



**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 An example of an external stakeholder is ...
- A resources.
  - B strategy.
  - C supplier.
  - D organisational structure. (2)
- 1.2 Which one of the following factors is **NOT** part of the PESTLE analysis?
- A Employee motivation
  - B Exchange rates
  - C Labour Relations Act
  - D Environmental awareness (2)
- 1.3 The purpose of a decision tree is to ...
- A assess possible outcomes based on probability.
  - B determine the root cause of a challenge the business is facing.
  - C illustrate the activities within the business.
  - D compare internal and external challenges. (2)
- 1.4 Which one of the following would **NOT** be a duty of the Human Capital Department?
- A Staff development and training
  - B Enforcing disciplinary procedures
  - C Identifying customer trends
  - D Performance reviews (2)
- 1.5 A job that is assigned based on its tasks and responsibilities, is known as the ...
- A job classification.
  - B job description.
  - C job hunting.
  - D job analysis. (2)

1.1	1.2	1.3	1.4	1.5

- 1.6 Which one of the following is **NOT** a requirement for an applicant when applying for a position at Game Stores? (2)
- A Application form
  - B Cover letter
  - C Curriculum Vitae (CV)
  - D Labour department approval letter
- 1.7 The practice of hiring people who are already employed by the business is ... (2)
- A selection.
  - B induction.
  - C internal recruitment.
  - D appraisal.
- 1.8 Constructive dismissal occurs when ... (2)
- A an employer makes it difficult for an employee to continue with their daily duties.
  - B a business can no longer pay an employee.
  - C an employee is caught stealing.
  - D an employee loses his/her job due to incompetence.
- 1.9 The management of Makro use total assets : total liabilities as a measure of ... when doing a quality of performance check. (2)
- A solvency
  - B profitability
  - C liquidity
  - D gearing
- 1.10 Which one of the following institutions or organisations is responsible for developing an acceptable guideline on sustainable disclosure? (2)
- A South African Reserve Bank
  - B Global Reporting Initiative
  - C Central Statistical Services
  - D Institute of Chartered Accountants

1.6	1.7	1.8	1.9	1.10

- 1.11 The responsibility of a director is to ensure that ...
- A there is compliance with relevant laws.
  - B proper risk management procedures are in place.
  - C he/she acts in the best interest of relevant stakeholders.
  - D All of the above. (2)
- 1.12 A/An ... issues an instruction on how conflict should be resolved which is binding on the parties involved.
- A arbitrator
  - B conciliator
  - C negotiator
  - D franchisor (2)
- 1.13 One of the perspectives of the Balanced Scorecard is ...
- A Performance-gap
  - B Learning and Growth
  - C Business Process Re-engineering
  - D Leverage (2)
- 1.14 A return offered to an investor who has invested funds in a fixed deposit would be ...
- A dividends.
  - B interest.
  - C shares.
  - D depreciation. (2)
- 1.15 A disadvantage of franchising as a model of growth is ...
- A the franchisor's image is at risk.
  - B diseconomies of scale can arise.
  - C entrepreneurial potential of franchisees is not fully utilised.
  - D clash of corporate cultures. (2)

1.11	1.12	1.13	1.14	1.15

- 1.16 This problem-solving technique helps the manager in Woolworths to make a decision based on the advantages and disadvantages of a possible solution to a problem.
- A PESTLE tool
  - B Value Chain Analysis
  - C Pros and Cons chart
  - D All of the above
- (2)
- 1.17 When a manager in Pick n Pay is dealing with a cashier who is not fond of change, it would be best to ...
- A try and explain how all members of staff would benefit from the change.
  - B offer the staff member a promotion.
  - C agree with the staff member and stop all changes taking place.
  - D bring about even more change in the business.
- (2)
- 1.18 Which one of the following is **NOT** considered to be a business strategy?
- A Low cost
  - B Differentiation
  - C Decline
  - D Examination
- (2)
- 1.19 Customers possess a high level of power when ...
- A the business has many substitute products in the market.
  - B the business has many large clients.
  - C there are a few suppliers in the market.
  - D the government controls access to the market.
- (3)
- 1.20 Market penetration is a ... focusing on selling ... products into ... markets.
- A low-risk strategy, existing, existing
  - B medium-risk strategy, existing, new
  - C high-risk strategy, new, new
  - D medium-risk strategy, new, existing
- (3)

