

# SMARTWIZ

## GRADE 12 BUSINESS STUDIES EXAM

MARKS: 100

TIME: 2 HOURS

SCHOOL \_\_\_\_\_

CLASS (eg. 4A) \_\_\_\_\_

SURNAME \_\_\_\_\_

NAME \_\_\_\_\_

MARKS	
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### Instructions for Learners:

- Read all instructions carefully before you begin the exam.
- Write your full name and student number clearly on the answer sheet/book.
- Answer all questions unless otherwise instructed.
- Show all your work/calculations where necessary.
- Write neatly and clearly.
- Use only a blue or black pen. Do not use correction fluid or tape.
- Electronic devices (calculators, cell phones, etc.) are not allowed unless explicitly permitted.
- Raise your hand if you have any questions.
- Do not talk to other learners during the exam.
- Any form of dishonesty will result in immediate disqualification from the exam.

**This exam consists of Eight pages, including the cover page.**

## SECTION A: LEGISLATION AND HUMAN RIGHTS (25 marks)

### QUESTION 1: BUSINESS LEGISLATION AND ETHICS (25 marks)

1.1 Explain the main purpose of the **Basic Conditions of Employment Act (BCEA)**. (3)

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1.2 List THREE employee rights protected by the BCEA. (3)

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1.3 Describe how the **Employment Equity Act (EEA)** promotes fairness in the workplace. (4)

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1.4 Discuss TWO ethical issues businesses may face when recruiting employees. (6)

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1.5 Suggest TWO ways businesses can promote **ethical behaviour** in the workplace. (4)

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1.6 Explain why it is important for businesses to comply with legal regulations. (5)

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## SECTION B: BUSINESS SECTORS AND STRUCTURES (25 marks)

### QUESTION 2: BUSINESS SECTORS AND FORMS OF OWNERSHIP (25 marks)

2.1 Identify the economic sector each of the following businesses belongs to: (3)

- (a) A dairy farm
  - (b) A clothing retail store
  - (c) A company that processes raw sugar into packaged sweets
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2.2 Name THREE characteristics of a **private company (Pty) Ltd.** (3)

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2.3 Distinguish between a **partnership** and a **sole trader** based on liability and ownership. (4)

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2.4 Provide TWO advantages of operating in the **tertiary sector**. (4)

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2.5 Read the scenario and answer the questions that follow:

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### Visual/Scenario: Business Ownership Comparison

Feature	Sole Trader	Private Company (Pty) Ltd
Owners	1	1–50
Liability	Unlimited	Limited
Continuity	No	Yes

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2.6 Use the table above to answer:

- (a) Which form of ownership has continuity? (1)  
 (b) Which is more suitable for raising large amounts of capital? Motivate. (3)
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2.7 List TWO disadvantages of running a sole trader business. (2)

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## SECTION C: BUSINESS STRATEGIES AND SOCIAL RESPONSIBILITY (25 marks)

### QUESTION 3: STRATEGY AND RESPONSIBLE BUSINESS PRACTICE (25 marks)

3.1 Define the term **business strategy**. (2)

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3.2 Explain the difference between **defensive** and **retrenchment** strategies. (4)

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3.3 Identify TWO types of corporate social responsibility (CSR) initiatives a business can implement. (4)

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3.4 Why is CSR important for a business's reputation and long-term success? (5)

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3.5 Evaluate TWO challenges businesses face when implementing CSR programmes. (6)

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3.6 Suggest TWO ways businesses can ensure their CSR efforts are effective and meaningful. (4)

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## **SECTION D: INVESTMENT AND INSURANCE (25 marks)**

### **QUESTION 4: PERSONAL AND BUSINESS INVESTMENT (25 marks)**

4.1 Differentiate between **unit trusts** and **retirement annuities**. (4)

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4.2 Identify TWO advantages of investing in unit trusts. (4)

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4.3 Explain the role of the **JSE (Johannesburg Stock Exchange)** in South Africa. (3)

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4.4 The following pie chart shows how an individual investor has allocated their investment portfolio:

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#### **Visual: Investment Portfolio Allocation**

Stocks: 40%  
Bonds: 25%  
Property: 20%  
Cash: 15%

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4.5 Use the chart to answer:

(a) Which investment has the highest allocation? (1)

(b) Give ONE reason why diversification is important in investment. (3)

