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TOTAL MARKS

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NATIONAL SENIOR CERTIFICATE EXAMINATION
NOVEMBER 2020

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. You may refer to any petrol station/garage (including food courts and retail outlets associated with petrol stations) that you have studied this year.
- 6. You are advised to pay particular attention to the use of language and the **allocation of marks**.
- 7. It is in your own interest to write legibly and to present your work neatly.
- 8. **TWO** blank pages (pages 31 and 32) are included at the end of the question paper. If you run out of space for a question, use these pages. Clearly 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

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 The acronym SWOT stands for...

- A strategy, working capital, objectives, and tactics
- B strengths, weaknesses, opportunities, and threats
- C strengths, working capital, opportunities, and tactics
- D strategy, weaknesses, objectives, and threats (2)

1.2 A social challenge that a business might face is:

- A Exchange rates
- B A contagious disease such as Covid-19
- C A new president of the country
- D A new entrant to the market (2)

1.3 When looking at solving business challenges, which one of the following could be a benefit to a new Engen garage?

- A The ability to introduce personalised services.
- B Creativity with regard to designing practical uniforms for employees.
- C A well-established brand.
- D The right to adjust petrol prices according to the demand. (2)

1.4 Which one of the following sustainability factors is part of the "triple bottom line" (integrated) reporting measurement tool?

- A Political sustainability
- B Environmental sustainability
- C Technical sustainability
- D Competitive sustainability (2)

1.5 Which of the following factor(s) is/are considered to be a method of achieving environmental sustainability?

- A Recycling of waste products.
- B Using resources optimally to minimise wastage.
- C Adopting "green" technologies.
- D All of the above. (2)

1.1	1.2	1.3	1.4	1.5

- 1.6 What does the acronym GRI stand for?
- A Global Recycling Insurance
 - B Global Representation Institution
 - C Global Reporting Initiative
 - D Global Ratio Index
- (2)
- 1.7 Which one of the following strategies would be considered to be a growth strategy?
- A Differentiation
 - B Focus market
 - C Market development
 - D Liquidation
- (2)
- 1.8 A cashier at a business outlet was dismissed for incapacity. This implies that ...
- A the employee was participating in an illegal strike.
 - B the employer made the working environment impossible for the employee to tolerate.
 - C the employee could no longer maintain satisfactory work performance.
 - D a transgression of a rule took place.
- (2)
- 1.9 Load shedding presents a(n) ... challenge to Eskom.
- A political
 - B technological
 - C economic
 - D All of the above
- (2)
- 1.10 An increase in the VAT rate is a challenge in the ... environment.
- A internal
 - B macro
 - C market
 - D international
- (2)
- 1.11 ... is done to determine how many people are required for the amount of work that needs to be done and the skills needed.
- A Performance appraisal
 - B Job description
 - C Manpower planning
 - D A feasibility study
- (2)

1.6	1.7	1.8	1.9	1.10	1.11

- 1.12 A ... is a letter of credit that Sasol Ltd sells in order to raise borrowed capital.
- A fixed deposit
 - B share
 - C debenture
 - D mortgage bond
- (2)
- 1.13 Sampling of products, discount coupons and buy-one-get-one-free offers are examples of ...
- A sales promotions.
 - B publicity.
 - C distribution channel barriers.
 - D environmental challenges.
- (2)
- 1.14 The Production Department of Caltex ensures quality of performance through the use of ... in its oil production process.
- A benchmarking
 - B job specification
 - C marketing policy
 - D forward integration
- (2)
- 1.15 ... means that Sasol can prove that they stand to lose financially if their assets should be damaged in a fire.
- A Excess
 - B Contractual capacity
 - C Insurable interest
 - D Proximate clause
- (2)
- 1.16 When a Puma garage owner uses ethical means to pay less tax, this refers to...
- A tax avoidance
 - B bottom-line tax
 - C tax evasion
 - D integration tax
- (2)
- 1.17 A(n) ... leadership style is displayed when the fuel-forecourt manager helps employees to understand the meaning of their work and takes the time to explain to the workers "why they matter".
- A transactional
 - B autocratic
 - C laissez-faire
 - D transformational
- (2)

1.12	1.13	1.14	1.15	1.16	1.17

1.18 A code of conduct for a petrol garage outlines the ...

- A position of employees in the management structure of the organisation.
- B challenges being faced from an environmental scan.
- C phases that a product goes through during the production process.
- D expected behaviour of employees for proper business practice. (2)

1.19 A garage owner can improve his relationship with his supplier by ...

- A ensuring prompt payment for services.
- B collaborating with other garage owners to boycott the supplier.
- C delaying payment to improve the supplier's liquidity.
- D decreasing their CSR contribution to the supplier. (2)

1.20 If the South African rand depreciates, it is a(n) ... for exporters and a(n) ... to importers.

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

1.21 A customer has a high level of power when ...

- (i) the business has limited suppliers.
- (ii) the business only has a few large customers.
- (iii) there are a large number of substitute products in the market.
- (iv) government regulates access to the market.