1.16	1.17	1.18	1.19	1.20

- 1.21 Marketers at a Pick n Pay store would most likely offer product discounts when ...
- A the product has little competition in its market from other products.
  - B development and production costs for the product are high.
  - C a market differentiation strategy is used to market the product.
  - D the business has high inventories of the product. (3)
- 1.22 When a current employee provides guidance and assistance to a new employee, this is known as ... which can be seen as ....
- A induction, off the job training.
  - B mentoring, on the job training.
  - C mentoring, off the job training.
  - D supervising, off the job training. (3)
- 1.23 The components used to determine the risk profile of an investment are ...
- A investment time frame; size of investment relative to investors' portfolio; rate of return.
  - B investment strategy; sustainability of investment; diversification.
  - C compliance with the CPA; brokerage fees; capital gains tax.
  - D BEE compliance; re-insurance and third-party claims. (3)
- 1.24 Which of the following factor(s) would Spar consider when setting the price of a product?
- (i) Product demand
  - (ii) Competition
  - (iii) Objectives
  - (iv) Managerial bonuses
- A (i)
  - B (i) + (ii)
  - C (i) + (ii) + (iii)
  - D (i) + (ii) + (iii) + (iv) (3)

1.21	1.22	1.23	1.24

[54]

**QUESTION 2**

Choose the **most correct answer** from the terms in the table below that best match the statements that follow.

Write down the **most correct answer** in the space provided in each statement.

**Note: There is only one correct answer for each statement.**

<b>Market value</b>	<b>Dysfunctional Conflict</b>	<b>Profitability Ratios</b>
<b>Marketing</b>	<b>Labour Relations Act</b>	<b>Mission statement</b>
<b>Manpower planning</b>	<b>Retrenchment</b>	<b>Target Planning</b>
<b>Vision</b>	<b>Functional Conflict</b>	<b>Liability Ratio</b>
<b>Skills Development Act</b>	<b>Acid-test Ratio</b>	<b>Retirement</b>
<b>Environmental Scanning</b>	<b>Market share</b>	<b>Current Ratios</b>
<b>Economic Scanning</b>	<b>Employment Equity Act</b>	<b>Management</b>

- 2.1 The \_\_\_\_\_ compares a company's short-term assets to its short-term liabilities to see if a company has enough cash to pay for its immediate liabilities.
- 2.2 \_\_\_\_\_ is a form of dismissal when the employer reviews the business needs to increase profits or limit losses, which leads to reducing employees.
- 2.3 Activity that a business undertakes to promote the buying or selling of a product or service is known as \_\_\_\_\_.
- 2.4 A/An \_\_\_\_\_ defines why an organisation exists and what its overall operational goal is.
- 2.5 The process of gathering information about events and their relationships within an organisation's internal and external environments is \_\_\_\_\_.
- 2.6 \_\_\_\_\_ are financial metrics used by analysts and investors to measure and evaluate the ability of a company to generate income relative to revenue.
- 2.7 \_\_\_\_\_ is the percentage of an industry accounted for by a specific entity.
- 2.8 \_\_\_\_\_ is disagreement or tension within a group that leads to positive results.
- 2.9 \_\_\_\_\_ is the process of estimating the optimum number of people required for completing a task or achieving a goal within a set time period.
- 2.10 The \_\_\_\_\_ is the law that ensures that all employees receive equal opportunities and are treated fairly by their employers.

**[20]**

**QUESTION 3**

Choose the term in brackets that makes the statement **TRUE**. **Underline your answer**.

