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TOTAL
MARKS

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NATIONAL SENIOR CERTIFICATE EXAMINATION
NOVEMBER 2023

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 one of the following would **not** be part of Porter's Forces Model?
- A Level of rivalry in the market
 - B Availability of substitute products
 - C Learning and growth perspective
 - D The power of buyers
- (2)
- 1.2 When the CEO of Checkers' gives a reason for dismissing the internal auditor of the company he is displaying ...
- A independence.
 - B transparency.
 - C social responsibility.
 - D a global awareness competency.
- (2)
- 1.3 The ... Act ensures that employees are treated fairly by considering appropriate working hours, leave time, and notice periods for terminating employment.
- A Basic Conditions of Employment
 - B Broad-Based Black Economic Empowerment
 - C Occupational Health and Safety
 - D Skills Development
- (2)
- 1.4 The return that an investor can expect in a money market account would be ...
- A dividends.
 - B premiums.
 - C interest.
 - D debentures.
- (2)
- 1.5 When an employee is part of a recruitment and selection panel and they fail to disclose that one of the applicants is a family member, it would be considered as ...
- A piracy.
 - B insider trading.
 - C a conflict of interest.
 - D staff deployment.
- (2)

1.1	1.2	1.3	1.4	1.5

- 1.6 When the top management of Pick n Pay considers different strategies to keep employees from resigning, it shows a commitment to the ... of employees.
- A induction
 - B placement
 - C recruitment
 - D retention
- (2)
- 1.7 Which one of the following is **not** a requirement when an employee is dismissed for misconduct?
- A The employee was aware of the rule that was broken.
 - B The rule that was broken was valid and reasonable.
 - C The rule was discussed at a workplace forum.
 - D The rule was consistently applied by the employer.
- (2)
- 1.8 Checkers will use the ... ratio to ensure that total assets exceed total liabilities.
- A liquidity
 - B current
 - C gearing
 - D solvency
- (2)
- 1.9 The 360° performance appraisal can best be described as a tool that ...
- A measures the return that Checkers earned in the 2014–2022 financial year.
 - B allows employers and employees the opportunity to receive feedback from all relevant parties.
 - C evaluates the amount of damages that can be claimed from an insurance company.
 - D investigates the quality of goods displayed on the shelves at Checkers.
- (3)
- 1.10 A general increase in the price of goods accompanied by a decrease in the purchasing power of money refers to ...
- A inflation.
 - B offshore investments.
 - C tax evasion.
 - D endowments.
- (2)

1.6	1.7	1.8	1.9	1.10

1.11 Which one of the following could be seen as a disadvantage of internal recruitment?

- A Higher costs in training the employee.
- B Lower employee morale.
- C Lack of innovation to deal with challenges.
- D Familiarity with company policies and procedures. (2)

1.12 The marketing communication mix consists of ...

- A product, distribution and pricing policies.
- B advertising, personal sales, sales promotion and publicity.
- C introduction, growth, maturity and decline phases.
- D manufacturer, wholesaler, intermediary and retailer. (3)

1.13 Employees who, as a form of industrial action, do no more or no less than the minimum requirements described by the rules of the workplace are participating in ...

- A a lockout.
- B arbitration.
- C a work-to-rule action.
- D a picket. (2)

1.14 The transfer of ideas and attitudes between management and employees, as well as between the business and external groups, is referred to as ...

- A planning.
- B synergy.
- C coordination.
- D communication. (2)

1.15 Which one of the following statements is true?

- A Ethics in advertising is monitored by the CSIR.
- B Publicity is concerned with the image of Checkers, whereas advertising is concerned with increasing its sales volume.
- C The purpose of public relations is to increase sales.
- D Marketing is the same as advertising. (3)

1.16 The current ratio measures ...

- A Total assets : Total liabilities
- B (Current assets – Inventory) : Creditors
- C (Bank + Debtors + Inventory) : Current liabilities
- D Current assets : Long-term liabilities (3)

1.11	1.12	1.13	1.14	1.15	1.16

- 1.17 An unethical business practice by a general retailer could be when the business ...
- A requires a potential manager to undergo medical exams before a job offer is made.
 - B offers two cool drinks for the price of one.
 - C packs two competing products on the shelf right next to each other.
 - D All of the above. (2)
- 1.18 A general retailer obtains ... when he/she can prove authority to legally enter into an agreement.
- A sustainability
 - B a return on their investment
 - C market dominance
 - D contractual capacity (2)

1.17	1.18

[40]

QUESTION 2

Choose the most correct answer from the table below that best matches each of the statements that follow. Write down the **most correct answer** in the space provided.