Choose the right combination:

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

1.22 Which of the following statement(s) is/are TRUE?

- (i) VAT is a legal deduction on an employee's salary.
- (ii) A medical examination is a legal requirement when applying for a job.
- (iii) Retention is the process of selecting the best candidate for the job.
- (iv) Skills development is part of manpower planning.

Choose the right combination:

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

1.18	1.19	1.20	1.21	1.22

1.23 Complete the missing information in the following paragraph:

When the demand for Engen shares is high, the market price of the shares will most probably 1 , because shareholders would expect a good annual 2 and 3 on his/her investment.

Choose the right combination:

	1	2	3
A	decrease	interest	gearing
B	increase	dividend	capital growth
C	remain constant	bonus	tax exemption
D	not be affected	return	liquidity

(3)

1.23

[50]

QUESTION 2

Choose the terms from the table below that best match the statements that follow.

Write only your answer in the space provided in each statement. There is only one correct answer to each statement and each option may only be used once.

retrenchment	financial perspective	WPF	growth
service perspective	mission statement	global	focused
low cost	solvency	vision	code of ethics
joint venture	differentiation	disinvestment	TQM
business culture	induction	acid test	business venture

- 2.1 A _____ is a business agreement in which two or more businesses pool their resources for the purpose of achieving a mutually beneficial goal.
- 2.2 A _____ strategy will focus on cheaper raw materials and efficiency in the production process.
- 2.3 In the Balanced Scorecard, the _____ focuses on maximising utilisation of assets and minimising costs to create shareholder value.
- 2.4 The _____ provides a description of what the business does or the purpose the business serves.
- 2.5 The _____ consists of employee representatives and management.
- 2.6 An umbrella concept defining the morals, principles, and values under which a business operates is a(n) _____.
- 2.7 The _____ ratio is a measure of Engen's liquidity.
- 2.8 _____ involves the process where all employees consider how their actions will impact on the overall customer satisfaction.
- 2.9 _____ is the process of orientating all new employees to the business.
- 2.10 A manager who shows an understanding that the business world is interrelated and that suppliers may originate from a range of countries is displaying a _____ management competency.
- 2.11 Sasol, who regularly redevelops their products and services to offer something unique, is using a _____ strategy.
- 2.12 The _____ of an organisation refers to the common understanding about the way in which business is conducted on a daily basis.

QUESTION 3

Choose the correct term in brackets that will make the statement **TRUE**. **Underline your answer.**

- 3.1 The **(customer / learning-and-growth)** perspective looks at how value can be created in the business by continually improving the performance of employees.
- 3.2 **(Collaboration / Delegation)** ensures all parties try to work with one another to achieve a mutual goal.
- 3.3 The aim of the **(SETA / CCMA)** is to create a platform to resolve labour disputes that originate from unfair labour practice.
- 3.4 **(NEDLAC / LACNED)** strives to promote the goals of economic growth and social equity by involving role players such as government, community groups, trade unions and businesses.
- 3.5 Brand **(stretching / extension)** is the process of using an existing brand name for new products or services that may not seem related.
- 3.6 When the Human Capital Department of Sasol tries to attract the most experienced talent to fill vacant posts, they are involved in **(recruitment / retrenchment)**.
- 3.7 Contributions to the Road Accident Fund are supplemented through the sale of **(advertising space / petrol)**.
- 3.8 A **(succession plan / performance appraisal)** is a tool used by a manager to identify skills gaps.
- 3.9 **(Organisation / Motivation)** refers to a manager arranging activities to ensure all resources contribute to the success of the business.
- 3.10 The **(Consumer Protection Act / Advertising Regulatory Board)** ensures that the seller acts in a fair manner when goods and services are supplied to customers.
- 3.11 The higher the risk associated with an investment, the **(higher / lower)** the return that the investor will expect on the investment.
- 3.12 In a crisis situation it is advisable for management to use a(n) **(autocratic / democratic)** leadership style.
- 3.13 During a **(go-slow / work-to-rule)** workers do no more or less than the minimum requirements described in their contract of employment.

[26]

100 marks

SECTION B

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

QUESTION 4



At Engen we strive to always operate in accordance with good business ethics and in a safe and environmentally responsible way, not simply to comply with legislation, but because it is the right thing to do. Ethical considerations and our corporate values inform all our business decisions.

[Source: <<http://www.engen.co.za/about/ethics> 10/10/2019>]

4.1 Explain the term *corporate governance*.

(2)

4.2 Explain how the following principles of good corporate governance could be used to ensure that Engen is acting ethically:

Transparency	Independence	Fairness

(9)

4.3 Answer the following questions about **the duties of the Engen company directors**:

(a) List three possible duties/responsibilities of the Engen company directors:

(3)

(b) Should the directors of Engen not fulfil their duties/responsibilities, what negative consequences could this have for the company?

(4)

(c) Suggest strategies that could be used by Engen to ensure that the directors of the company fulfil their duties/responsibilities.

(4)

4.4 Which index identifies businesses listed on the JSE that focus on good corporate governance principles?

(2)

4.5 Complete the flow diagram below with reference to **corporate social responsibility (CSR)**.

(a) Identify **FOUR** of Engen's stakeholders.