- 3.1 The **(Value Chain Analysis / Delphi technique)** involves the process of thinking about the different ways in which the business can improve the efficiency of production.
- 3.2 The **(Macro-Environment Approach / Resource-Based Approach)** to problem-solving is used to assess the strategic assets in a business.
- 3.3 **(Avoidance / Compromise)** means the parties in a conflict situation find a middle ground where ideally both parties are satisfied with the outcome.
- 3.4 **(Procedural fairness / Substantiative fairness)** deals with the formal course of action prescribed by the law which is to be followed by an employer before dismissing an employee.
- 3.5 **(Collective bargaining / Arbitration)** refers to the process that takes place when the employer and trade union negotiate the terms of employment.
- 3.6 Before a strike can take place, the issue over which workers want to strike must be referred to the **(CCMA / CYMA)**.
- 3.7 An/A **(Annual Training Report / Short Term Review)** shows the progress that has been made in the previous year's Workplace Skills Programme.
- 3.8 A **(leader / manager)** is appointed in a position of authority which enables him/her to insist on people doing as he/she instructs.
- 3.9 **(Accountability / Authority)** refers to the person taking responsibility for his/her actions.
- 3.10 According to the **(Principle-based theory / Consequence-based theory)**, the outcome of the action will determine if the action is ethical or not.
- 3.11 **(Conflict management / Control management)** is the process of limiting the negative aspects of a disagreement between parties while increasing the positive aspects of the disagreement.
- 3.12 **(Backward integration / Forward integration)** is a strategy in which a business acquires or merges with a supplier of raw materials needed in the production of its finished product.
- 3.13 A/An **(negotiation / argument)** is a dialogue between two or more people or parties intended to reach a beneficial outcome.

[26]

100 marks



**SECTION B**

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

**QUESTION 4**

Read the following extract before answering the questions that follow:

Heightened customer expectations, massive advancements in technology, and the rise of online commerce are just a few of the trends reshaping the world of retail. Traditional approaches will no longer work in the face of change; now is the time to clearly define new aspirations, make fundamental changes to operating models and rethink retail.

[Source adapted from: <<https://www.mckinsey.com/~media/McKinsey/Industries/Retail/Our%20Insights/Future%20o>>12/11/2020]

4.1 List **four** management tasks that retailers such as Spar would use when rethinking their retail operations.

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_



(4)

4.2 Explain how Spar could use the various entrepreneurial qualities as part of their decision-making process.

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(6)

4.3 Define each of the **managerial competencies** listed below and briefly discuss how each of these competencies could be used by managers to ensure that Spar remains ahead of retail trends in South Africa.

**4.3.1 Global Awareness**

Define:

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(2)

Discuss:

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(3)

**4.3.2 Empowerment and Talent development**

Define:

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(2)

Discuss:

