



BUSINESS STUDIES: PAPER I

EXAMINATION NUMBER

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Time: 2 hours

200 marks

PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY

1. This question paper consists of 23 pages. Please check that your question paper is complete.
2. Read the questions carefully.
3. All questions are **COMPULSORY**.
4. Answer ALL the questions on the question paper and hand this in at the end of the examination. Remember to write your examination number in the space provided on the question paper.
5. Demonstrate insight, where applicable, when answering the questions. You may refer to any fast-food business that you have studied this year.
6. You are advised to pay particular attention to the use of language and the **allocation of marks**.
7. It is in your own interest to write legibly and to present your work neatly.
8. Please do not **write** in pencil as work in pencil will not be marked.

Allocation of marks

Q 1	Q 2	Q 3	Q 4	Q 5	Q 6	Total

SECTION A

QUESTION 1

Select the correct option and tick its corresponding box.

1.1 When determining how many people are required for the amount of work that must be done, the human capital manager performs a ...

- A work-load analysis.
- B corporate social investment initiative.
- C break-even calculation.
- D health and safety inspection.

1.2 Which policy in marketing refers to the operating systems and procedures linked to the service experience of the customer?

- A promotion
- B product
- C process
- D people

1.3 The inclusion of salads in a McDonald's menu would be an example of a/an ... strategy adopted by the franchise owner.

- A outsourcing
- B harvest
- C differentiation
- D takeover

1.4 The management task referring to the transfer of authority to sub-ordinates so that daily tasks can be accomplished, is ...

- A control.
- B delegation.
- C organisation.
- D planning.

- 1.5 The ... Act recognises the right of workers to picket.
- A Employment Equity
 - B Basic Conditions of Employment
 - C Black Economic Empowerment
 - D Labour Relations
- 1.6 An advantage of Wimpy having a strong brand could be that ...
- A management is able to offer below-inflation salary increases.
 - B environmental scanning is neglected.
 - C performance appraisals are limited to top level management.
 - D the brand inspires customer loyalty leading to higher sales.
- 1.7 Which one of the following statements is **TRUE** with regards to insurance?
- A Fidelity insurance covers the loss of cash being transported to the bank.
 - B Through liability insurance, a customer may claim damages for injuries sustained due to the negligence of the franchisee.
 - C The excess amount is the monthly payment to ensure compensation by the insurance company.
 - D The iron safe clause ensures that employees have the necessary health and safety training in a fast-food franchise.
- 1.8 The purpose of the FTSE/JSE Responsible Investment Index is to ...
- A help businesses to show stakeholders that they act in a responsible manner when it comes to reporting on social, economic and governance issues.
 - B provide guidelines for conflict resolution in labour disputes.
 - C list areas where the government needs to increase capital expenditure.
 - D evaluate sociocultural challenges in the market.

1.9 An example of dysfunctional conflict could be ...

- A workers picketing outside a fast-food franchise.
- B an industrial lockout.
- C customers boycotting a fast-food franchise for their inhumane treatment of animals.
- D All of the above.

1.10 An investment in unit trusts ...

- A offers a good monthly income during a period of economic recession.
- B usually keeps up with the rate of inflation.
- C requires the owner to pay interest to the investment house.
- D must be bought and sold via insurance brokers.

[20]



[Source: <<https://seeklogo.com/vector-logo/316020/nando-s-peri-peri-chicken>>]



[Source: <<http://ewn.co.za/2018/03/09/kfc-returning-to-former-supplier-in-uk-after-chicken-shortage>>]



[Source: <<https://seeklogo.com/vector-logo/132055/steers>>]

QUESTION 2

Match the concepts in Column B to the descriptions in Column A. Write only the correct letter from Column B below the appropriate question number in the grid at the end of the question.

COLUMN A		COLUMN B	
2.1	When a business uses a successful brand to launch a new product in the same broad market.	A	arbitration
2.2	A summary of the duties and working conditions associated with a task and the degree of supervision required to perform the task.	B	job description
2.3	Directors take responsibility for what happens in the business.	C	endowment
2.4	A method used to obtain the opinion of experts on a particular topic, without necessarily engaging with them face to face.	D	debenture
2.5	The decision to resolve a conflict is taken out of the hands of the original parties and a third party makes a binding decision.	E	subrogation
2.6	To measure the productivity and efficiency of each employee.	F	conciliation
2.7	A loan that earns a predetermined interest rate.	G	accountability
2.8	The buying and selling of shares on the stock exchange where the person has the advantage of access to confidential information.	H	liquidity
2.9	Managers inform workers on what must be done but do not get involved in telling workers how to achieve these objectives.	I	brand prioritising
2.10	The insurance principle specifies that a person may claim once for compensation due to a specific event.	J	democratic leadership style
		K	GRI
		L	laissez-faire
		M	performance appraisal
		N	Delphi technique
		O	staff retention
		P	brand extension
		Q	insider trading

2.1	2.2	2.3	2.4	2.5	2.6	2.7	2.8	2.9	2.10

[20]

QUESTION 3

Each of the following statements is **FALSE**.

Change the **underlined word(s)** in each statement to make the statement **TRUE**.
Write only the **correct word/term** in the space provided after each question.

