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TOTAL MARKS

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NATIONAL SENIOR CERTIFICATE EXAMINATION  
NOVEMBER 2022

**BUSINESS STUDIES**

EXAMINATION NUMBER

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Time: 3 hours

300 marks

**PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY**

1. This question paper consists of 32 pages. Please check that your question paper is complete.
2. All questions are **COMPULSORY**.
3. Read the questions carefully.
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. **It would be best to refer to the general retail businesses you have studied this year.**
6. You are advised to pay particular attention to language and the **allocation of marks**.
7. It is in your own interest to write legibly and present your work neatly.
8. TWO blank pages (pages 31 and 32) are included at the end of the paper. If you run out of space for a question, use these pages. Indicate the question number of your answer should you use this extra space.

**Allocation of marks**

Q 1	Q 2	Q 3	Q 4	Q 5	Q 6	Q 7	Total
					7A (LOT)		
					7B (HOT)		

**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 Which business function at Makro is in charge of identifying customer requirements and promoting the business' products?

- A Production
  - B Finance
  - C Marketing
  - D Public Relations
- (2)

1.2 A team member at Makro who takes on more responsibilities than he/she can cope with is experiencing ...

- A synergy.
  - B role overload.
  - C role defence.
  - D role conflict.
- (2)

1.3 ... measures Makro's overall profit generation with the capital investors have invested.

- A Liquidity
  - B Solvency
  - C Gearing
  - D Return on Investment
- (2)

1.4 An employee at Makro who shares confidential information on share prices is unethically practising ...

- A tax evasion.
  - B price inflation.
  - C insider trading.
  - D conspiracy.
- (2)

1.1	1.2	1.3	1.4

- 1.5 The insurance broker advised the financial manager at a Makro outlet that he/she may only claim recovery from losses once and only for a specific event. This refers to the insurance concept ...
- A subrogation.
  - B excess.
  - C cession.
  - D arbitration. (2)
- 1.6 Checkers investigates the impact of new environmental legislation on its business's operations by using the ... technique.
- A PESTLE
  - B Porter's Forces model
  - C sampling
  - D value chain model (2)
- 1.7 What level of effort should Checkers commit to product development when a competitor has low power and low influence on the market?
- A Minimum
  - B Maximum
  - C Ignore
  - D Medium (2)
- 1.8 What does a resource-based analysis analyse?
- A Checkers' internal environment
  - B Checkers' position with relation to competitors
  - C The historical market performance of Checkers
  - D Checkers' external environment (2)
- 1.9 Which one of the following is NOT an example of a technological factor?
- A E-commerce
  - B IT infrastructure
  - C Carbon footprint
  - D Level of automation (2)

1.5	1.6	1.7	1.8	1.9

1.10 Which of the following are examples of ethical factors that Checkers would need to consider as part of their PESTLE analysis.

- i Level of corruption
- ii Level of transparency
- iii Trade policies
- iv The rate of resource depletion

- A i + ii
- B i + iii
- C i + ii + iv
- D i + iv (3)

1.11 An ageing population is a(n) ... factor that would be a(n) ... to an online retailer.

- A economic, opportunity
- B economic, threat
- C social, opportunity
- D social, threat (3)

1.12 When a country is facing low levels of business growth and relatively high levels of inflation, this would be considered to be a(n) ... threat to Pick n Pay.

- A social
- B legal
- C political
- D economic (3)

1.13 The main reason Pick n Pay uses a decision tree problem solving technique is to ...

- A identify possible outcomes based on the probability of the outcomes of a choice made by Pick n Pay.
- B determine the root cause of a problem being faced by Pick n Pay.
- C illustrate the sequence of activities and schedules of projects at Pick n Pay.
- D compare the driving forces against a decision made by Pick n Pay. (3)