(4)

(b) Identify a demand that each of these stakeholders could make on Engen.

(4)

(c) What could Engen expect to gain from meeting the demands of these stakeholders?

(3)

4.6 **Engen will face a number of different challenges while implementing its CSR strategy.** Assist Engen by answering the questions below:

(a) Discuss **TWO** challenges that Engen could face while implementing its CSR strategy.

(4)

(b) List **THREE** creative problem-solving tools that Engen could use to assist them in solving the challenges identified in (a) above.

(3)

(c) Explain how Engen could use **ONE** of the tools identified in (b) above to address a possible challenge.

(4)

4.7 What is the significance of the King Reports in the South African economy?

(4)
[50]

QUESTION 5

5.1 The marketing function at BP South Africa

5.1.1 Discuss the impact of social media on the marketing efforts of a petrol station.

(6)

5.1.2 Explain how BP South Africa or any competing brand can use the "**people policy**" as part of the **marketing mix** to create or maintain its competitive advantage.

(4)

5.1.3 Discuss the advantages of franchising for a petrol station franchisor.

(4)

5.1.4 Refer to the buyer-stimulus response model and describe the economic factors that could influence the buying decision of BP customers.

(4)

5.1.5 Describe the criteria that the Marketing Department of BP could use when evaluating the effectiveness of their advertisements.

(4)

5.2 **Performance management at BP South Africa**

5.2.1 Discuss how BP South Africa could use the solvency ratio as a measure of quality of performance.

(4)

5.2.2 Give possible suggestions on how the Production Department of BP South Africa could improve their quality of performance.

(6)

5.2.3 Evaluate the effectiveness of BP employees using self-evaluation as a means of improving their quality of performance.

(4)

5.3 Conflict management at BP South Africa

5.3.1 Describe the possible outcomes of dysfunctional conflict.

(7)

5.3.2 Discuss how BP could resolve various conflict situations in the business.

(7)


[50]

QUESTION 6

6.1 Refer to the following extract where applicable when answering the questions that follow:

Careers at Sasol

Explore existing opportunities to move your career to the next level. Find out how you can add value to the Sasol Team.



Sasol's recruitment process does not include unsolicited offers of employment and also does not require advance payments from candidates. Sasol will only contact you if you have applied for a vacancy through the career website, the official Sasol LinkedIn page, if you were contacted by one of our authorised recruitment personnel or local recruiting office.

Sasol will not ask you to send personal banking information via email. If you suspect fraud, you are encouraged to alert Sasol by sending an e-mail to *recruitmentfraud@sasol.com*. Alternatively, please report such activity to your local law enforcement authorities.

[Adapted from <<https://www.sasol.com/careers/join-our-team>> Downloaded Dec 2019]

6.1.1 Identify **THREE** recruitment sources mentioned in the extract above that Sasol uses.

(3)

6.1.2 What advantages will the use of external recruitment have for Sasol's Human Capital Department?

(4)

6.1.3 There is a vacancy for a manager in a Sasol forecourt. Describe the criteria that you would use to select an appropriate candidate for the vacancy.

(4)

6.1.4 The extract shows that Sasol is committed to ethical business practices. Use evidence from the extract and any other examples to describe how Sasol could demonstrate this commitment.

(5)

6.2 Describe how the following managerial competencies could assist Sasol in maintaining a competitive advantage in the fuel industry. Give at least two examples to support each answer.

6.2.1 Organisational awareness

(5)

6.2.2 Customer service orientation

(5)

6.3 Describe the factors that Sasol would consider when completing a competitor analysis as part of formulating its marketing strategy.

(5)

6.4 Discuss how planning as a management task could help a garage and its forecourt to achieve the organisation's goals. Give at least two examples to support your answer.

(5)

6.5 Evaluate the effectiveness of Sasol having fixed property as part of their investment portfolio.

(5)

6.6 Explain why investing in collectibles could be a high-risk investment.

(4)

6.7 **"Insurance is the answer to risk management."**

Comment on whether it is a good policy for Sasol to have insurance. Give examples to support your answer.

(5)

[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 should be used.
- Content: must be sufficient to cover all aspects of the question.
- Substantiation: justification for 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://www.workforcesoftware.com/blog/warning-what-happens-when-employers-violate-labor-laws/> 10/10/2019>]

SOURCE B



[Source: <<https://www.cliffedekkerhofmeyr.com/en/news/publications/2018/employment/employment-alert-3-december-amendments-to-labour-legislation-signed-into-law-by-the-president.html>> 10/10/2019]

The South African petrol station (petrol garage and forecourt) industry has grown considerably in recent years. In fact, it is one of the few sectors to weather the downgrading of the South African economy by international rating agencies, the rand volatility and the negative growth rates experienced in recent times.

Despite this positive pattern of growth, the industry and individual petrol stations still have to deal with the challenges presented by various legal acts.

Required:

You have been asked to write a business report where you:

- Identify possible labour-related issues within the petrol station (petrol garage and forecourt) industry.
- Suggest strategies on how a manager should deal with these labour-related issues.

Hint: Consider the purpose and implications of the various labour legislation acts as part of your answer.
