

INSTRUCTIONS:

Read the following instructions carefully before answering the questions:

1. The paper consist of THREE sections:
SECTION A – COMPULSORY
SECTION B -- Consists of THREE COMPULSORY QUESTIONS
SECTION C – Consists of THREE QUESTIONS, answer any TWO QUESTIONS
2. Read the instructions for each question carefully and answer only what is required.
3. Begin the answer to each new question on a new page.
4. Number the answers correctly according to the numbering system used in this question paper. Neatness and systematic presentation of FACTS are required.
5. Except were other instructions are given, answers must be written in full sentences.
6. Use the mark allocation and the nature of each question to determine the length of an answer.
7. **NB:** Every **2 marks** requires a **fact** AND an **explanation** and/or **Example**.
8. **Use the table below as a guide for marks and time allocation when answering each question**

Question	Section	Marks	Time
1	A: Multiple-choice questions, True/false items etc. - COMPULSORY	40	30 min
2	B: Three questions - COMPULSORY	60	30 min
3		60	30 min
4		60	30 min
5	C: Essay questions - Answer any two of the four questions	40	30 min
6		40	30 min
7		40	30 min
			180 min

SECTION A

This section is **COMPULSORY**

QUESTION 1

1.1 Four possible options are provided as answers to the following questions. Choose the answer and write only the letter next to the question e.g. 1.1.1 A

1.1.1 This fund covers employees who are injured on the job or who become sick as a result of their work.

- A unemployment insurance
- B old age pension fund
- C workmen's compensation fund
- D medical fund

1.1.2 is **NOT** one of the factors influencing the choice of a form of ownership

- A size of the business
- B establishment procedures
- C capital
- D outsourcing

1.1.3 A financial institution or financial advisor invests your money in different shares and manages it over the investment period

- A bonds
- B managed portfolio
- C Unit trust
- D fixed deposit

1.1.4 Presenting business information by making use of a data-projector is an example of....

- A written information
- B oral information
- C visual presentation
- D none of the above

1.1.5 Controllable variables are those factors that a business can control e g

- A inflation
- B high fuel prices
- C size of sales force
- D political stability

5 x 2 = [10]

A SWOT – analysis is a very useful tool for a business, forcing a business to critically examine itself and its environment.

1.2 **State whether the following are strengths, weaknesses, opportunities or threats for St.Elmo's Pizzas as a retail business.**

- 1.2.1 St. Elmo's Pizzas is in competition with Debonairs Pizzas.
- 1.2.2 St.Elmo' aims to sell quality pizzas and has an e-mail address – [http://www.st.elmos.co.za.]
- 1.2.3 Some employees turn up late for work on a regular basis.
- 1.2.4 An increase in the price of pizzas.
- 1.2.5 Dissatisfied customers would shop elsewhere.

5 x 2 = [10]

1.3 **State whether the following statements are TRUE or FALSE:**
If **FALSE** give the correct statement.

- 1.3.1 Corporate social investment means business should play an active role in supporting the community they operate within
- 1.3.2 Cyclical unemployment happens when the demand for certain types of labour declines because of changes in the structure of the economy
- 1.3.3 In **South African** schools learners are encouraged to develop their own entrepreneurial skills and to think of ways in which they could work for themselves.
- 1.3.4 The **primary sector** activities involve firms that manufacture and process products from natural resources.
- 1.3.5 The name of a private company must end in Ltd (Limited)

5 x 2 = [10]

1.4 **Choose the correct term from the list below and write down only the term next to the number of each question.**

Terms		
Public company	Innovation	Outsourcing
Tertiary sector		Exclusive
Inclusivity	Road Accident Fund [RAF]	
Close Corporation		Benchmark

- 1.4.1 All people buying fuel contribute to this fund.
- 1.4.2 Only natural persons may become part of this form of ownership.
- 1.4.3. means giving everybody an equal chance, meaning no discrimination on the basis of race, age, gender, sexual orientation or disabilities.
- 1.4.4 Subcontracting various phases of a job to other firms or individuals.
- 1.4.5 New ways of thinking or doing things.

