NATIONAL SENIOR CERTIFICATE EXAMINATION
SUPPLEMENTARY EXAMINATION – MARCH 2017

BUSINESS STUDIES: PAPER I

Time: 2 hours 200 marks

PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY

1. This question paper consists of 10 pages and an Answer Booklet of 7 pages (i–vii). Please check that your question paper is complete.

2. Detach the Answer Booklet from the centre of the question paper and ensure that it is handed in. Also ensure that your examination number is written in the space provided on the Answer Booklet.

3. Read the questions carefully.

4. All questions are compulsory.
   Section A (Questions 1 and 2) must be answered on the **supplied Answer Booklet**.
   Section B (Questions 3, 4 and 5) comprises TWO groups of shorter answer-type questions (Questions 4 and 5) to be answered in your Answer Book. **In this section, Question 3 must be answered in the supplied Answer Booklet.** This is clearly indicated in the question.

5. Refer to the case study when required.

6. Demonstrate insight, where applicable, when answering questions.

7. Answer each **new question** on a **new page**.

8. Number your answers as the questions are numbered on the question paper.

9. You are advised to pay particular attention to the use of language and the **allocation of marks**.

10. It is in your own interest to write legibly and to present your work neatly.

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SECTION A **Answer all questions in this section in the supplied Answer Booklet.**

QUESTION 1

Indicate the **most correct** answer by writing only the letter next to the number in the space provided in the supplied **Answer Booklet**.

1.1 Which one of the following **would not** be part of Porter's Five Forces Model?

A Level of rivalry in the market
B Availability of substitute products
C Learning and growth perspective
D The power of buyers

1.2 When Mr Price's CEO 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.

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

1.4 The return that an investor can expect on a money market account would be …

A dividends.
B premiums.
C interest.
D debentures.

1.5 If someone 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.

1.6 When Mr Price's top management considers different strategies to keep employees from resigning, it shows a commitment to the … of employees.

A induction
B placement
C recruitment
D retention

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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.

1.8 Mr Price will use the … ratio when it ensures that total assets exceed total liabilities.

A liquidity
B current
C gearing
D solvency

1.9 The 360º performance appraisal can best be described as a tool that …

A measures the return that Mr Price Ltd earned in the 2014–2015 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 Mr Price.

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 off-shore investments.
C tax evasion.
D endowments.

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.

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.

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1.13 Workers 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 lock-out.
B arbitration.
C a work-to-rule action.
D a picket.

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

A planning
B synergy
C co-ordination
D communication

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 Mr Price, 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.

[30]

Mr Price Group Limited

[Source: <www.mrprice.co.za> Accessed: May 2016]

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QUESTION 2

Choose the most correct answer from the possible terms/words provided in the 'Business Dictionary' below for the statements/explanations that follow. Write down the **most correct answer** next to the number in the supplied Answer Booklet.

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

Business Studies Dictionary

Autocratic Style	Balanced Scorecard	Bootlegging
Delphi Technique	Debenture	Democratic Style
Indemnification	Induction	Integrated Reporting
Manufacturer	Shares	RIMS
Total Quality Improvement	Wholesaler	Lock-out

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

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

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

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

2.5 Considers the financial, customer, internal business process and the learning and growth elements of Mr Price.

2.6 The illegal distribution of a product.

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

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

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

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

[20]