1.10	1.11	1.12	1.13

- 1.14 Induction of staff by Pick n Pay Human Capital function can be described as ...
- A the process of keeping highly skilled employees in current positions rather than recruiting new employees.
  - B a process that is aimed to assist the current employees in improving their performance.
  - C an element of socialisation that helps the new employee understand their new surroundings.
  - D giving feedback to employees of their performance following a specific time period. (3)
- 1.15 When a manager of Shoprite Holdings uses his discretion as to whether an employee should be granted extra leave as a result of a personal circumstance, he is displaying ... leadership.
- A transactional
  - B democratic
  - C situational
  - D autocratic (2)
- 1.16 When the current capital ratio is 2:1 and there is an equal increase in the current assets and the current liabilities, this would result in ...
- A no change in the current capital ratio.
  - B increase in the current capital ratio.
  - C decrease in the current capital ratio.
  - D the current capital ratio will double. (3)
- 1.17 In a Shoprite outlet the head of sales is ... for the sales team, while the sales team members are ... to the head of sales.
- A accountable, responsible
  - B accountable, delegating tasks
  - C responsible, accountable
  - D dividing tasks, responsible (3)
- 1.18 Which one of the following is a disadvantage of an autocratic leadership style?
- A It enables quick decision making
  - B It allows for effective two-way communication
  - C It provides employees with clarity over their roles
  - D It is very effective when critical decisions need to be made (2)

1.14	1.15	1.16	1.17	1.18

1.19 Which one of the following is **NOT** a potential benefit of job rotation at Shoprite Holdings?

- A Training costs are minimised
- B It makes work less repetitive
- C It develops the internal talent pool
- D It encourages flexibility (2)

1.20 What is the term used to describe the process when a manager helps to facilitate negotiations during a conflict resolution process at Game stores?

- A Conciliation
- B Arbitration
- C Employee participation
- D Industrial democracy (2)

1.21 Which of the following causes resistance to change?

- i Low tolerance to change
  - ii Miscommunication and misinformation
  - iii Different people interpreting situations differently
  - iv Different management experiences
- A i + ii
  - B ii + iii
  - C i + ii + iii
  - D iii+ iv (3)

1.22 Which of the following is NOT an example of an intangible asset of Shoprite Holdings?

- A Goodwill
- B Copyright
- C Fridges
- D Reputation (2)

1.23 A group of customers with similar needs and characteristics is referred to as a ...

- A target market.
- B sample market.
- C development market.
- D preferred market. (2)

1.19	1.20	1.21	1.22	1.23

**[54]**

**QUESTION 2**

Choose the correct word/term in brackets that will make the statement **TRUE**.

**Underline** the correct word/term.

- 2.1 (**Recruitment / Retrenchment**) is a process whereby the employer reviews the business needs to increase profits or limit losses, by terminating employees.
- 2.2 A (**takeover / merger**) occurs when one company makes a successful bid to assume control of another company.
- 2.3 Having a (**vision / valuation**) will give your business a clear focus and stop you from heading in the wrong direction.
- 2.4 The FTSE/JSE Africa Index represents the South African (**equity / property**) market.
- 2.5 An/A (**inclusivity / limitation**) clause is a constitutional provision that enables constitutionally protected rights to be partially restricted.
- 2.6 (**Situational / Transformational**) leadership style is defined as a leadership approach that causes positive change in individuals and social systems.
- 2.7 (**Excess / Proximate clause**) is concerned with how the actual loss or damage happened to the insured party and whether it resulted from an insured risk.
- 2.8 The (**Value Chain Analysis/ Delphi technique**) is used to arrive at a group opinion or decision by surveying a panel of experts.
- 2.9 (**Corruption / Counterfeiting**) can be described as someone fraudulently imitating another's work and replacing the original.
- 2.10 A (**Work Place Forum / Work Place Fund**) may only be established if the business employs hundred or more employees.
- 2.11 The (**CCMA / CIPC**) aims to prevent labour disputes from escalating into labour unrest.

**[22]**

**QUESTION 3**

Read the scenarios below on legislation and answer the following questions.