5 X 2 = [10]

TOTAL: [40]

SECTION B (Answer all **THREE QUESTIONS** in this section)

QUESTION 2

2.1 Study the following case study with regards to Pick 'n Pay and answer the questions which follow:

Built on Principle

Chris Gilmour

Pick 'n Pay has had the best performing share price on the stock exchange over the past 35 years and since 1968 it has never missed a dividend payment. The reason for the success of the company is based on the basic principles of the business, also referred to as the four legs of the table. They are strong administration and cash flow, great merchandising, outstanding people and corporate social responsibility. Fostering staff improvement and promoting people from within the company is a core principle. Employee benefits include paternity leave and a share-incentive scheme, his wages and terms and conditions of employment being in place.

According to Ackerman, they are accountable to the community and caring for people. It launched the Winterveld Farms' Scheme, whereby the company funded 10 boreholes for small-scale farms north of Pretoria to grow fruit and vegetables.

Pick 'n Pay has 438 company-owned stores, including Score grocery shops in South Africa and 78 outlets in Australia called Franklin. The Franklins has yet to bear fruit and Ackerman hopes it will break even in 2006. It acquired the Franklins in 2001 and showed a loss of R84m in 2003 and expected a loss of R42m in 2004 and to break even in 2005. Raymond Ackerman strongly believes in doing the right thing.

During the apartheid era Ackerman championed the rights of black people to own property in urban areas. He also discounted petrol at Pick 'n Pay Hypermarkets at the risk of arrest. Ackerman places more emphasis on consumer support than profit maximisation. During high inflationary climates he reduced the price of merchandise in an order to build goodwill.

Source: *Financial Mail*, 25 November 2005, pages 20–23
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- 2.1.1 List **FIVE** entrepreneurial characteristics exposed by Mr Raymond Ackerman **and give an example for each one relating to the case study.** [10]
- 2.1.2 Explain the Maternity/Paternity leave framework for workers according to the Basic Conditions of the Employment Act [10]
- 2.1.3 Which area of Pick 'n Pay Holdings needs improvement? Briefly state **FOUR** of your own suggestions as to how that area can be improved. [10]
- 2.1.4 Would you say that Pick 'n Pay adheres to the Human Rights Policy in the workplace? Motivate your answer. [6]
- 2.1.5 Tabulate the differences between **Debenture Holders** and **Share Holders** [10]
- 2.1.6 Write down the current *Trade Slogan* of Pick 'n Pay. [2]
- 2.1.7 List and explain the FOUR different types of insurance needed by Pick 'n Pay. to cover ordinary business peril. 4 X 3 = [12]
- /60/**

QUESTION 3

READ THE CASE STUDY BELOW AND ANSWER THE QUESTIONS THAT FOLLOW FROM 3.1.1 – 3.1.5.

Beaufort West Herbs – how Woolworths fresh pestos make a difference

There are many ways to make a good difference – not all of them, immediately obvious to the eye. Perhaps, few of Woolworths' customers realise that when they purchase Woolworths' delicious fresh pesto products, they are providing the last vital link in a value chain that it is bringing sustainable development to previously disadvantaged people in Beaufort West.

Economic empowerment

As part of its corporate responsibility strategy, Woolworths actively seeks reliable sources of supply that derive from sound economic empowerment projects. The Beaufort West Hydroponics project is an initiative of the Provincial Administration of the Western Cape, with additional funding support from the DST. By making use of the latest and best technology available the project has succeeded in enabling the production of high quality culinary herbs in the midst of this dry Karoo town.