50 marks

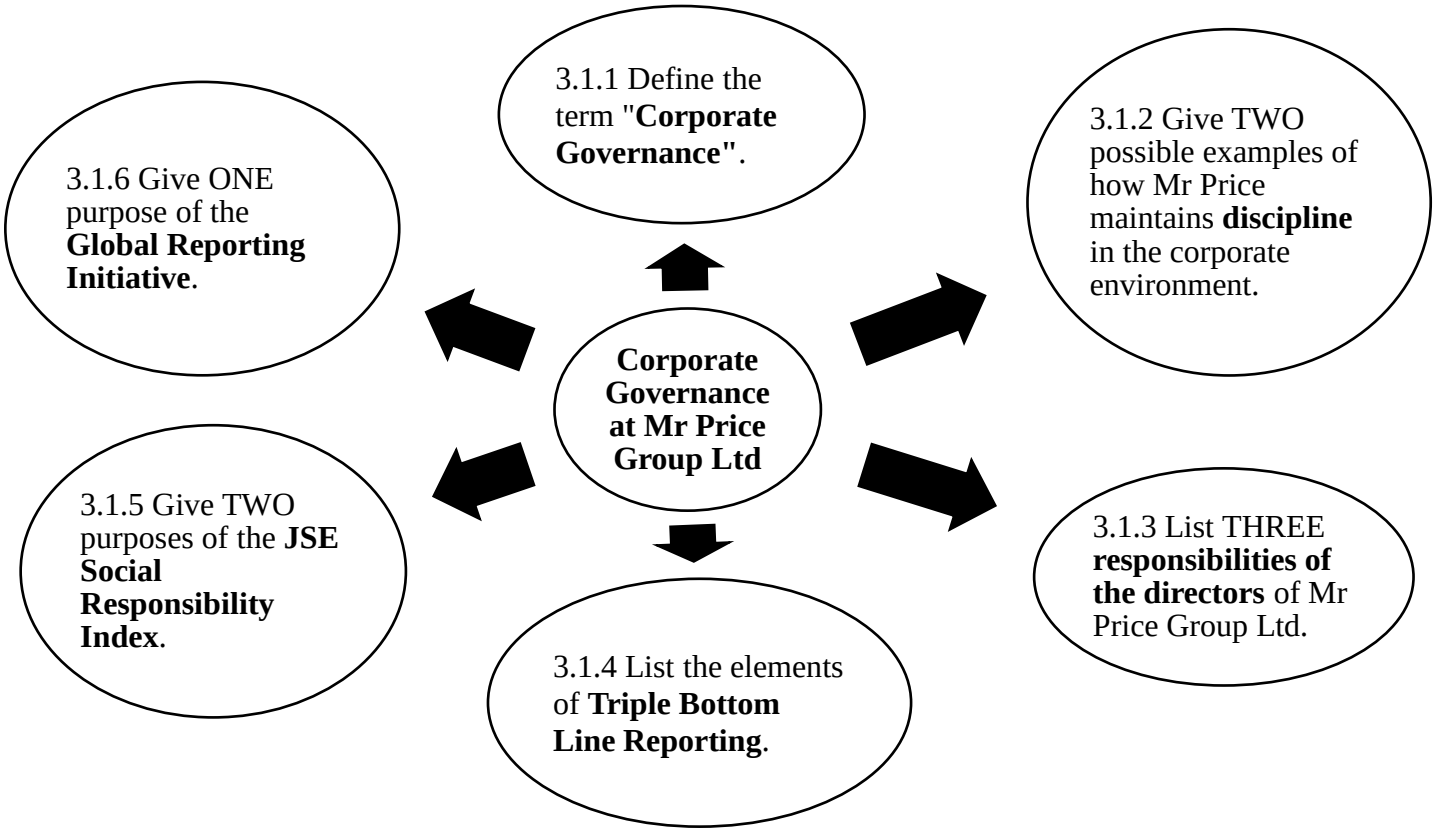
SECTION B

Answer all the questions in this section.

QUESTION 3

Answer this question in the supplied Answer Booklet.

3.1 Answer the questions in the following schematic diagram by writing your answer next to the question number in the **supplied Answer Booklet**.



(13)

3.2 Use a PESTLE analysis and focus on **ethical, legal** and **environmental** factors that have an impact on Mr Price. Identify **ONE** challenge for each factor and give a **separate strategy** to deal with each challenge. Use the table provided in your **supplied Answer Booklet**.

PESTLE factor	Challenge being faced	Strategy in response to challenge

(12)

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3.3 Answer the questions in the following schematic diagram by writing your answer next to the question number on the **supplied Answer Booklet**.

The Stimulus–Response Model

Mr Price Buyer receiving a stimulus

3.3.1 Explain how Mr Price could use 'processes' (as one of the 7Ps of marketing) as a buyer stimulus.

Buyer decision-making process

3.3.2 Describe how the following will affect the buying decision of a Mr Price buyer:

(a) Socio-cultural factors
(b) Economic factors

Buyer Responses

3.3.3 Suggest THREE possible outcomes for the buyer.

(12)

3.4 List FIVE rights of the Consumer Protection Act. Write your answer in the space provided on the **supplied Answer Booklet**. (5)

3.5 Answer the following questions in the space provided on the **supplied Answer Booklet**.

3.5.1 What is the benefit of Mr Price having a code of conduct? (2)

3.5.2 Why is it important for our government to have an effective code of ethics? (2)

3.5.3 Describe one positive outcome of conflict in the workplace. (2)

3.5.4 Discuss one positive outcome of Mr Price supporting 'whistle-blowers' in their organisation. (2)

[50]

[Source: <www.mrprice.co.za> Accessed: May 2016]

Answer Questions 4 and 5 in your Answer Book.
Remember to use the mark allocation as a guide to the length of your answers.