- Identify the relevant legislation that applies to the scenario (write only the name of the Act in the space provided after each scenario); and
- determine if the scenario according to the Act, is fair or unfair (place a cross next to the chosen option).

Write only the **correct word/term** in the space provided after each question.

3.1 The owner of a local retailer disapproves of employees belonging to a trade union and the store manager dismisses all employees belonging to a union.

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

Fair	<input type="checkbox"/>
Unfair	<input type="checkbox"/>

(2)

3.2 Employees at a general retailer have complained that they are not given sufficient time to rest. The store manager allows for two-fifteen minute tea breaks and one hour lunchtime within a nine-hour shift.

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

Fair	<input type="checkbox"/>
Unfair	<input type="checkbox"/>

(2)

3.3 An employee of a general retail has 1% of his salary deducted monthly to cover training costs.

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

Fair	<input type="checkbox"/>
Unfair	<input type="checkbox"/>

(2)

3.4 After not meeting the necessary work standards an employee is sent on training. Monthly feedback sessions occur as well as continued training. After six months, the employee is dismissed for not meeting the correct standards.

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

Fair	<input type="checkbox"/>
Unfair	<input type="checkbox"/>

(2)



3.5 Both the employer and the employee contribute 1% equal to that of the employee's salary as insurance to protect the employee should they become unemployed.

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Fair	<input type="checkbox"/>
Unfair	<input type="checkbox"/>

(2)

(2)

3.6 As employees of a local general retailer have not been disabled or had any injuries at work for the past two years, the employer has decided not to contribute to an insurance fund. The employer decides to rather to save this money.

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Fair	<input type="checkbox"/>
Unfair	<input type="checkbox"/>

(2)

(2)

**[24]**

<b>100 marks</b>
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**SECTION B**

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

**QUESTION 4**

Read the following case study below and answer the questions that follow:

	<p><b>Sustainability strategy</b></p>
	<p>We aim to be Africa's most affordable, accessible, and innovative retailer. We aim to do this in a responsible way for our communities and the environment.</p>
	<p>Communities are at the foundation of our business. They are our customers, suppliers, shareholders, employees and ultimately, our partners. We aim to build and support the resilience of our communities while creating shared value for our stakeholders.</p>

[Source: <<https://www.shopriteholdings.co.za/sustainability/communities.html>> 26.12.2021]

4.1 Define the term *sustainability* as mentioned in the case study above.

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(2)

4.2 List **FOUR** principles of good corporate governance that Shoprite Holdings would need to consider as part of their *sustainability strategy*.

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(4)

4.3 Name **THREE** elements of the Triple Bottom Line/Integrated reporting that should form part of Shoprite Holdings' *sustainability strategy*.

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(3)

4.4 Discuss the demands that each of the stakeholders listed below would place on Shoprite Holdings. Suggest how Shoprite Holdings could deliver on these demands.

**Suppliers:**

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**Employees:**

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**Customers:**

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(12)



4.6 Discuss, with the aid of an example for each strategy how Shoprite Holdings would ensure overall business success.

<b>Low-cost strategy</b>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>(4)</p>
<b>Backward integration strategy</b>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>(4)</p>
<b>Product development strategy</b>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>(4)</p>

4.7 Develop possible criteria that Shoprite Holdings could use to measure the success of their *sustainability strategy*.

