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TOTAL
MARKS

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NATIONAL SENIOR CERTIFICATE EXAMINATION
MAY 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 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. ONE blank page (page 32) is included at the end of the paper. If you run out of space for a question, use this page. Clearly indicate the 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 of the following SWOT elements are internal factors?

- A Strengths and Weaknesses
- B Opportunities and Threats
- C Strengths and Opportunities
- D Weaknesses and Threats (2)

1.2 A strength for Shoprite Holdings could be ...

- A weather.
- B a new international market.
- C a high price.
- D the location of Shoprite. (2)

1.3 Which of the following is **not** regarded as a purpose of a SWOT analysis?

- A To build on the strengths of the business.
- B To minimise the weaknesses of the business.
- C To reduce opportunities available to the business.
- D To reduce the impact of a potential threat to the business. (3)

1.4 At Pick n Pay the ... function is responsible for handling funds, making payments, preparing income statements and cash flow statements.

- A marketing
- B procurement
- C finance
- D human capital (2)

1.5 Refer to the table below. Which product option's production process added the most value for the business?

	Product A	Product B	Product C	Product D
Selling Price	R617	R912	R1050	R325
Cost per unit	R438	R460	R750	R179

- A Product A
- B Product B
- C Product C
- D Product D (3)

1.1	1.2	1.3	1.4	1.5

1.6 When an employee at Makro is highly innovative, he/she could be called a/an ...

A innovation.
 B intrapreneur.
 C entrepreneur.
 D chief worker. (2)

1.7 A mission statement can best be defined as ...

A an explanation of the aims, values and fundamental purpose of the business.
 B short-term plans to achieve the tactical objectives of a business.
 C an outline of how the business is to achieve its aims and objectives in the long-term.
 D a short, captive phrase used in branding and advertising. (3)

1.8 Which one of the following is **not** an example of an internal stakeholder at Checkers?

A Customers
 B Employees
 C Shareholders
 D Directors (2)

1.9 When a business utilises machinery and automation techniques efficiently and reduce the cost of inputs, this would be considered a ... advantage for the business.

A financial
 B purchasing
 C technical
 D marketing (2)

1.10 When a business acquires another business in the same field, it is called ... integration.

A forward
 B horizontal
 C conglomerate
 D multinational (2)

1.6	1.7	1.8	1.9	1.10

1.11 What is the purpose of a decision tree?

- A To determine the possible outcomes based on the probability of their occurrence.
 - B To determine the root cause of a problem being faced by the business.
 - C To illustrate the sequence of events within a business.
 - D To compare the driving forces when making a decision.
- (3)

1.12 Which of the following is **not** an example of the Human Capital management's duties?

- A Staff training and development
 - B Enforcing disciplinary procedures
 - C Identifying customer requirements
 - D Performance appraisals procedures
- (2)

1.13 The ... is a document that details the duties and responsibilities of a particular job.

- A job description
 - B job analysis
 - C job specification
 - D job offer
- (2)

1.14 Which of the following are disadvantages of recruiting internally?

- (i) There is a smaller pool of applicants to hire from.
 - (ii) Fresh, new ideas are not infused into the business.
 - (iii) Internal conflict may be encountered.
 - (iv) An additional vacancy must be filled.
- A (i)
 - B (i) + (ii)
 - C (i) + (ii) + (iii)
 - D (i) + (ii) + (iii) + (iv)
- (3)

1.15 Which one of the following is **not** a valid reason to dismiss an employee?

- A Incompetence
 - B Ethnicity
 - C Misconduct
 - D Operational
- (2)

1.11	1.12	1.13	1.14	1.15

1.16 What is the main difference between dismissal and retrenchment?

- A Dismissal occurs due to contractual breach or incompetence, while retrenchment occurs when a business can no longer afford to hire employees.
- B Dismissal occurs due to gross misconduct, while retrenchments occur when an employee decides to leave.
- C Dismissal occurs due to incompetence, while retrenchment occurs when an employee has been unfairly treated.
- D Dismissal occurs when an employee leaves the business, while retrenchment occurs due to the misconduct of the employee.

(3)

1.17 A ... inspires, motivates and influences employees while a ... focuses on achieving the operational objectives of a business.

- A leader, manager
- B leader, employee
- C director, leader
- D manager, leader

(3)

1.18 Which one of the following is **not** an advantage of an autocratic leadership style?

- A Enables quick decision making.
- B Allows for effective two-way communication.
- C Provides employees with clarity over their roles.
- D Effective when a critical decision needs to be made.

(2)

1.19 A member of a team that takes on more than they are able to cope with is experiencing ...

- A role specification.
- B role overload.
- C role defense.
- D role development.

