PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY

1. This question paper consists of 24 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 petrol stations/garages (including food courts and retail outlets associated with petrol stations) 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. If you run out of space for a question, one extra, blank page (page 24) is included at the end of the paper. Please clearly indicate the question number of your answer should you use this extra space.

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**Allocation of marks**

<table>
<thead>
<tr>
<th>Q 1</th>
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SECTION A

QUESTION 1

Indicate the most correct answer by writing the letter of the alternative you have chosen in the space provided at the bottom of each page.

1.1 A director who resigns from his/her position in the company because of insider trading is displaying …
   
   A synergy. 
   B accountability. 
   C indemnification. 
   D vertical integration.

1.2 The appearance of petrol station attendants, the signage used on the garage premises and the website of the business on the internet forms part of the … policy of marketing.
   
   A product 
   B promotion 
   C distribution 
   D physical evidence

1.3 The … Act provides guidelines to ensure that the contract of employment signed by both parties, is valid.
   
   A Basic Conditions of Employment 
   B Employment Equity 
   C Compensation for Injuries and Diseases 
   D Skills Development

1.4 When a garage owner can prove that the business will sustain a financial loss in the event of a fire, the … principle will apply.
   
   A insurable interest 
   B diversification 
   C regulatory discipline 
   D positive leverage

1.5 A possible outcome of dysfunctional conflict could be …
   
   A an increase in productivity. 
   B that a wider range of ideas are considered by the conflicting parties. 
   C management clarifying worker misconceptions. 
   D higher levels of stress and anxiety for the workers.

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<th>1.1</th>
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1.6 Which of the following activities are necessary in order to perform manpower planning?
A  Recruitment, induction and selection  
B  Job analysis, job description and job specification  
C  Cost plus benefits, cost to company and commission package  
D  Training, discipline and CSI

1.7 A challenge that a petrol station could face from the micro environment could be …
A  an increase in the number of petrol stations in the CBD of Cape Town.  
B  a change in the VAT rate.  
C  dissatisfaction by petrol attendants with the way performance appraisals are done.  
D  electricity replacing petrol as an alternative fuel for vehicles.

1.8 Which of the following is an advantage for employees engaging in a protected strike?
A  Employees have the security of knowing that they cannot be dismissed.  
B  Employers cannot get a court interdict to stop the employees from striking.  
C  Employers may not seek damages for loss of productivity from employees.  
D  All of the above.

1.9 A shareholder that invests in BP shares …
A  will receive interest as a return on the investment.  
B  pays a capital gains tax when shares are bought.  
C  could have capital growth and good dividends over the long-term.  
D  will earn a high return on the investment as they are risk free in the short-term.

1.10 Top level management is responsible for …
A  the long-term strategic business plan, including the vision, mission, objectives and strategies for the overall business.  
B  tactical plans, which involve the acquisition of resources needed by the departments they control.  
C  planning work schedules and programs on a daily basis.  
D  None of the above.

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[20]
QUESTION 2

Match the descriptions in Column A with the concepts in Column B. Write only the correct letter from Column B under the appropriate question number of Column A in the space provided in the grid at the end of the question.

<table>
<thead>
<tr>
<th>COLUMN A</th>
<th>COLUMN B</th>
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<tbody>
<tr>
<td>2.1 A tool used by the financial manager to evaluate an organisation's liquidity position.</td>
<td>A Recruitment</td>
</tr>
<tr>
<td>2.2 The use of an established brand to introduce products in unrelated markets.</td>
<td>B Brand stretching</td>
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<tr>
<td>2.3 Gives advice and represents members on conditions of service and grievances during negotiations as well as other labour-relations issues.</td>
<td>C Conciliation</td>
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<td>2.4 Fundamental law of South Africa and no other law or contract may supersede it.</td>
<td>D Trade Union</td>
</tr>
<tr>
<td>2.5 To attract job applicants with the necessary skills and motivation to cover manpower shortages.</td>
<td>E Forward integration</td>
</tr>
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<td>2.6 When a third party makes a recommendation on how a dispute should be settled, but the recommendation is not binding.</td>
<td>F BBBEE</td>
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<tr>
<td>2.7 A person who serves on the Board of Directors is approached by a competitor to be part of their Board of Directors.</td>
<td>G Acid-test ratio</td>
</tr>
<tr>
<td>2.8 A problem-solving technique used by a business to find out which tangible and intangible items are of strategic importance to the business.</td>
<td>H Conflict of interest</td>
</tr>
<tr>
<td>2.9 A person over the age of 18 in South Africa can sign binding agreements.</td>
<td>I Backward integration</td>
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<tr>
<td>2.10 A business buys one of its suppliers in order to eliminate the power of the supplier in the process.</td>
<td>J Constitution</td>
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<td></td>
<td>K Contractual capacity</td>
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<td>L Solvency</td>
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<td>M Resource-Based Approach</td>
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<td>N Selection</td>
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<td>O Mediation</td>
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<td>P Brand recovery</td>
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<td>Q Corruption</td>
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[20]
QUESTION 3