NOTE: There is only one correct answer for each statement.

Autocratic Style	Skills Development	Bootlegging
Delphi Technique	Debenture	Democratic Style
Indemnification	Induction	Integrated Reporting
Manufacturer	Shares	Whistleblowing
Total Quality Management	Wholesaler	Lockout

2.1 A process where the business analyses all operations and standards in order to improve overall customer satisfaction.

(2)

2.2 A business that organises the market by distributing products to the retailer.

(2)

2.3 An employer refuses to let employees continue to work unless they accept certain conditions of employment.

(2)

2.4 When all new employees are informed of the code of conduct of Checkers.

(2)

2.5 A vital purpose of human capital management.

(2)

2.6 The illegal distribution of a product.

(2)

- 2.7 A method of obtaining the opinions of experts on a particular topic, without necessarily engaging with them face to face.

(2)

- 2.8 To place the insured in the same financial position that they were in before the loss occurred.

(2)

- 2.9 A loan to a company that earns a predetermined interest rate.

(2)

- 2.10 When a manager bases a decision on the opinion of the majority of employees.

(2)

[20]

QUESTION 3

Identify the element of SWOT analysis in each of the statements below.

Statement		SWOT ELEMENT
Example: Poor employee performance		Weakness
3.1	Increased market share.	
3.2	A sustained increase in the general level of prices, including raw material costs.	
3.3	Highly experienced senior management team.	
3.4	New entrants in the market.	
3.5	Low labour productivity in the business.	
3.6	Limited access to finances.	
3.7	Rising interest rates in the domestic economy.	
3.8	Sustainable levels of economic growth.	
3.9	High rate of market growth.	
3.10	Advances in cybersecurity and internet technology.	
3.11	Having a unique selling point.	
3.12	Political instability in the domestic economy.	
3.13	Higher rental payments for commercial property.	
3.14	Industrial unrest in the workplace, such as a strike.	
3.15	Prospect of relocation, in view of expansion.	
3.16	Decreased productivity due to load shedding.	
3.17	Staff have a high level of understanding of products being sold.	
3.18	Competitors decreasing the price of similar goods, below our selling price.	
3.19	Increase the number of customers visiting the shopping mall where the business is located.	
3.20	High crime rate in the area the store is located.	

[40]**100 marks**

SECTION B

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

QUESTION 4

Study the source below and answer the questions that follow:

OUR GROUP STRATEGY

Group Vision
"To be the first-choice brand in the communities we serve."

Group Purpose
"To inspire people to do and be more"

Group Values
"Family, entrepreneurship and passion"

"We are a culture-based organisation – a family of entrepreneurs driven by passion. Our values underpin everything we do."
 Graham O'Connor, SPAR Group CEO




[Source: <<https://thespargroup.com/ir2019/strategy/our-strategy-and-business-model/> December 2022>]

4.1 Define the term *Corporate Governance*.

(2)

4.2 State **two** responsibilities the directors of Spar will have to ensure that Spar achieves the Group Vision.

- ---
 - ---
- (2)

4.3 Discuss how Spar could make use of the triple bottom line as a strategy to achieve the Group Vision of Spar.

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.

(9)

4.4 Give **two** examples of how Spar could maintain the Group Values.

- _____
- _____
- _____
- _____

(4)

4.5 Use only the Ethical, Technological and Legal factors of a PESTLE analysis to show their impact on Spar. Complete the table below to:

4.5.1 Identify **one** challenge for each factor.

4.5.2 Give a different strategy to deal with each challenge.

PESTLE factor	4.5.1 Challenge	4.5.2 Strategy in response to the challenge
Ethical	(1)	(2)
Technological	(1)	(2)
Legal	(1)	(2)

4.6 Explain how Spar could use a Balanced Score Card to measure the success of the Group Strategy.

[illegible]

(10)

4.7 Identify **four** consumer rights protected by the Consumer Protection Act No. 68 of 2008:

-
- The image displays four identical sets of horizontal lines for handwriting practice. Each set is composed of three parallel lines: a top line, a middle line, and a bottom line. A small black dot is positioned at the beginning of each line to indicate the starting point for writing. The sets are arranged vertically, one above the other, providing a template for practicing letter formation and alignment.

(4)

4.8 Complete the schematic diagram below.

4.8.1 Explain how Spar could use 'People' and 'Physical Evidence', two of the 7P's of marketing, as a buyer's stimulus.	
People: <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	Physical Evidence: <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
(2)	(2)



4.8.2 Describe how the following factors will affect the buying decision of a Spar customer. <ul style="list-style-type: none"> • Sociocultural <hr/><hr/><hr/><hr/><hr/> • Economic <hr/><hr/><hr/><hr/><hr/>
(4)



4.8.3 Suggest two possible outcomes for the buyer. <ul style="list-style-type: none"> • <hr/> • <hr/>
(2)

[50]

QUESTION 5

Read the extract below and answer Questions 5.1 and 5.2.