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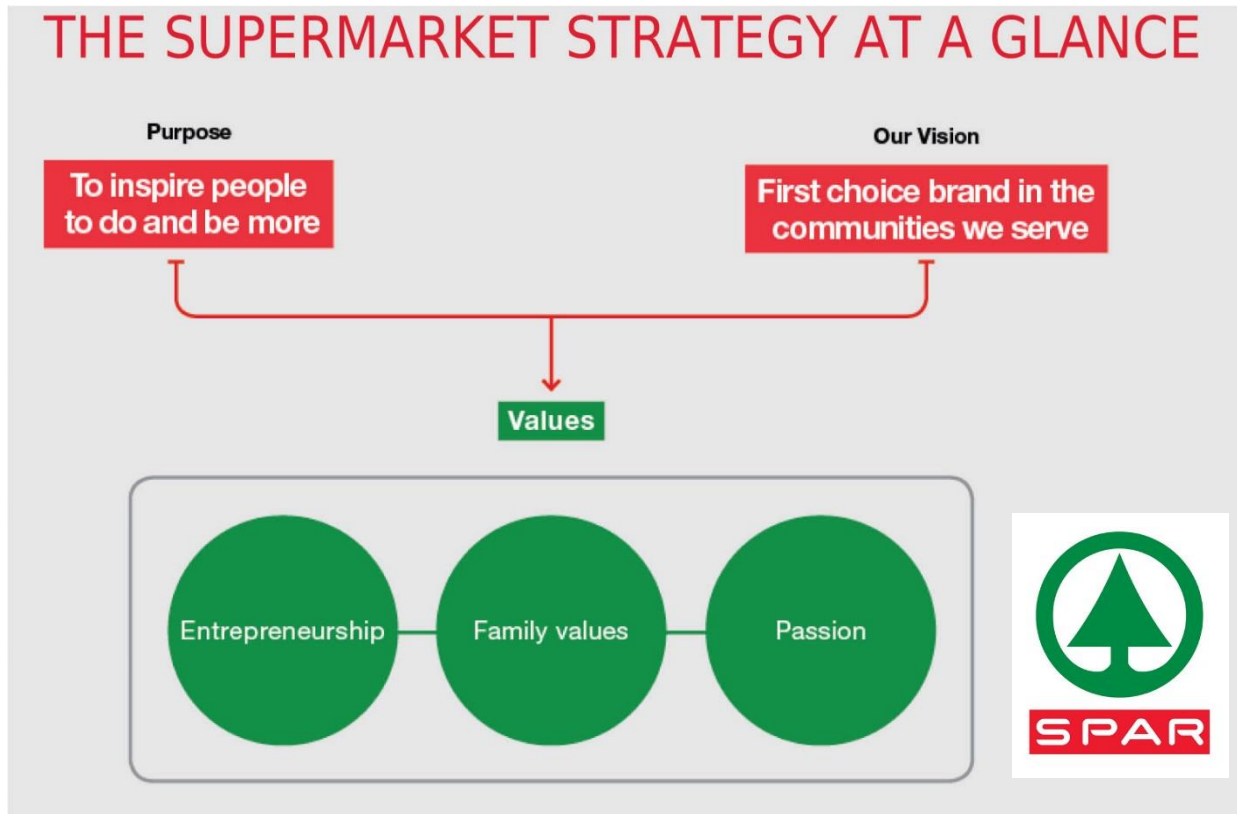
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(3)  
**[50]**

**QUESTION 5**

Study the diagram below and answer the questions that follow:



[Source adapted from: <[https://thespargroup.com/ir2018/DownloadManager/Our\\_strategy\\_and\\_business\\_model.pdf](https://thespargroup.com/ir2018/DownloadManager/Our_strategy_and_business_model.pdf) 25.12.2021>]

5.1 Define the term *entrepreneurship*.

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(2)

5.2 Name **THREE** entrepreneurial characteristics SPAR would want to drive as part of their entrepreneurship value.

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(3)

5.3 Explain how SPAR should conduct professional and ethical business practices to ensure that they are the *first-choice brand in the communities they serve*.

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(6)

5.4 ***Employees at SPAR are fighting over issues based on assumptions, egos, negative notions, and other unimportant matters.***

5.4.1 Name the type of conflict described in the statement above.

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(1)

5.4.2 Explain the possible impact of this conflict on SPAR's operations and make recommendations on how to manage this type of conflict.