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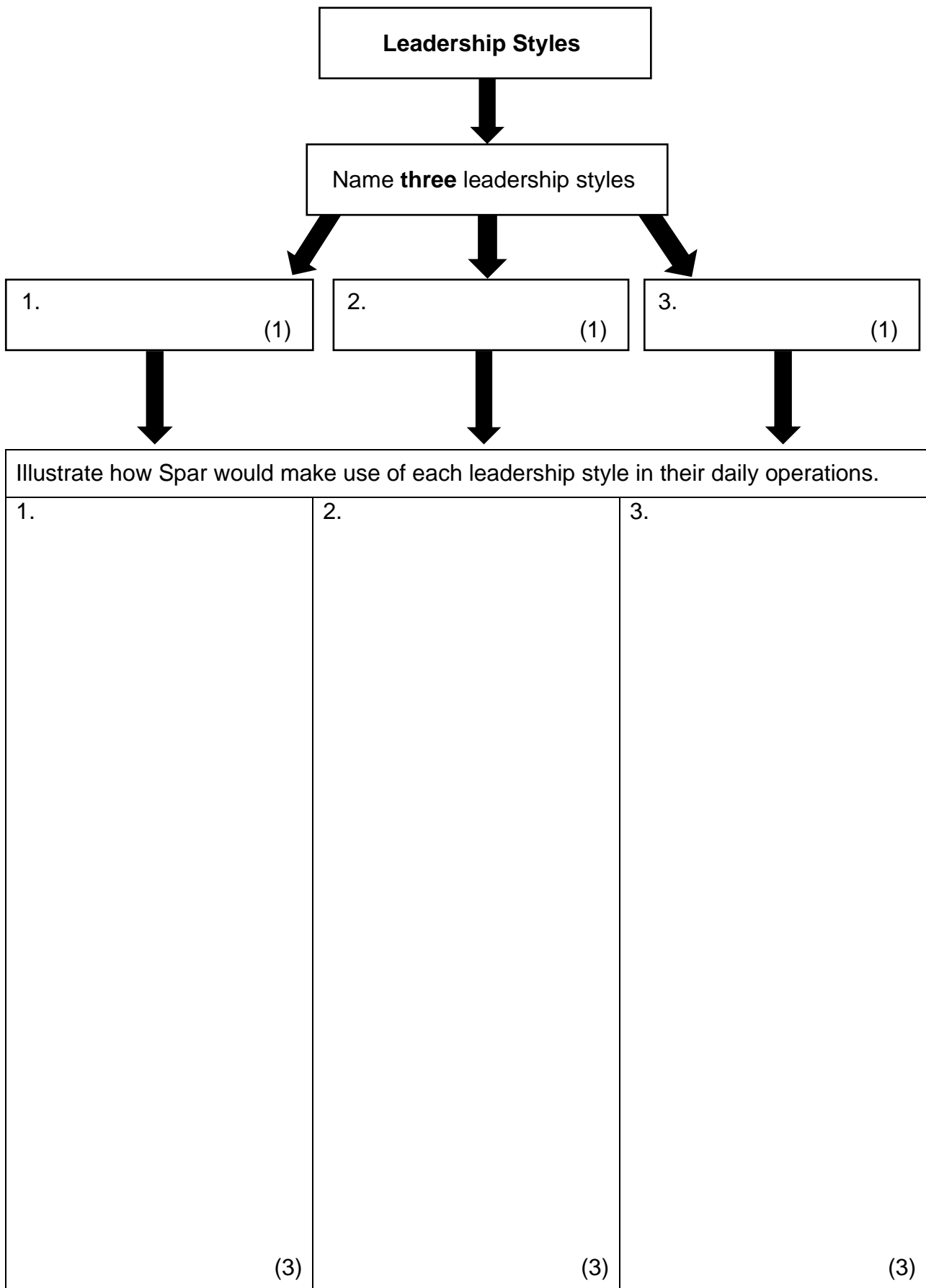
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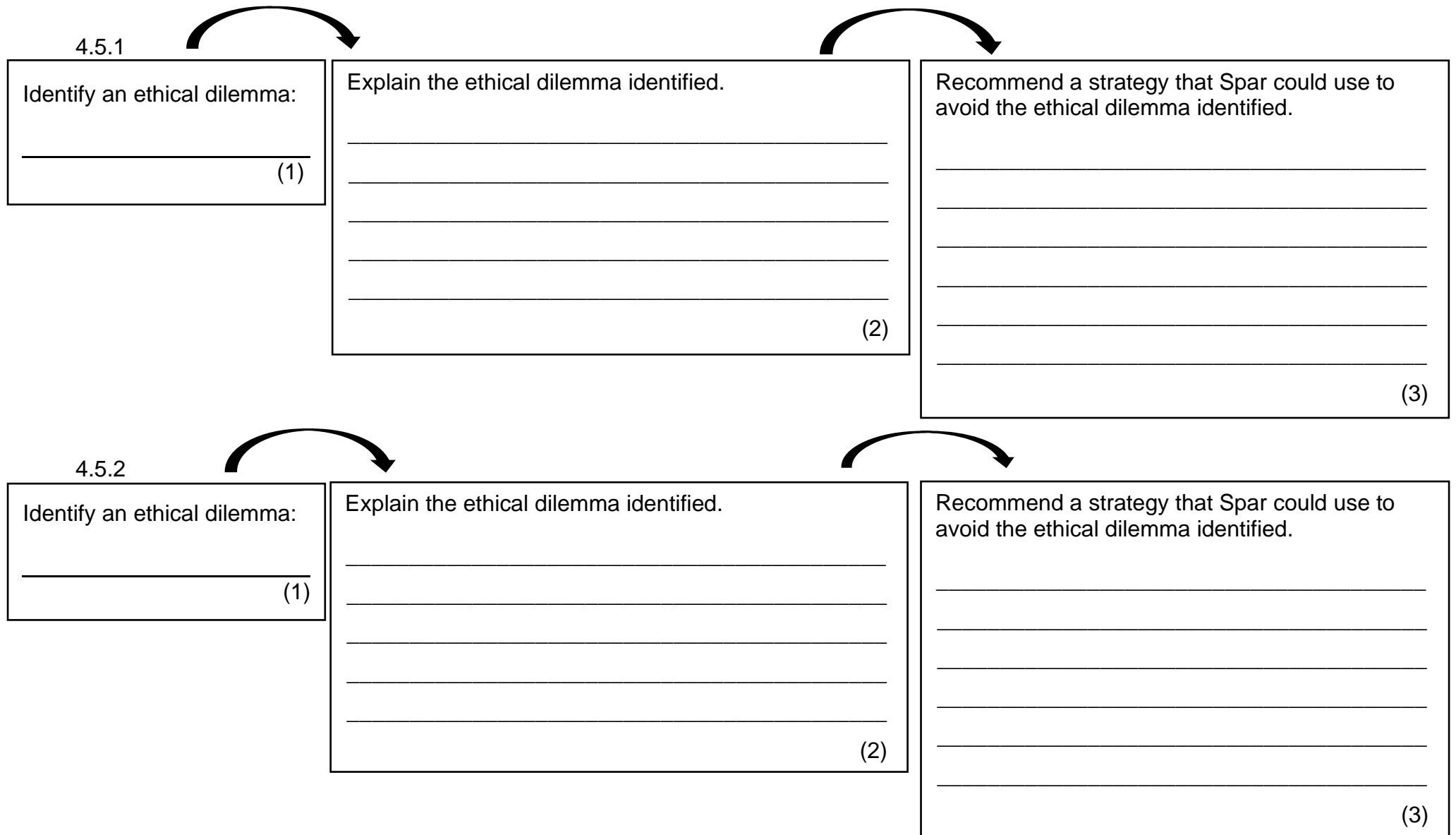
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(3)

