

**NORMAN HENSILWOOD HIGH SCHOOL  
EXAMINATIONS**



<b>DATE</b>	<b>26 May 2011</b>
<b>GRADE</b>	<b>11</b>
<b>SUBJECT</b>	<b>BUSINESS STUDIES</b>
<b>TIME</b>	<b>3 HOURS</b>
<b>MARKS</b>	<b>300</b>
<b>EXAMINER</b>	<b>L. VAN WYK</b>
<b>MODERATOR</b>	<b>Y. MILLER</b>

*D. [Signature]* Checked  
Principal 20/5/2011

**NORMAN HENSHILWOOD HIGH**

**BUSINESS STUDIES  
JUNE 2011**

**GRADE 11**

**EXAMINER : L. van WYK**

**MODERATOR : Y. MILLER**

**MARKS : [300]**

**TIME : 3 HOURS**

**INSTRUCTIONS**

1. Question 1 is COMPULSORY and must be answered by all candidates.
  2. Write the number of the question at the top of each answer.
  3. This question paper consist of three sections. Read the instructions to each section carefully before answering any question (s)
  4. Carefully read through the questions. Neatness and systematic presentation of **FACTS** are required. Always use full sentences, unless otherwise requested.
  5. Legible handwriting, correct subject terminology and neatness will count in your favour.
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**SECTION A ( General knowledge / Multiple choice questions) [100]**

**This section is compulsory, answer all questions in this section  
Carefully READ the instructions at each question and do only what is requested.**

**QUESTION 1**

*Indicate whether the following statements are true or false.  
Write your answer next to the number of the question on the answer sheet.*

- 1.1) The business of the state must be the state of business.
- 1.2) The business and its environment are inter-dependent entities but, to a large extent, not dependent on each other for their existence.
- 1.3) The formal sector in SA is reactive in their approach towards business problems because in most cases they deal with situations as and when they arise.
- 1.4) Economic stability is a pre-requisite for political stability.
- 1.5) A Rand which decrease in value against our major trading partners will make it more difficult for local companies to compete against cheaper imported goods.

5x3 [15]

1.6) Use the clue provided to unscramble the conundrum. Write the correct spelling of the word next to the number of the question on your answer sheet.

**EXAMPLE**

Clue

State President

ANSWER : Jacob Zuma

**CLUE**

- 1.6.1) "Yesterday, tomorrow, always"
- 1.6.2) One of the main socio-economic problems in SA.
- 1.6.3) Minister of Finance
- 1.6.4) He pay the wages of his labourers
- 1.6.5) Export product of the Western Cape

5x3

Conundrum

Jaabmuzom

**CONUNDRUM**

BAAS  
TOERVYP  
GRAPANRODHVIN  
LEMOPREY  
SELPAP

[15]

- 1.7 Study the phrases and link it with the relevant socio-economic problem. Write the correct letter next to the number of the question on your answer sheet.

**SOCIO-ECONOMIC PROBLEMS**

Poaching, Money laundry, Piracy, Unemployment, Fraud

**PHRASES**

- 1.7.1) In the past a so-called coloured person was too black to be promoted to top level management, and today that same person is too white to be successful in a black dominated business environment.
- 1.7.2) Mr. Shabir Shaik , ex financial advisor of Mr.Jacob Zuma
- 1.7.3) Cray fish : dwindling natural resource and a never ending increase in Demand
- 1.7.4) Rolex special from a street vendor : "Buy one for R100 and get one free."
- 1.7.5) Fidelity : Hijack, use proceeds of heist to buy casino "chips" , exchange it afterwards for cash without any gambling. 5x3 [15]
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**1.8) Study the following conversation between two fictitious characters from "Gangster Paradise"**

"Hola Seven! Gatiepie, long time no see, what is your status bro?"

"Eish Gamat my bra!, I'm struggling, still negative after I have forced a home-run with that larney chick from UCT. I am fed-up from eating beetroot and garlic to keep my count down. By the way, me and my tjom is busy chopping a V-Dub 2.0i. Interested in some accessories for that scorra of yours? I can do with some mali"

"Sorry bro, I mos drive a beemer now a days. Very hot ek sê!! Staggie have ask me to avail it for a hit which he plan on a cash-in-transit van from All Pay. He have received a tip from one of his gatta contacts. It will be a day run, hopefully our brothers from Eskom can arrange a suitable black-out conducive for our operation! Let's go and kill a Daniels or two, and I'll brief you in full. I still have some bottles in my boot which I have scored from Mr. Big. Eish!!

- 1.8.1) Identify five examples of socio-economic problems experienced in SA, as reflected in the afore mentioned case study 5x3 [15]
-

1.9) Choose from column B the word which best describe the phrase in column A  
Write the word next to the number of the question on your answer sheet.