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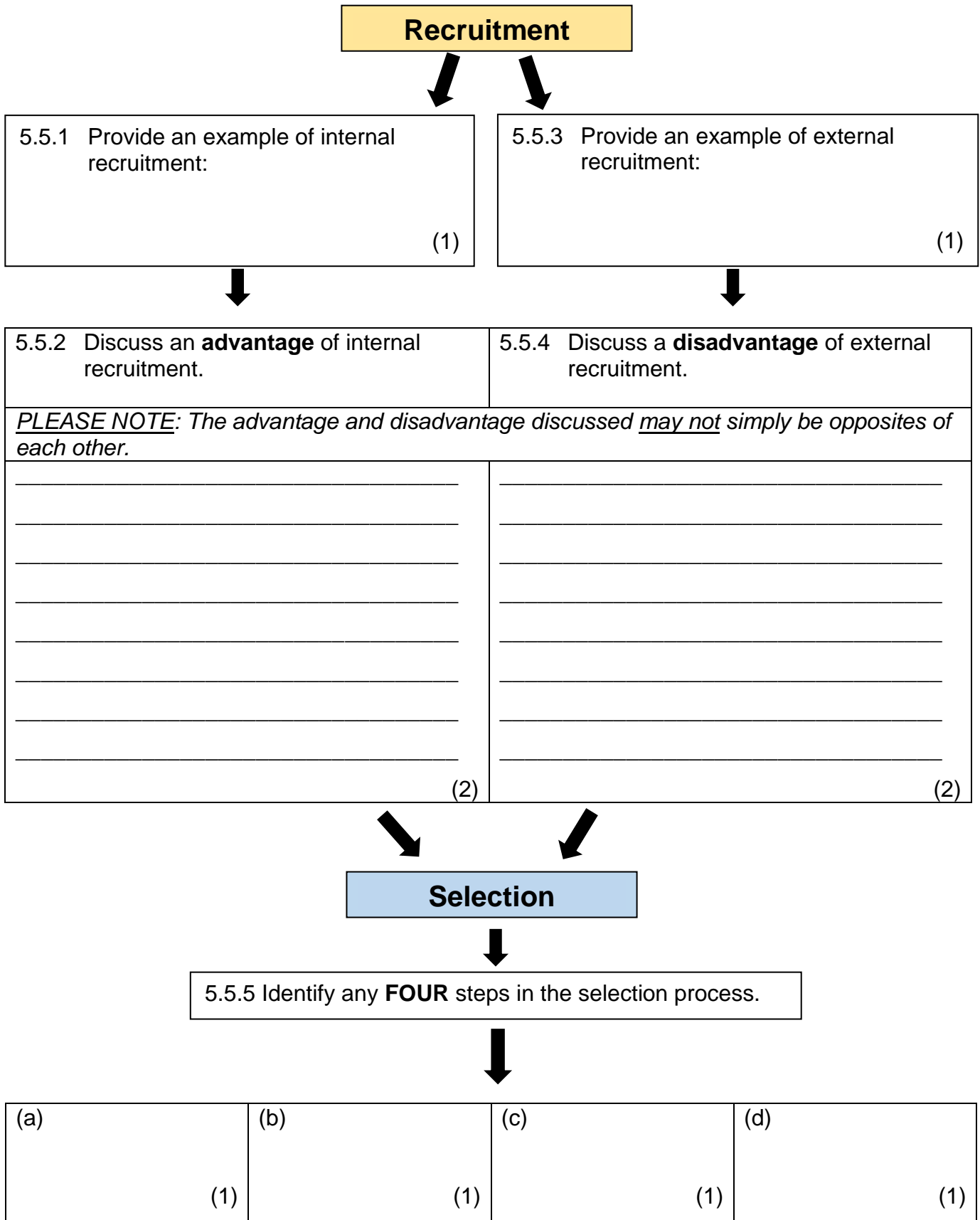
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(6)



5.5 Complete the schematic diagram below on recruitment and selection:



5.6 Karabo, an employee at SPAR, receives the following monthly salary package:

Employee Karabo		December 2021	
Gross salary:		R12 500	
<b>Monthly deductions:</b>			
PAYE Tax		R1 250 (10% of his gross salary)	
Pension Fund		R1 500	
Medical Aid Fund		R1 000	
UIF		R125	
SPAR contributes 5% of the gross salary to the pension fund and on an equal basis to both the Medical Aid Fund and the UIF.			
Karabo is entitled to other fringe benefits as per his employment contract.			