Choose the correct term in brackets that will make the statement TRUE. Write only the correct word/term in the space provided after each question.

3.1 A manager that follows an (autocratic / laissez-faire) leadership style believes that he/she should not interfere in the process of carrying out a task.

3.2 (Excess / Security) is the rand amount of the loss or claim specified in the policy that is to be paid by the insured when a claim is submitted.

3.3 The process where the business looks at its own methodologies to perform a task and then compares it to methods used elsewhere is referred to as (benchmarking / job tolerances).

3.4 When a garage franchisee creates a favourable work environment for his/her workers so that they don’t resign from the job, he/she aims to (induct / retain) the workers.

3.5 The (COFESA / GRI) is an independent institution that develops an acceptable guideline on sustainable reporting.

[10]  
50 marks
SECTION B

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

QUESTION 4

Required: Supply the missing information in each of the following schematic diagrams.

| 4.1 Macro challenges faced by a PETROL STATION franchise in South Africa |
|-----------------|-------------------------------------------------|-------------------------------------------------|
| Macro challenge | Describe why the element in the first column could be a challenge | Provide a different strategy for each of the macro challenges identified in the first column |
| 4.1.1 Economic | (2) | (2) |
| 4.1.2 Social | (2) | (2) |
| 4.1.3 Technological | (2) | (2) |
### 4.2 Triple bottom line/Integrated reporting by Vivo Energy Ltd (Controlling company of Shell and Engen Garages)

<table>
<thead>
<tr>
<th>Name THREE elements of triple bottom line/integrated reporting</th>
<th>Discuss, with the aid of an example for each element, how Vivo Energy Ltd can comply with triple bottom line/integrated reporting requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.2.1 (1)</td>
<td>(2)</td>
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<tr>
<td>4.2.2 (1)</td>
<td>(2)</td>
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<tr>
<td>4.2.3 (1)</td>
<td>(2)</td>
</tr>
</tbody>
</table>

[Source: <https://thesa-mag.com/features/energy/shell-south-africa-energized-commitment-for-over-a-century/>]
4.3 Discuss how Sasol Ltd could use the following principles of good corporate governance to meet stakeholder expectations.

4.3.1 Accountability

4.3.2 Transparency

_____________________________
              (3)

_____________________________
              (3)
4.4 4.4.1 Discuss how a change in procedures at a fuel-forecourt business could lead to conflict amongst employees.

(3)

4.4.2 Discuss how the manager of a fuel-forecourt business could deal with change in procedures, to minimise the impact of conflict amongst employees.

(3)
4.5
Suggest, with a different strategy for each, how Head Office could deal with each of the following unethical business practices if they occur at a fuel forecourt shop.

4.5.1 Sexual harassment

4.5.2 Inappropriate gifts accepted by employees

4.5.3 False advertising


IEB Copyright © 2019
4.6 4.6.1 A petrol station franchisor is considering whether to spend additional funds on:
- customer service training for its employees or
- an investment in a fast-food franchise linked to the petrol station.

You are required to:
- assist the franchisor with his decision by completing a pros and cons chart for the two options.
- motivate your final decision.
Answer the question in the following table.

**Pros and Cons Chart**

<table>
<thead>
<tr>
<th>Customer Service training for its employees</th>
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</thead>
<tbody>
<tr>
<td><strong>Pros</strong></td>
<td><strong>Cons</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Invest in a fast-food franchise linked to a petrol station</th>
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</thead>
<tbody>
<tr>
<td><strong>Pros</strong></td>
<td><strong>Cons</strong></td>
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**Your final decision and motivation:** (Note 2 marks are for the motivation)

(2)

4.6.2 Suggest ONE problem that the petrol station franchisor could face when using the pros and cons chart as a creative problem-solving tool.