QUESTION 4

4.1 Study the following recruitment advert and then answer the questions that follow:

E-commerce Manager
Mr Price Sport, Durban

Mr Price Sport is recruiting for an experienced E-commerce Manager to manage the online operations to ensure online sales targets are reached.

Your role will include the following responsibilities:
- Promote the continuous development and improvement of technology to stimulate sales.
- Assure an effective partnership with marketing teams.
- Evaluate all online sales programs;
- Monitor competitor marketing efforts and industry trends.
- Perform market research to ensure website accuracy.

Key requirements of this role:
- Five years online marketing experience.
- A proven success managing e-commerce platforms with a strong understanding of Internet technology.
- The ability to delegate duties to subordinates.
- Exceptional written and oral communication skills.
- Ability to use a variety of creative problem-solving techniques.

Mr Price Sport is an equal opportunity employer and is committed to Employment Equity.
Salary Package: negotiable on cost to company basis.

[Adapted from <http://www.mrpricegroupcareers.com/Our-Vacancies.aspx>. Accessed December 2015]

4.1.1 (a) Give TWO examples of what could be included in the **job description** of the E-commerce Manager. (2)

(b) Give TWO examples of what could be included in the **job specification** of the E-commerce Manager. (2)

4.1.2 (a) List THREE topics that could be covered in an induction programme at Mr Price. (3)

(b) Describe THREE advantages in Mr Price having a well-structured induction programme for the new recruit. (6)

4.1.3 Discuss different elements that could be included as part of a salary package. (4)

4.1.4 (a) What is the purpose of the Employment Equity Act? (2)

(b) Outline TWO potentially negative implications of the Employment Equity Act. (4)

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4.2 Discuss **organisation** as a task of a manager at Mr Price. (4)

4.3 4.3.1 Discuss the advantages when a Mr Price manager uses a democratic leadership style. (4)

4.3.2 Discuss the disadvantages when a Mr Price manager uses an autocratic leadership style. (4)

4.4 Explain how Mr Price can use market research to improve the performance of the business. (5)

4.5 The marketing efforts of competitors could have a direct impact on the profit of Mr Price. Suggest strategies on how Mr Price can deal with this challenge. (5)

4.6 4.6.1 Give a description of the decision tree as a creative problem-solving technique. (2)

4.6.2 Use a decision tree to help Mr Price decide if they should open a shop in a new shopping centre. (3)

[50]

QUESTION 5

5.1 Study the following extract and then answer the questions that follow:

Employment legislation at Mr Price Group Ltd

The group complies with all relevant South African labour legislation. Trained employee relations practitioners guide management in the interpretation and application of legislation in the workplace. Dismissals must adhere to substantive and procedural criteria – hence the reason for relatively low incidents of labour disputes. Dismissals are mainly as a result of misconduct and rarely is Mr Price accused of unfair dismissal.

The group has maintained active membership of the National Retail Association, which is linked to Nedlac.

Maintaining sound and productive working relationships is of utmost importance to us. Open communication channels between managers, trade unions and associates are encouraged. Frequent communication sessions are held to update all associates on business progress, celebrate achievements and introduce new people to our group.

[Adapted from <http://www.mrpricegroup.com/Sustainability/CSI.aspx>. Accessed: December 2015]

5.1.1 Describe TWO aims of the Labour Relations Act. (4)

5.1.2 List FIVE requirements of procedural fairness if a worker is to be dismissed on the grounds of misconduct. (5)

5.1.3 Discuss remedies for unfair dismissal. (6)

5.1.4 Mention THREE issues that could be addressed during a collective bargaining negotiation. (3)

5.1.5 Outline the role of Nedlac in the South African industrial relations environment. (3)

5.1.6 What are the advantages in Mr Price 'maintaining open communication channels between managers, trade unions and associates'? (4)

5.1.7 Evaluate the negative implications of Mr Price employees undertaking industrial action. (3)

5.2 Discuss, with the use of a separate example for each, **how and when** the Mr Price Group would use the following strategies:

5.2.1 Merge (4)

5.2.2 Low cost (4)

5.3 Describe, with examples, how quality of performance could be monitored by the general management function of Mr Price. (5)

5.4 Explain why is it important for Mr Price to use a combination of monetary and non-monetary factors to motivate employees. (4)

5.5

'SWOT should be the preferred technique that can help businesses to review their strategy and direction.'

Do you agree with this statement? Motivate your answer with examples that relate to Mr Price Group Ltd. (5)

[50]

150 marks

Total: 200 marks

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