4.4 Complete the diagram below on **Leadership Styles**.



4.5 A business like Spar is often required to deal with **ethical dilemmas**. Complete the flow diagram below.



4.6 Define the term '*employee motivation*'.

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(2)

4.7 4.7.1 Name two **monetary motivational** factors:

- \_\_\_\_\_
  - \_\_\_\_\_
- (2)

4.7.2 Name two **non-monetary motivational** factors:

- \_\_\_\_\_
  - \_\_\_\_\_
- (2)  
**[50]**

**QUESTION 5**

Read the following extract before answering the questions that follow.



**Pick n Pay reports 200% online boom during COVID-19**

Retail giant Pick n Pay saw a massive spike in its online segment since the nationwide COVID-19 lockdown came into force.

"Our enhancements last year to create a stronger online operation enabled us to expand our offer in response to this demand. Our team rapidly increased its capacity, reached and met the needs of many new customers."

[Source: <<https://www.itweb.co.za/content/dgp45qa6XEkvX9I8>> 20.11.2020]

5.1 Discuss how Pick n Pay could make use of the following strategies to grow their online business segment.

(a) Corporate combination strategy:

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(3)

(b) Horizontal integration strategy:

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(3)



5.2 Consider the growth Pick n Pay has seen through its online segment.

Complete the table below which highlights some of the possible **challenges** Pick n Pay could have encountered.

5.2.1 **Challenge: Attracting and hiring the right employees.**

A: Identify the business environment to which the challenge belongs.