**COLUMN A**

- 1.9.1) An individual who already owns a business and embark on a new business venture
- 1.9.2) To sell goods to somebody outside the country.
- 1.9.3) Factories that transform raw materials into final products.
- 1.9.4) Buying and selling of goods in order to generate a profit.
- 1.9.5) A chart showing the chain of command in a business.

**COLUMN B**

**Organogram, Market, Trade, Purchasing, Primary sector, Exports, Secondary sector, Millionaire, Entrepreneur, Imports Antrepreneur.**

5x3

[15]

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1.10) Complete the sentence by filling in the missing word. Write your answer next to the number of the question on your answer sheet.

- 1.10.1) South –Africa has a growing economy, therefore it is being classified as a ..... country.
- 1.10.2) **“The customer is king”** was the principle on which Mr. Raymond Ackerman built the success of the ..... chain of retail stores.
- 1.10.3) Profit equals cost of sales less the .....
- 1.10.4) Zimbabwe have the highest unemployment rate in Africa and it's neighbour, ....., is the crime capital of the Western world.
- 1.10.5) .....is not capital, but forms part of capital.

5x3

[15]

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1.11) Write down the meaning of each of the business acronyms. Write your answer next to the number of the question on your answer sheet.

- 1.11.1) BBBEE
- 1.11.2) CCMA
- 1.11.3) VAT
- 1.11.4) SETA
- 1.11.5) BCEA

5x2

(10)  
[100]

**SECTION B (Descriptive / Textbook based questions)**

**[100]**

**ANSWER ANY FIVE QUESTIONS FROM THIS SECTION.**

**QUESTION 2**

- 2.1 Matthew Vester would like to be an entrepreneur running his own business. Explain to him the advantages of starting his own business than buying an existing business. (6)
- 2.2 Define the term "Certificate to commence with business" with reference to public company. (2)
- 2.3 List four different types of shares (8)
- 2.4 Define the term "Par value" (4)

**[20]**

**QUESTION 3**

Fleatron CC is an engineering company based in Cape Town. It manufactures a range of industrial products, especially for the shipping industry. They export to the USA and Europe. It has been reported that the company dumps its industrial waste close to its factory.

- 3.1 Which level of business activity best describes Fleatron CC: Primary, secondary or tertiary? Explain your answer. (2)
- 3.2 How do the objectives of the public sector often differ from those of the private sector? (4)
- 3.3 The exchange rate of the dollar to the rand is \$1 = R7.26. If a Fleatron product is priced at R600, what price would you expect it to sell for in the USA? Show your calculations. (2)
- 3.4 If the exchange rate of the R rose to the \$, would this help Fleatron exports to the USA? Explain your answer. (2)
- 3.5 Pressure groups, such as Greenpeace, are groups of people who feel strongly about issues. How might a pressure group attempt to get a company like Fleatron to change some of its policies? (4)

- 3.6 The above questions deal with exchange rates and pressure groups. To which of the following business environments do they belong: macro, micro or market environments? (2)
- 3.7 To which business environment does the vision and mission of a company belong? Explain the difference between the vision and mission of a company. (4)

[20]

#### QUESTION 4

##### 4.1 Piracy and copyright (Read the extract and answer the questions)



#### EXTRACT

Have any of you ever bought or sold a copied CD or DVD? If you have, then you have committed a criminal offence. The Prevention of Organised Crime Act (1998) South Africa prohibits the practice of piracy.

Businesses must be aware of, and avoid participation in the act of piracy.

The next time you hear your doorbell ring, it could be the police armed with a warrant to search your house for PIRATE CDs, DVDs and computer games, which could lead to you and your family being arrested.

( L.van Wyk, May 2009)

- 4.1.1 What is meant by copyright and why is copying of music and software illegal? (6)
- 4.1.2 Do you feel that copying a CD/DVD is unethical? Explain. (8)
- 4.1.3 Many of us purchase and sell pirated materials. People and businesses are suffering because of piracy! Explain the effects of piracy on businesses/owners. (4)

4.1.4 What are the rights of the copyright holder/creator?

(2)

[20]

**QUESTION 5** (Trade unions read the extract carefully before answering the questions)



**COSATU**



The Trade Union COSATU faces many challenges, like :

- difficult employers
- a lack of mission and vision
- complications involving unions and strikes.

Rudesh owns a small furniture manufacturing business. He employs 310 employees to manufacture household and office furniture. A total of 295 of his employees belong to COSATU. COSATU has recently demanded a 9% increase in annual remuneration for all member employees. Rudesh must now decide whether or not he will grant the 9% annual remuneration increase to those employees who are COSATU members, or face a week-long strike.

In addition to the proposed strike, Rudesh's main supplier of wood has increased the price of a ton of wood by 14,65%.

While pondering his dilemma, he hears that the repo rate has increased and in response to this increase in the repo rate, commercial banks have increased the interest rate. Rudesh has two separate bank loans.