5.6.1 Explain why Karabo's salary package is a cost plus benefits salary package.

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(2)

5.6.2 Explain the purpose of the UIF as part of Karabo's salary package.

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(2)

5.6.3 Name **THREE** fringe benefits Karabo could receive as part of his contract.

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(3)

5.6.4 What is the total monthly cost of employing Karabo at SPAR?

(3)

5.7 Explain how brand extension would be used to achieve SPAR's vision: *First choice brand in the communities we serve.*

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(3)

5.8 Name **THREE** factors that SPAR should consider when building the SPAR brand.

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

(3)

5.9 As SPAR continues to implement its purpose and vision in its supermarket strategy, complete the table below.

Identify an element of the marketing mix.	Explain a strategy that SPAR could implement to ensure the marketing element identified, supports SPAR.
1.	<hr/> <hr/> <hr/> <hr/> <hr/>
2.	<hr/> <hr/> <hr/> <hr/> <hr/>

(6)

**[50]**

**QUESTION 6**

Read the extract below and answer the questions that follow:



Pick n Play is committed to dealing with legal entities that apply ethical and legal employment practices during its business interactions.

[Source adapted from: <<https://www.picknpayinvestor.co.za/downloads/governance/code-of-ethics.pdf> 25.12.2021>]

6.1 Pick n Play is committed to legal employment practices. Discuss any **TWO** reasons that would be substantively fair for dismissing an employee.

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(10)

6.2 Explain each of the following activities that could occur during an industrial action at Pick n Pay.

<b>Protected strike:</b>	<hr/> <hr/> <hr/> <hr/> <hr/>
<b>Lock-out:</b>	<hr/> <hr/> <hr/> <hr/> <hr/>
<b>Picketing:</b>	<hr/> <hr/> <hr/> <hr/> <hr/>
<b>Sympathy strike:</b>	<hr/> <hr/> <hr/> <hr/> <hr/>

(8)

6.3 Discuss the requirements that Pick n Pay would need to consider for an insurance contract to be valid.

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(8)

6.4 Discuss the advantages of Pick n Pay being covered by insurance.

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(8)

6.5 Name **FOUR** types of non-compulsory insurance.

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

(4)



## SECTION C

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

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

### QUESTION 7

Study the following sources and answer the question that follows:

#### SOURCE A:



[Source: <<https://www.garp.org/risk-intelligence/market/how-to-develop-a-top-risk-approach> 27.12.2021>]

#### SOURCE B:



[Source: <<https://www.quotemaster.org/images/43/432652a104197fab65498b966590aca3.jpg> 23.01.2022>]



**SOURCE C:**



Helping the business find the balance between risk and reward (profit) is arguably one of the most difficult tasks of management and one of its most vital contributions to long-term sustainability.

Risk has always been important to the business.

The fundamental nature of business involves committing money to a venture and hopefully reaping the reward later. The riskier the business venture, the greater the potential reward and therein lies the eternal challenge that no business gets right all of the time.

Because it is so important to the success of the business, managing risk has always been one of the management's key responsibilities.

[Source: adapted from <<https://www.forbes.com/sites/steveculp/2020/10/01/why-risk-management-is-more-important-than-ever/?sh=2060386c30b6> 26.12.2021>]

The South African general retail sector has experienced several rapid periods of change; caused by challenges such as the rise in online purchasing, the increase of multinational brands, the economic climate and several social factors. The local general retail sector has had to work harder than ever to bring feet through the door and limit the level of risk the business faces.

Write a business report to a general retailer where you discuss how the retailer could use management tasks and management competencies to manage risk, to ensure sustainable financial rewards for the business.

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**50 marks**

**Total: 300 marks**