\_\_\_\_\_ (1)

B: Explain the effect of the challenge on Pick n Pay.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

C: Devise a strategy on how Pick n Pay could respond to the challenge.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (2)

5.2.2 **Challenge: The high level of rivalry in the online shopping market.**

A: Identify the business environment to which the challenge belongs.

\_\_\_\_\_ (1)

B: Explain the effect of the challenge on Pick n Pay.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

C: Devise a strategy on how Pick n Pay could respond to the challenge.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (2)

**5.2.3 Challenge: The level of customer's disposable income being reduced due to the Covid-19 pandemic.**

A: Identify the business environment to which the challenge belongs.

\_\_\_\_\_ (1)

B: Explain the effect of the challenge on Pick n Pay.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (2)

C: Devise a strategy on how Pick n Pay could respond to the challenge.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (2)

**5.2.4 Challenge: The transport infrastructure in South Africa.**

A: Identify the business environment to which the challenge belongs.

\_\_\_\_\_ (1)

B: Explain the effect of the challenge on Pick n Pay.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (2)

C: Devise a strategy on how Pick n Pay could respond to the challenge.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (2)





5.4 Pick n Pay has published the following statement on their website:



*"Our sustainability strategy is linked completely to our business strategy."*

Refer to the statement above and assess how Pick n Pay could make use of the **Triple Bottom Line** approach to ensure sustainability.

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(9)

5.5 Discuss the purpose of the FTSE/JSE Responsible Investment Index.

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(3)  
[50]

### QUESTION 6

Read the following extract before answering the questions that follow:

#### **A look inside Game's awesome new concept store – with self-checkout counters**

Retailer Game has announced its new future-ready concept store at the Mall of Africa in Midrand, Johannesburg.

"Our new store concept goes beyond providing a modernised look-and-feel and rather captures the direction we are moving in towards our broader turnaround as a business."

"We are making positive strides in our turnaround while staying true to our value proposition for our price-sensitive customers, who expect not only wide product ranges but quality too, at unbeatable prices."

[Source adapted from: <<https://businesstech.co.za/news/business/434175/a-look-inside-games-awesome-new-concept-store-with-self-checkout-counters>> 20.11.2020]

6.1 To ensure that new Game concept stores remain ethical, the business will need to pay special attention to the Consumer Protection Act 68 of 2008 (CPA).

Discuss areas of the **Consumer Protection Act 68 of 2008 (CPA)** that could influence the operations of Game concept stores.

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(6)

6.2 Game concept stores need to ensure that they meet the needs of their customers.

State **THREE** factors that could influence the **buying decision of customers**:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

(3)

6.3 Describe how Game Stores may have adjusted their service marketing strategies (**people, process and physical evidence**) to respond to the change in the Game stores concepts.

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(12)

6.4 Explain the role of the Advertising Standards Authority (ASA).

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(2)

6.5 Explain the role of the Human Capital Function under the following headings:

6.5.1 Recruitment:

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(3)

6.5.2 Induction:

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(3)

6.5.3 Remuneration/employee benefits:

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(3)

6.6 Game is a large South African employer and it is important that they fully understand the various South African Labour Legislations.

For each of the **Acts** below, discuss the purpose and the implications (positive or negative) of the legislation on the employer or employee.

6.6.1 Skills Development Act 97 of 1998 (SDA):

Purpose:

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(2)

Implications (positive or negative) of the Skills Development Act 97 of 1998 (SDA) on the employer or employee:

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(4)

6.6.2 Labour Relations Act 66 of 1995 (LRA):

Purpose:

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(2)

Implications (positive or negative) of the Labour Relations Act 66 of 1995 (LRA) on the employer or employee:

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(4)

6.6.3 Basic Conditions of Employment Act 75 of 1997 (BCEA):

Purpose:

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(2)

Implications (positive or negative) of the Basic Conditions of Employment Act 75 of 1997 (BCEA) on the employer or employee:

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(4)