The Pick n Pay Group's Code of Ethics and company policies shall apply to all employees. Other stakeholder groups who have business relationships with the company should be encouraged to enjoy support from and adhere to all the company's policy documents.

[Source adapted: <<https://www.picknpayinvestor.co.za/downloads/governance/code-of-ethics-2018.pdf>
December 2022>]

5.1 State the purpose of a Code of Ethics.

(2)

5.2 Complete the table below on conflict.

5.2.1 Identify two stakeholders in Pick n Pay.	5.2.2 Describe a conflict of interest between the stakeholder identified in Question 5.2.1 and Pick n Pay.	5.2.3 Provide a strategy that could be put in place by Pick n Pay to avoid the conflict of interest in Question 5.2.2.
(a)		
(1)	(2)	(2)
(b)		
(1)	(2)	(2)

- 5.3 The human capital department of Pick n Pay will need to ensure that they are implementing the various South African labour legislations (laws).

Discuss the Labour Relations Act No. 66 of 1995 and Skills Development Act No. 97 of 1998 that Pick n Pay will need to implement according to:

- the purpose of each Act, and
- implications (positives or negatives) of each act on both the employer and employee.

Labour Relations Act No. 66 of 1995:

Purpose: _____

_____ (2)

Implications: _____

_____ (4)

Skills Development Act No. 97 of 1998:

Purpose: _____

_____ (2)

Implications: _____

_____ (4)

5.4 Discuss, with the use of practical examples, how each of the following leadership styles would be used by managers at Pick n Pay to increase business performance.

5.4.1 Democratic leadership style:

(4)

5.4.2 Transactional leadership style:

(4)

5.5 Name **three** management competencies.

- _____
- _____
- _____

- 5.6 Discuss, with the use of practical examples, how Pick n Pay could make use of the following management tasks to reduce risk for the business.

5.6.1 **Planning**

(3)

5.6.2 **Organising**

(3)

5.6.3 **Delegating**

(3)

- 5.7 The marketing efforts of competitors could have a direct impact on the profits of Pick n Pay. Suggest strategies that Pick n Pay can use to deal with this challenge.

(6)
[50]

- 6.2 Discuss, with the use of examples, how a retailer would make use of the following quality performance tools to reduce possible risk factors.

Benchmarking:

(4)

Sampling and inspection:

(4)

Continuous Skills Development:

(4)

6.3 Suggest **three** strategies that a general retailer could use to ensure that customers receive a quality service from their cashiers.

- _____
 - _____
 - _____
- (3)

6.4 6.4.1 Describe a decision tree as a creative problem-solving technique.

(2)

6.4.2 Use a decision tree to assist a retailer in deciding if they should open a shop in a new shopping centre.

(4)

- 6.5 Discuss, with the use of a separate example for each, how and when a retailer would use the following strategies.

Low-cost Strategy	
	(4)
Backward Integration Strategy	
	(4)

- 6.6 Explain how a retail franchisor would ensure quality control over the various store locations.

(4)

6.7 A retailer would implement a growth strategy with the aim of increasing turnover and sales volumes. Discuss a strategy for each of the scenarios below.

6.7.1 'A retailer looks at growth opportunities through an **existing market** with **existing products and services**.'

[illegible]

6.7.2 'A retailer looks at growth opportunities through an **existing market** with **new products and services**.'

[illegible]

[50]

150 marks

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 subheadings 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:

Financial planning helps you determine your short- and long-term financial goals and create a balanced plan to help you meet those goals. It's advisable to begin with a review of your current financial circumstances, anticipated changes and future goals.

Your investment strategy can then reflect the goals you are trying to achieve, as well as your tolerance for investment risk.

[Source: <<https://www.standardbank.co.za/southafrica/personal/learn/investment-tips-for-first%E2%80%93timers> December 2022>]

Source B:



[Source: <<https://www.vecteezy.com/free-vector/insurance-agent> December 2022>]

Planning for the future of a business is important. It is essential as part of the vision of a business, and the management plan for possible growth opportunities. Businesses also have to identify possible risks and ways to reduce these risks.

Assist the general manager of a retailer to evaluate possible future risks by **writing a business report**. Discuss how investments and insurance can be used as strategies to secure the financial success of the retailer over the short, medium and long term.

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

50 marks

Total: 300 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.**

[illegible]

[illegible]