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(1)

[50]
QUESTION 5

5.1  The impact of labour legislation on employers and employees at Sasol Ltd.

5.1.1 (a) Describe the purpose of the Labour Relations Act 66 of 1995.

(b) Describe the impact of the Labour Relations Act 66 of 1995 on employers and employees of Sasol garages.
5.1.2 Discuss TWO possible advantages for Sasol Limited if there are appropriate disciplinary/grievance procedures in place in the business.

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(4)

5.2 Explain why a Code of Ethics is important in a garage forecourt business.

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(4)
5.3 **Human Capital Function at Sasol Ltd.**

5.3.1 Explain why the initial screening of applicants is an important step in the selection process.

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(4)

5.3.2 Describe the purpose of an interview in the selection process.

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(4)
5.3.3 Describe the tests that candidates could be required to undergo as part of the selection process.

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(4)

5.3.4 Explain the possible disadvantages when Sasol Ltd uses external recruitment.

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(4)
5.3.5 Discuss the possible advantages when Sasol Ltd uses a performance appraisal as part of staff development.

5.4 The market environment of Sasol Ltd.
Describe how the following elements of Porter's Six Forces model could impact on the ability of Sasol Ltd to create and maintain a competitive advantage in the fuel industry. In each case, give strategies on how Sasol Ltd can respond to the challenges.

5.4.1 Threat of new entrants
5.4.2 Power of the buyer

[Source: <https://en.wikipedia.org/wiki/Sasol>]

[Source: <https://en.wikipedia.org/wiki/Sasol>]

(6) [50]
QUESTION 6

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

SHELL SELECT STORES

Shell Select offers a 24 hours, seven days a week shopping convenience.

We offer a wide variety of confectionary items and cool drinks. There is something for everyone.

There are bakeries on a large number of our sites and Shell Select is constantly striving to offer you innovative bakery delights. All our products are fresh-baked every day. Select staff is well trained to give you an exceptional taste experience that will have you coming back for more.

Select also carries a range of standard grocery items. We have made sure that we keep the leading brands so that you are guaranteed to purchase fresh, quality products.

[Adapted from: <https://www.shell.co.za/motorists/inside-our-stations/shell-select-stores.html> downloaded December 2018]

6.1.1 Evaluate how Shell South Africa uses the product policy to maintain a competitive advantage. Use evidence from the extract to support your argument.

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6.1.2 What are the possible advantages for Shell South Africa to develop a strong brand?

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(6)

6.1.3 Describe how the buyer uses the stimulus-response model to make buying decisions.

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(8)
6.1.4 Discuss the impact of the "right to disclosure of information" from the Consumer Protection Act on the Marketing department of Shell South Africa.

6.2 Discuss what methods employers could use to communicate organisational goals to their employees.
6.3 Refer to the following extract where applicable when answering the questions that follow.

Ceppwawu strike to hurt economy – Sacci

Johannesburg – The strike by the Chemical, Energy, Paper, Printing, Wood and Allied Workers’ Union (Ceppwawu), which was affecting deliveries from oil refineries and fuel depots, would have a negative impact on the economy, the SA Chamber of Commerce and Industry (Sacci) warned on Friday.


6.3.1 Discuss the possible negative implications of a strike in the petroleum industry. You can refer to the impact on the petrol stations, employees or customers.

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(6)

6.3.2 Describe other alternative forms of industrial action that the members of Ceppwawu could have undertaken to air their grievances.

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6.4 Discuss THREE possible benefits for Shell South Africa when a business involves itself in CSR programmes. Use examples to illustrate your answer.
6.5 Study the following infographic and then answer the question that follows.

![Infographic: Back-office system failures]

Provide suggestions on how petrol station owners can deal with some or all of these system failures.

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[Source: <https://petroconnect.co.za/blog Downloaded February 2019>]

(5) [50]

150 marks

Total: 200 marks
ADDITIONAL SPACE (ALL questions)

REMEMBER TO CLEARLY INDICATE AT THE QUESTION THAT YOU USED THE ADDITIONAL SPACE TO ENSURE THAT ALL ANSWERS ARE MARKED.

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