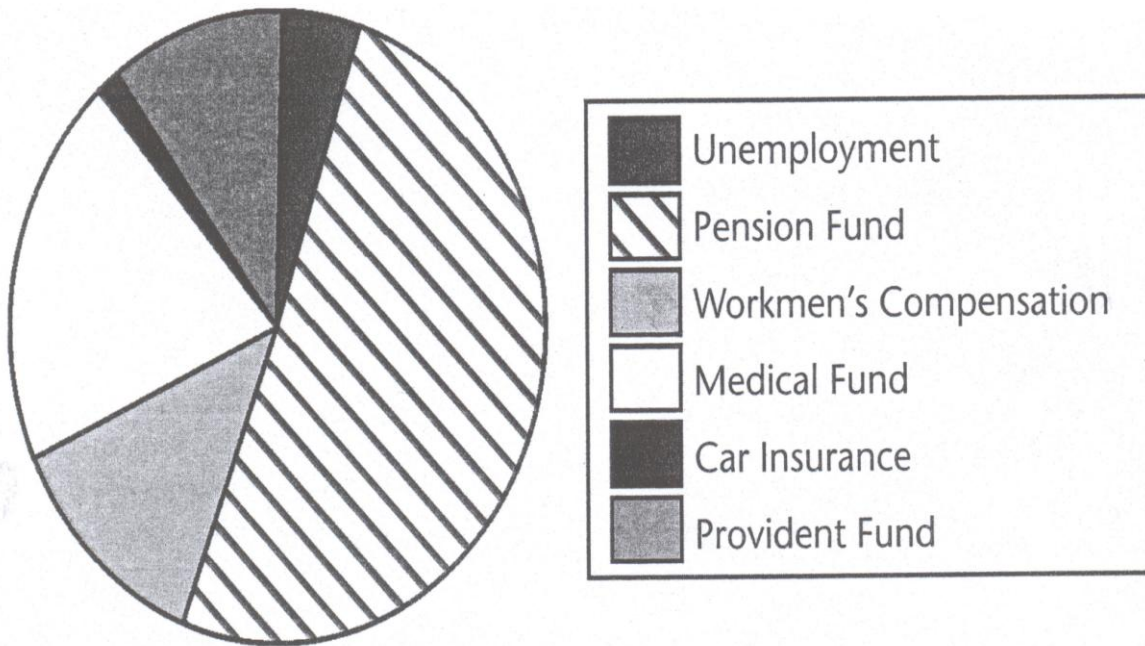
Viable careers

The 18-month Beaufort West Hydroponics pilot project resulted in the establishment of a modern greenhouse facility staffed by 14 previously unemployed people who have undergone specialist training and mentoring. The pilot phase yielded successful trials of various crops and established vital links with the mainstream of the South African economy. This success has paved the way for the project to expand into a vibrant and economically viable business run by previously disadvantaged persons drawn from the local communities. It brings new energy to Beaufort West where unemployment is high and opportunities are severely limited.

Adapted from: <http://www.woolworths.co.za>

- 3.1.1 What type of strategy is Woolworths using by establishing their own producers? [2]
- 3.1.2 Define the concept “Affirmative Action”. [4]
- 3.1.3 Choose the correct option and write your answer next to the number of the question “Unemployment in South Africa is described as :
- a) Workers, 16+ to 65, without work
 - b) Workers, 16+to 65, actively seeking work
 - c) Everyone without work
- [2]
- 3.1.4 State TWO **main purposes** of the Employment Equity Act. [4]
- 3.1.5 List and explain each of the different **Causes of Conflict** in the business world. [18]

3.2 Study the pie chart below and answer the questions that follow from 3.2.1 to 3.2.4.



Pie chart of Zoro Denim manufacturers – company's financial contribution towards its employees

- 3.2.1 Identify TWO compulsory insurances that Woolworths must have and explain the role of each one briefly. [8]
- 3.2.2 With reference to the employer's financial contributions, which one is considered to be the largest and which one the smallest? [2]
- 3.2.3 Discuss FOUR different types of non-insurable risks [12]
- 3.2.4 Is car insurance an example of short-term or long-term insurance? [2]
- 3.3 Fill in the missing word:
- 3.3.1 A pension fund allows you to save money for your
- 3.3.2 A medical fund provides funds when you need assistance.
- 3.3.3 The workmen's compensation fund allows a worker to claim benefits in the case of injuries sustained at 3x2=[6]

/60/

QUESTION 4

- 4.1 Assume you are the General Manager of Normie's Furniture. Your business does its own tree felling, milling, designing, manufacturing and selling of furniture to consumers.