5.1 What is meant by a repo rate? Who determines the repo rate? (4)

5.2 The biggest trade union in SA is COSATU. What does the acronym stand for? (2)

5.3 Explain what is meant by an organised strike? (2)

- 5.4 Explain the difference between a wage and a salary. (2)
- 5.5 Tabulate the differences between shares and debentures. (10)  
[20]

#### **QUESTION 6**

- 6.1 Explain the difference between horizontal and vertical amalgamation. (8)
- 6.2 If Goldfields have 18% of the shares of Anglo American and Anglo American owns 65% of the shares of Goldfield indicate who will be the holding and controlling company respectively. (4)
- 6.3 Explain what is meant by the "Underwriting" of shares? (4)
- 6.4 Define the concept "PROSPECTUS" (4)  
[20]

#### **QUESTION 7**

- 7.1 "Notice is hereby given that dividend no. 23 of R1-20 per R5 share has been declared." Calculate the dividend pay-out per share. (4)
- 7.2 If you held 500 shares of R5 each what amount of pay-out can you expect to receive? (Show all calculations) (4)
- 7.3 Explain the concept "Founders" shares. (6)
- 7.4 List any three items to be included in a Memorandum of Association. (6)  
[20]

#### **QUESTION 8**

- 8.1 Explain the difference between a *trade slogan* and a *trade mark*. Highlight your answer with a practical example (8)
- 8.2 List any three factors influencing the external business environment. (6)
- 8.3 Tabulate any three factors influencing the micro environment. (6)  
[20]

**SECTION C**

**[100]**

**ANSWER ANY TWO QUESTIONS FROM THIS SECTION**

**Ensure to apply the correct structural format.**

**Highlight factual information with relevant general knowledge perspective remarks in order to score maximum marks for insight.**

**Ensure tidy and legible handwriting**

**QUESTION 9**



**Lucy Traders Ltd.**

**Millar's Juice CC**

**Van's Juice**

**(Pty) Ltd.**

Compare the above forms of ownership using the following headings:

- General characteristics of each form of ownership
- Advantages of each form of ownership
- Founding procedures of each form of ownership

**[50]**

## QUESTION 10

### **Make money with cleaning franchise**

An affordable franchise opportunity in a fast growing service sector has just been introduced countrywide.

The franchise, *Pressed in Time*, involves the washing, ironing and dry-cleaning of washing for household as well as corporate markets. It is already very popular in the USA.

The Unilever Group has just announced that they will be entering the dry-cleaning market. Mr Johan Brummer, master licence holder of *Pressed in Time* in Pretoria and environment, said the initial cost price was R85 000 + VAT.

In exchange, the buyer will receive an area where clients may be recruited, support in drawing up a client base, training, marketing and initial supplies of R20 000.

Buyers will also receive support from clients phoning an 086 number for contact details of their nearest *Pressed in Time* franchise.

Brummer said buyers need no prior experience of the dry-cleaning industry. They only need to recruit clients and transport washing between the dry-cleaning plant where the cleaning and ironing will take place, and the client's premises, where it will be delivered spotless.

He said of 25 of the franchises available in Pretoria, six have already been taken. Although he will first be focusing on the areas in and around Pretoria, already more than 20 franchises have been taken countrywide since they started in May 2003.

*Pressed in Time* will soon be applying for registration with the Franchise Association of SA.

Brummer explained that the success of *Pressed in Time* was based on the fact that washing is collected from and delivered to a client at a time and place that suits the client. This need was revealed by market research which showed that people have less time to spend on washing. The costs are determined in such a way that the client feels he is benefiting from this service.

He emphasised that the service will also be popular with businesses that need to clean their workers' uniforms.

JOHANN V TONDER

With reference to the article above, discuss the process of franchises in detail. Do refer to the positive as well as negative aspects of it. The relationship between the parties in the franchise agreement must also be explained clearly.

[50]

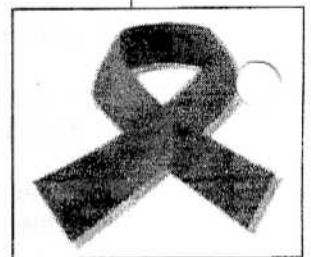
**QUESTION 11**



**Socio-economic issues**

Socio-economic factors will affect the daily operations of a business. There are a number of socio-economic factors that businesses need to consider. The following are some of the most relevant socio-economic variables that will impact on business operations and productivity in South Africa:

- \* A reduction in the labour force due to HIV/Aids
- \* Piracy



- \* Crime
- \* Poverty and unemployment
- \* Productivity
- \* Black economic empowerment

Write a report, analyse and explain the challenges / impact of socio-economic problems on the corporate business set-up in South Africa.

[50]

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**TOTAL [300]**

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