**[50]**

**150 marks**

**SECTION C**

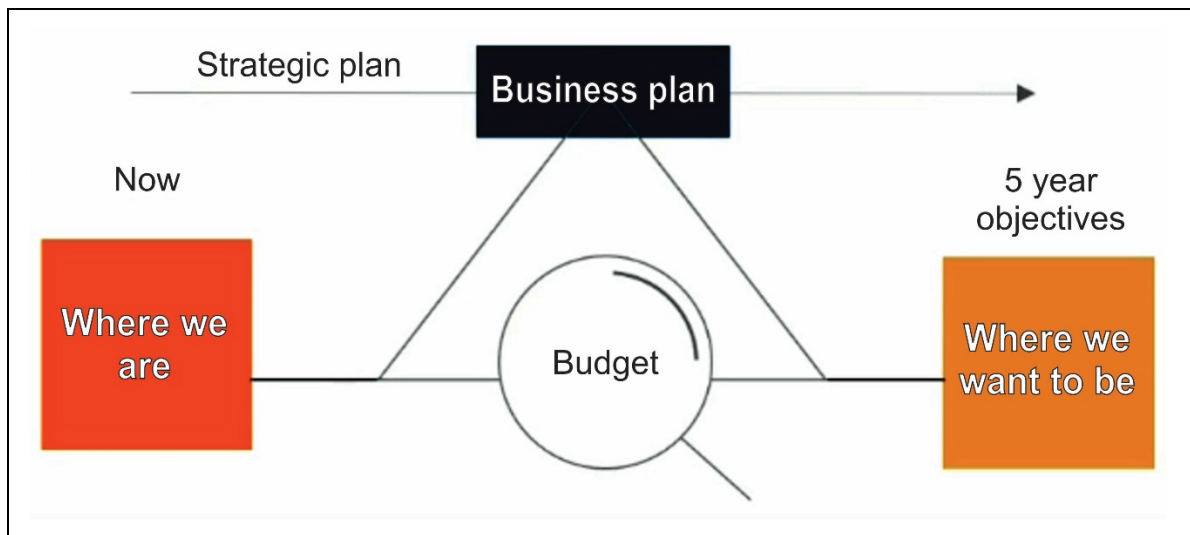
The following aspects will be considered when marks are allocated in this section:

- Format:
  - The **CORRECT** format must be used, i.e. business report.
  - Where applicable, include an introduction and conclusion.
  - Use headings and subheadings where appropriate.
- Terminology: correct business terminology must be used.
- Content: must be sufficient to cover all aspects of the question.
- Substantiation: Justification of statements made.
- Application to case study/context.
- Creative problem-solving rather than just giving theoretical facts.
- Synthesis and appropriate sequencing.

**QUESTION 7**

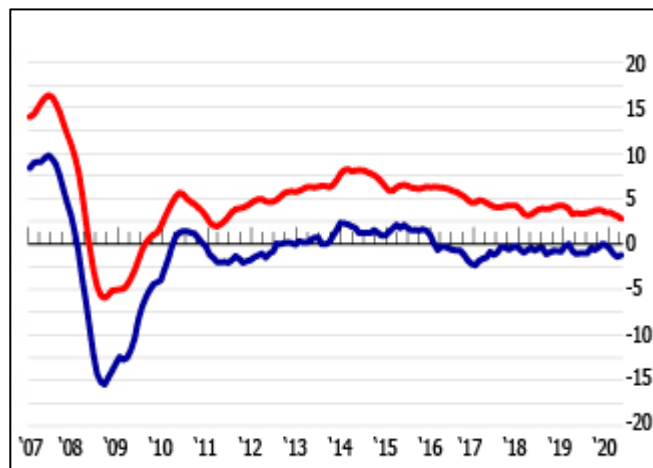
Study the following sources before answering the question that follows:

**SOURCE A**



[Source: <<https://corporatefinanceinstitute.com/resources/knowledge/finance/budgeting/>> 20.11.2020]

**SOURCE B**



[Source: <[www.digitalcommerce360.com/2020/04/03/strategy-and-financial-planning-for-retailers](http://www.digitalcommerce360.com/2020/04/03/strategy-and-financial-planning-for-retailers)> 20.11.2020]

Expected Growth in the retail market  
 Real Growth in the retail market

