(2)

1.20 ... measures Pick n Pay's generation of profit with the capital that has been invested.

- A Liquidity
- B Solvency
- C Gearing
- D Return on investment

(2)

1.21 Current ratio is ...

- A current assets : current liabilities.
- B (current assets + loans) : current liabilities.
- C (current assets + loan advances) : current liabilities.
- D None of the above.

(3)

1.16	1.17	1.18	1.19	1.20	1.21

[50]

QUESTION 2

Choose the correct term in brackets in each question. Clearly underline your chosen term.

- 2.1 **(Subrogation/Proximate clause)** is a term that describes the right held by most insurance carriers to legally pursue a third party that caused an insurance loss to the insured.
- 2.2 **(Indemnification/Cession)** takes place when an insurance company transfers a portion of insurance obligations to a reinsurer.
- 2.3 **(Brand development/Brand stretching)** is the process of using an existing brand name for new products or services that may not seem related.
- 2.4 A **(situational/transformational)** leader is a style of leadership where leaders of the team consider the uniqueness of every circumstance.
- 2.5 A **(liquidation/decline)** strategy is the process of bringing a business to an end and distributing its assets to claimants.
- 2.6 A **(backward/forward)** integration is a strategy business adopt to reduce production costs and improve the business' efficiency by acquiring a supplier.
- 2.7 A **(fish bone/value chain)** analysis is a set of activities that a firm operating in a specific industry performs in order to deliver a quality product.
- 2.8 A **(contingency plan/business plan)** is a course of action designed to help an organization respond effectively to a significant future event or situation that may or may not happen.
- 2.9 **(Customer service orientated/need orientated)** employees have a positive attitude and are eager to help when attending to a client.
- 2.10 **(Retirement annuities/debenture annuity)** are financial products that offer a guaranteed income stream, usually for senior citizens.

[20]

QUESTION 3

Indicate whether the following statements are **TRUE** or **FALSE** by making a cross (x) over the appropriate option. If **FALSE**, correct the statement.

3.1 Branding is an intangible marketing or business concept that helps people to identify the business and its offerings.

TRUE	FALSE
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3.2 Picketing refers to the situation when the employer makes the working environment impossible for employees to tolerate, which forces the employees to resign.

TRUE	FALSE
------	-------

3.3 Businesses operate within a fixed external environment.

TRUE	FALSE
------	-------

3.4 Socio-economic factors refer to social trends such as lifestyle and behaviour that have an impact on the economy and its role players.

TRUE	FALSE
------	-------

3.5 Customer loyalty programs is a strategy implemented to make the business more attractive than its competitors.

TRUE	FALSE
------	-------

3.6 A business reduces the price of certain products/services to ensure the business is a more attractive option than its competitors.

TRUE	FALSE
------	-------

3.7 Market research helps the marketing function to identify the target market based on age, income, gender, marital status, hobbies and occupation.

TRUE	FALSE
------	-------

3.8 Public Relations management is the continuous, long-term ethical interaction between the business and external stakeholders.

TRUE	FALSE
------	-------

3.9 The production function is responsible for collecting all business-related data.

TRUE	FALSE
------	-------

3.10 The value chain analysis is used to identify tangible and intangible resources that the business owns.

TRUE	FALSE
------	-------

- 3.11 Using a low-cost strategy to develop a competitive advantage means all efforts are aimed at a specific market segment based on narrowly defined demographics.

TRUE	FALSE
------	-------

- 3.12 The Advertising Complaints Commission states that it is illegal to charge more for products in rural areas than in urban areas without reasonable justification.

TRUE	FALSE
------	-------

[30]

100 marks

SECTION B

QUESTION 4

Refer to the extract below and then answer the questions that follow.

Retail Trends 2022: In search of the ultimate customer experience

The retail industry is on a never-ending quest to get the right products to consumers when, where, and how they want them. The pandemic (Covid-19) has turbo-charged digitalization, but e-commerce is no longer a differentiator. To attract and keep more customers, retail leaders are delivering fun, convenient, digital and in-person experiences in a sustainable manner.

[Source adapted from: <<https://www.forbes.com/sites/sap/2022/02/07/retail-trends-2022-in-search-of-the-ultimate-consumer-experience>> 1 April 2022]

4.1 Define what is meant by the term *environmental scanning*.

(2)

4.2 Name **FOUR** elements/factors a retailer should consider as part of their environmental scan of the Macro environment.

- _____
- _____
- _____
- _____

(4)

4.3 Explain the role of the purchasing functions in providing the *ultimate customer experience* from a retailer's point of view.

