6)
- 4.2.4 Describe TWO issues that could be addressed in a pro-active HIV/AIDS policy at Windmaster College. (4)
- 4.3 Evaluate the degree to which **liability for debts** may impact on the success or failure for a sole proprietorship and a public company. (5)
- 4.4 4.4.1 Name THREE issues that Windmaster College could include in its code of ethics/code of conduct for learners. (3)
- 4.4.2 Give an example of a situation where the Head of Department at Windmaster College could be seen as acting unethically on a professional level. (2)

[50]

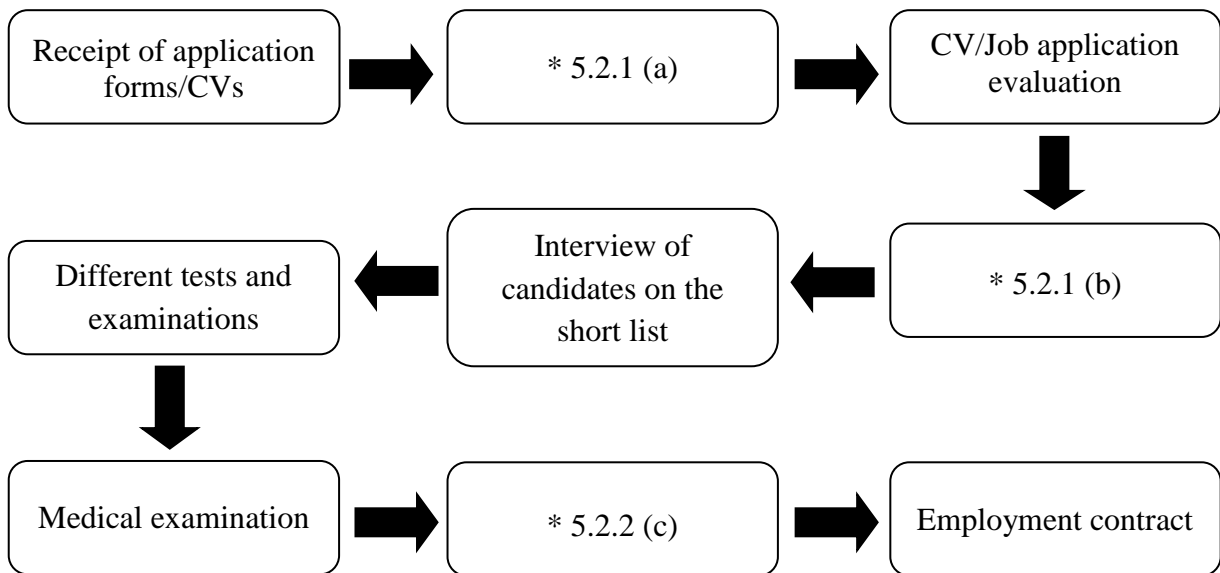
QUESTION 5

5.1 Answer this question **in the table provided in the Answer Booklet supplied.**

5.1.1 You are required to assist management in completing a SWOT analysis for Windmaster College. You are only required to give ONE point (in a full sentence) under each heading **in the table provided in the Answer Booklet supplied.** (8)

5.1.2 Complete your analysis by providing management with TWO strategies on how they can convert the weakness mentioned in Question 5.1.1 into a strength for the College. (4)

5.2 You have been provided with a schematic diagram of the standard selection procedure for new staff at Windmaster College.



5.2.1 Supply the **missing information** (indicated by an asterisk *) in the above diagram by writing your answer next to the question number, one underneath the other. (6)

5.2.2 (a) List TWO recruitment methods that Windmaster College could use to recruit a new Business Studies teacher. (2)

(b) Which recruitment method would you recommend? Motivate your answer. (2)

5.2.3 What is the purpose of the interview process? (2)

5.2.4 Describe THREE types of tests, **other than medical tests**, that are available during the selection process. (6)

5.2.5 Windmaster College negotiates a **cost to company package** with its employees. Explain the meaning of this method. (2)

5.2.6 After the selection process, Windmaster College has an induction programme with new staff. List THREE topics that could be included in the induction programme. (3)

5.3 5.3.1 You have been asked to explain to the Board of Trustees what the following creative thinking technique entails. Write an **explanatory sentence** for each letter in the acronym. Answer this question **in the table provided in the Answer Booklet supplied**.