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4.6 Describe TWO types of business insurance and their purpose. (6)

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**TOTAL: 100 MARKS**



## MEMO

# SECTION A: LEGISLATION AND HUMAN RIGHTS (25 marks)

## QUESTION 1

### 1.1 Purpose of the BCEA:

- To regulate fair labour practices by setting minimum conditions of employment such as working hours, leave, and remuneration. (3)

### 1.2 Employee rights protected by BCEA:

- Right to fair working hours. (1)
- Right to annual and sick leave. (1)
- Right to a safe working environment. (1)

### 1.3 EEA promotes fairness by:

- Promoting equal opportunity through fair employment practices. (2)
- Prohibiting unfair discrimination based on race, gender, or disability. (2)

### 1.4 Ethical issues in recruitment:

- Nepotism or favouritism in hiring decisions. (3)
- Misrepresentation of job roles or false advertising. (3)

### 1.5 Promoting ethical behaviour:

- Providing ethics training to employees. (2)
- Developing and enforcing a company code of conduct. (2)

### 1.6 Importance of compliance with laws:

- Avoids legal penalties and fines. (2)
- Enhances company reputation and trust with stakeholders. (3)

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# SECTION B: BUSINESS SECTORS AND STRUCTURES (25 marks)

## QUESTION 2

### 2.1 Economic sectors:

- (a) Dairy farm – Primary sector (1)

- (b) Clothing retail store – Tertiary sector (1)  
 (c) Sugar processing company – Secondary sector (1)

## 2.2 Characteristics of a Private Company (Pty) Ltd:

- Limited liability. (1)
- May have 1–50 shareholders. (1)
- Cannot sell shares to the public. (1)

## 2.3 Differences between partnership and sole trader:

- Partnership: Owned by 2+ people; shared liability. (2)
- Sole trader: Owned by one person; has unlimited liability. (2)

## 2.4 Advantages of tertiary sector:

- Direct interaction with consumers. (2)
- Opportunity to build brand loyalty and offer services. (2)

## 2.6 From the table:

- (a) Private Company (Pty) Ltd (1)  
 (b) Private Company – It has more access to capital through shareholders. (3)

## 2.7 Disadvantages of a sole trader:

- Unlimited liability. (1)
- Limited capital and resources. (1)

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# SECTION C: BUSINESS STRATEGIES AND SOCIAL RESPONSIBILITY (25 marks)

## QUESTION 3

### 3.1 Business strategy:

- A plan of action that a business uses to achieve its long-term goals and remain competitive. (2)

### 3.2 Defensive vs Retrenchment:

- Defensive: Attempts to maintain position without growing. (2)
- Retrenchment: Reduces operations or workforce to cut losses. (2)

### 3.3 CSR initiatives:

- Environmental programmes (e.g., recycling). (2)

- Community upliftment (e.g., sponsoring schools). (2)

### 3.4 Importance of CSR:

- Builds a positive brand image. (2)
- Enhances customer and employee loyalty. (1)
- Helps the business gain competitive advantage. (2)

### 3.5 CSR implementation challenges:

- High cost of sustainable initiatives. (3)
- Difficulty measuring actual impact or return on investment. (3)

### 3.6 Making CSR meaningful:

- Align initiatives with business goals. (2)
- Partner with local communities or NGOs. (2)

## SECTION D: INVESTMENT AND INSURANCE (25 marks)

### QUESTION 4

#### 4.1 Unit trusts vs Retirement annuities:

- Unit trusts: Pool of investor money managed by professionals; flexible. (2)
- Retirement annuities: Long-term savings for retirement; tax-deductible but restricted access. (2)

#### 4.2 Advantages of unit trusts:

- Diversification lowers risk. (2)
- Professional fund management. (2)

#### 4.3 Role of JSE:

- Provides a platform for buying/selling shares. (1)
- Encourages investment in the economy. (1)
- Helps businesses raise capital through public offerings. (1)

#### 4.5 Investment allocation chart:

(a) Stocks (1)

(b) Diversification reduces overall risk—losses in one area may be offset by gains in another. (3)

#### 4.6 Two types of business insurance:

- Public liability insurance – Covers claims by third parties. (3)
- Fire insurance – Covers damage to property caused by fire. (3)



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✓ TOTAL: 100 MARKS