3.1 A **lock-out** refers to employees striking in support of a strike by other employees.

3.2 The **Constitution** promotes responsible consumer behaviour.

3.3 The **average** clause stipulates the insurer is only responsible for losses that are as a direct result of the event that was insured.

3.4 A fast-food franchise will use a **PESTLE** analysis when considering challenges from the market environment.

3.5 **Diversification** refers to the process where a business looks at its own methodology to perform a task and then compares it to the best practice used in other businesses.

[10]

50 marks



[Source: <<https://chinaipr.com/2015/03/15/im-lovin-it-a-wrong-way-for-mcdonalds/>>]

SECTION B

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

QUESTION 4

4.1 Human capital function at Taste Holdings Ltd

4.1.1 State the purpose of **manpower planning**.

(3)

4.1.2 Why would a fast-food franchise use **internal recruitment**?

(3)

4.1.3 Mention **FOUR** topics that could be covered in an **induction programme**.

(4)

4.1.4 Explain the concept **fringe benefit** and give an example to support your answer.

(3)

4.2 Investment opportunities and insurance used by Famous Brands Ltd

4.2.1 Explain the possible reasons why a business may decide to invest offshore.

(4)

4.2.2 Discuss the link between risk and return when investing in fixed property.

(4)



[Source: <[https://en.wikipedia.org/wiki/Wimpy_\(restaurant\)>](https://en.wikipedia.org/wiki/Wimpy_(restaurant)>)]

4.3.2 Explain how a franchisee could deal with the ethical challenge of a cashier taking funds for personal use without authorisation.

(4)

4.3.3 A fast-food franchise that decides to expand to another country will have to consider how ethics on an **international level** could impact on the activities of the business.

Explain this statement and use an example to illustrate your answer.

(3)

4.4 The marketing department

4.4.1 List THREE components of the **promotion policy (marketing communication)** of a fast-food franchise.

(3)

4.4.2 Justify why marketing is of **strategic importance** to a business.

(4)

4.4.3 Explain how **physical evidence**, as one of the elements of the marketing mix, can allow a fast-food franchise to gain a competitive advantage.

(4)
[50]

QUESTION 5

5.1 5.1.1 Explain what is meant by the term **total quality management**.

(3)

5.1.2 Describe the advantages for a fast-food franchise when it undertakes efficient quality control.

(4)

5.1.3 Evaluate how the financial department of Famous Brands Ltd can assist to improve the quality of performance.

(5)

5.1.4 Discuss how the purchasing manager can help to improve the quality of performance of a fast-food franchise.

(5)



[Source <<https://www.youtube.com/channel/UC23ZqC2LTzI7dfOi6EmwJhg>>]

5.3 Refer to the following extract where applicable when answering the question that follows:

Corporate governance overview Taste Holdings Ltd

To ensure that we consistently practise effective corporate governance throughout the Taste Holdings group, our board applies the principles of King IV, triple bottom line reporting and the listing requirements of the JSE.

[Adapted from: <<http://www.tasteholdings.co.za/overview.php>> November 2017]

List the elements of **triple bottom line/integrated reporting** and discuss how Taste Holdings Ltd could comply with the requirements of triple bottom line reporting. Use examples to illustrate your answer.

(9)
[50]

QUESTION 6

6.1 Refer to the following extract where applicable when answering the questions that follow:

Brand positioning

KFC has launched its new brand-positioning statement, "So good", in South Africa.

For more than 50 years this chicken franchise has been known for the catch phrase, "Finger lickin' good".

"But in that time the brand has grown beyond offering just a taste experience," says David Timm, KFC's chief marketing officer.

[Adapted from: <<https://www.sowetanlive.co.za/business/2011-07-04-kfc-so-good-slogan-rolls-out/>>]

6.1.1 List and describe factors that could help build a successful brand like KFC.

(6)

6.1.2 Describe how psychological factors could influence a buyer's decision to purchase a KFC product.

(4)

6.1.3 Discuss potential disadvantages of franchising for the franchisee.

(4)



[Source: <<https://www.complaintsboard.com/chicken-licken-b114051>>]

6.1.4 Social media could either improve or hamper the performance of the business. Discuss this statement. Use examples to illustrate your answer.

(6)

6.2 Explain, with the use of examples, the interdependence between the marketing department and other business functions.

(5)

6.3 Describe the purpose of the Skills Development Act and the impact of this act on employers and employees of a fast-food franchise.

(6)

6.4 6.4.1 Explain each of the following leadership styles. Give an example to show a disadvantage of this leadership style.

(a) Autocratic

(4)

(b) Transactional

(4)

6.4.2 Describe how poor communication can prevent a fast-food franchise from achieving a competitive advantage and make suggestions to solve the problem.

(6)

6.4.3 'The business will only be successful if the owner uses initiative as a management competency.'

Discuss the validity of this statement by using examples related to a fast-food business.

(5)
[50]

150 marks

Total: 200 marks



SOUTH AFRICA BRAND REPORT

– CONSUMERS OF TOP 10 FAST FOOD BRANDS –



[Source: <<https://www.analytixbi.com/south-africa-brand-report-consumers-of-top-10-fast-food-brands>>]