D	R	I	V	E
5.3.1 (a)	5.3.1 (b)	5.3.1 (c)	5.3.1 (d)	5.3.1 (e)

(10)

5.3.2 The Board of Trustees is not convinced that the DRIVE or SWOT technique is the best technique to tackle the problem of rising costs in educational resources like laptops, textbooks, etc.

Explain, using another problem solving technique, how the Board of Trustees would solve the problem. Conclude by giving an effective solution to this problem.

(5)
[50]

QUESTION 6

6.1 Michael Broadbent is reviewing the College's insurance contract with Outsurance.

6.1.1 Discuss TWO requirements for a **valid insurance contract** between Windmaster College and Outsurance. (6)

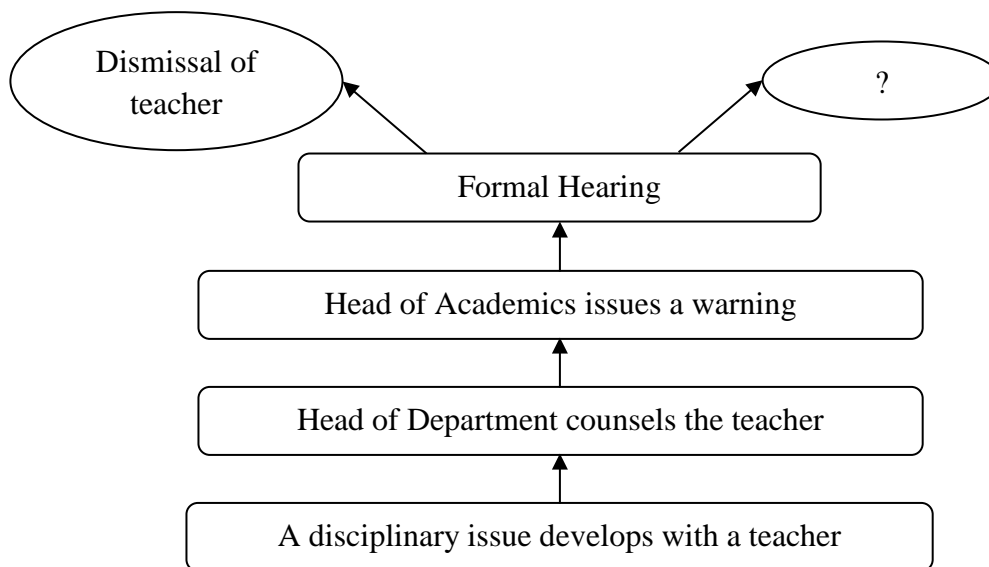
6.1.2 Explain how the concept of **indemnification** relates to insurance contracts. (4)

6.1.3 Explain to Michael why insurance contracts include an **excess clause**. (2)

6.1.4 Explain why, when assessing a claim put forward by an insured party, Outsurance would need to consider the **proximate causes** of the claim. (4)

6.2 Study the following diagram and then answer the questions that follow:

Staff Disciplinary Procedure at Windmaster College



6.2.1 Suggest another possible outcome that could arise from the formal hearing. (2)

6.2.2 Apart from representing workers at disciplinary procedures, give THREE other functions that a trade union could perform. (6)

6.2.3 Discuss **operational causes** as a possible reason for terminating an employees' contract at Windmaster College. (6)

6.3 Answer this question **in the table provided in the Answer Booklet supplied**.

6.3.1 The management team of Windmaster College must follow the provisions of the **Basic Conditions of Employment Act**.

Give the purpose of this Act and name FOUR aspects that it covers. (6)

6.3.2 Describe any three aspects to **Broad Based Black Economic Empowerment**. (6)

- 6.4 **'An analysis of their investment portfolio shows a balanced investment strategy.'** (paragraph 9 of case study).

Given the current economic climate in South Africa, is this a wise strategy to follow? Motivate your answer.

(4)

- 6.5 Evaluate Windmaster College's 'commitment to the empowerment of black women' (paragraph 10).

(4)

[50]

150 marks

Total: 200 marks