Explain briefly how the three sectors, namely: primary, secondary and tertiary can control their respective sub environments. Make use of this practical example to illustrate your answer [24]

- 4.2 Van's Consulting use Financial Statements to present financial information to the board of directors. List the two main financial documents used to portray the financial information of a business.. [4]

- 4.3 Define each of the following business concepts in your own words. Make sure to highlight factual information with relevant examples

4.3.1. Cession [4]

4.3.2. Excess [4]

4.3.3 Re-insurance [4]

- 4.4 Write down the meaning of each of the following business acronyms:

4.4.1. CCMA

4.4.2. SITE

4.4.3 B2B 3x2 [6]

- 4.5 Mr. Van Wyk is the owner of a ten year old Jaguar V6. He has insured his vehicle for R250 000 with SANTAM. According to SAMCOR the market value of the vehicle is R300 000. A Hail storm cause damage estimated at R20 000. Calculate the settlement amount which SANTAM will pay to repair the jaguar. (Show all your workings) [10]

- 4.6 "Corporate social investment spending in south Africa rose 2% to R2,4 billion last year from the previous year's R2,3 billion" – Business Day 14 -January 2005. Explain the concept of **Corporate Social Responsibility**. [4]

[60]

SECTION C

Answer any **TWO** of the three questions in this section

QUESTION 5

The National Education Department recently employed you in South Africa as Human Resource Manager. You are instructed to draw up a HIV/AIDS workplace programme. You were also requested to research the impact of HIV/AIDS on the school community as well as on the Government Employee Medical scheme (GEMS). You need to execute these requests and submit a complete report to the Department. **[40]**

QUESTION 6

Phumlani Soko is the owner of a well-known shop in Soweto, called Phumli's Hardware shop. The shop has done well over the past 3 years. He decided to expand by adding a plant section to his shop, selling shrubs, seedlings etc. He also employed 3 more people. Not long after these changes, his turnover dropped and his expenses increased.

Although Phumlani identified the problem, he cannot determine the cause of the problem. He requested your service as a consultant to:

- determine at least four possible causes to the problems he is facing in his business
- identify and analyse five problem solving techniques
- choose the most appropriate technique to Phumlani's case, motivating why you have chosen this specific technique
- discuss six steps you are going to use when applying the technique and link it clearly to the scenario. **[40]**

QUESTION 7

Unskilled labourers in SA are still in the majority and training is vitally important to rectify the imbalance which exists in the workforce. This can only be done through the implementation of the Skills Development Act. You, as Assistant Human Resource Manager of Millar Consulting CC must compile a report for the management meeting in which you will highlight the aim and benefits of the Act and inform them about the purpose and role of SETA's. **[40]**

TOTAL : [80]

School:

Name:.....

Grade:.....

1.1 MULTIPLE CHOICE

1.1.1	
1.1.2	
1.1.3	
1.1.4	
1.1.5	

5 X 2 = [10]

1.2 .SWOT ANALYSIS

1.2.1	
1.2.2	
1.2.3	
1.2.4	
1.2.5	

5 X 2 = 10]

1.3 TRUE / FALSE

If **FALSE**, give the correct statement

1.3.1	
1.3.2	
1.3.3	
1.3.4	
1.3.5	

5 x 2 = [10]

1.4 CHOOSE THE CORRECT TERM

1.4.1	
1.4.2	
1.4.3	
1.4.4	
1.4.5	

**5 X 2 = [10]
[40]**