BUSINESS STUDIES: PAPER II

Time: 2 hours

PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY

1. This question paper consists of 4 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 must 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.

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

- **Format:**
  - The **CORRECT** format for each question must be used, i.e. Business report.
  - 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 1 AND LO 4

REQUIRED

Write a business report to the Board of Trustees of Windmaster College to assist them in improving the internal functioning of the school.

In order to perform this task, you have to identify and analyse the challenges AND then suggest strategies that can be applied to overcome these challenges in the three business environments where Windmaster College operates.

- Use PESTLE when referring to the macro environment;
- Use Porter's Five Forces model to describe the market environment. Your discussion should be limited to:
  - power of competitors
  - threat of potential new entrants
  - power of customers
- Refer to challenges in the micro environment that are faced by the following business functions: General Management, Finance, Purchasing, Human Resources and Marketing. Make use of tools such as the Balanced Scorecard (BSC), Performance Appraisals, Ratio Analysis and any others you feel may be relevant to suggest strategies on how to deal with the relevant challenges in the micro environment.
QUESTION 2 LO 2 AND LO 3

The following sources may be of relevance when answering this question.

SOURCE A

![short term investments vs long term investments cartoon](http://www.businesscartoons.co.uk) (Downloaded 29 October 2011)

SOURCE B

![business people climbing a bar graph](http://www.shutterstock.com) (Downloaded 29 October 2011)
A past pupil of Windmaster College has passed away and has bequeathed R10 million to the school. The Board of Trustees and the school management have to make a decision on how the money should be invested (through a variety of investment options) to ensure the best possible return on their investment. Unfortunately, the members of the school's management team do not agree on how the money should be invested and this is causing conflict within the management team.

REQUIRED

The Board of Trustees has approached you to write a business report helping them to understand:

- Which factors impact on the working relationships in teams, possible reasons for conflict in teams and how to manage or resolve such conflict; and
- How to evaluate the variety of investment options/opportunities in order to ensure the best possible return on their investment. Hint: Include a discussion on different investment options that may be considered and then make a recommendation on which option(s) should be taken.

[50]

Total: 100 marks