(3)

4.5 Evaluate how a retailer would use the following Balanced Score Card perspectives to ensure continuous improvement in the business.

Customer Perspective:

(3)

Financial Perspective:

(3)

Internal Business Perspective:

(3)

4.6 Explain the importance of a retailer having a vision.

(4)

4.7 With the use of examples, discuss how a retailer could use functional conflict to create the *ultimate customer experience*.

(8)

QUESTION 5

Refer to the extract below and then answer the questions that follow.



Our relationship with employees

OUR APPROACH

Motivated employees are crucial to SPAR's future. We pride ourselves on being a business that is built on solid relationships, with an emphasis on family values and meaningful workplace interaction.

SPAR upholds our employees' rights to freedom of association and collective bargaining.

HOW WE ENGAGE

- Strong relationships with our workforce and the various trade unions.
- Learning and development initiatives through The SPAR Academy of Learning.
- Various committees established at each distribution centre, including Health and Safety, shop stewards and Values Committees.
- Employee wellness clinics at each distribution centre – boosted by the launch during the year of our employee Wellness Week.

[Source adapted from: <<https://thespargroup.com/ir2016/business-model-and-strategy/our-relationship-with-employees>> 1 April 2022]

5.1 Discuss the role of trade unions during collective bargaining.

(4)

5.4 Labour laws that are implemented correctly ensure that employees are treated fairly. Assist SPAR in understanding **TWO** relevant labour laws by answering the questions below.

5.4.1

Identify a relevant labour related Act:

(1)

Discuss the main purpose of this Act:

(3)

Explain the impact this Act would have on the daily operations of SPAR:

(3)

Evaluate how SPAR could ensure that they are implementing the Act correctly:

(3)

5.4.2

Identify a relevant labour related Act:

(1)

Discuss the main purpose of this Act:

(3)

Explain the impact this Act would have on the daily operations of SPAR:

(3)

Evaluate how SPAR could ensure that they are implementing the Act correctly:

(3)

5.5 Discuss how SPAR can use employee evaluations to contribute positively to the personal growth of their employees.

(4)

5.6 Explain why SPAR's Human Capital function should focus on retention strategies.

(3)

5.7 5.7.1 Name **THREE** monetary motivational factors:

- _____
- _____
- _____

(3)


5.7.2 Name **THREE** non-monetary motivational factors:

- _____
- _____
- _____

(3)
[50]

QUESTION 6

Refer to the extract below and then answer the questions that follow.

	<h2>Our promise to you</h2> <p>We're always learning how to be a better retailer for you. It was the culmination of years of learning from what leading retailers worldwide were doing at the time.</p> <p>We have set the bar sufficiently high and, in that spirit, we continue the tradition of innovation, customer excellence and products and services that delight. And for us, that's what it means to be better and better.</p>
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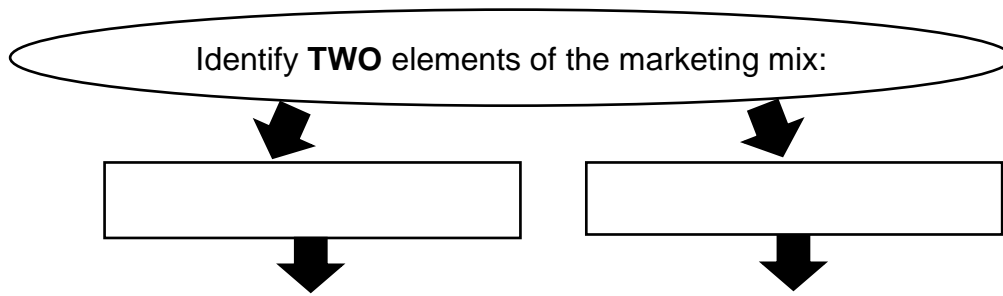
[Source adapted from: <<https://www.checkers.co.za/about-us>> 1 April 2022]

6.1 Use a relevant example to explain how each managerial competency below would help Checkers to meet its promise to be *better and better*.

Initiative competency	<hr/>
	<hr/>
	<hr/>
	<hr/>
	<hr/>
	<hr/>
Analysis competency	<hr/>
	<hr/>
	<hr/>
	<hr/>
	<hr/>
	<hr/>

(6)

6.3 Complete the following diagram below on marketing.



Explain the importance of Checkers focusing on each of these elements as part of their marketing strategy:

<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
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(3) (3)

Assess how the two marketing elements identified are dependent on each other to ensure a successful marketing strategy:

Suggest **THREE** criteria that would be used to determine the success of Checkers' marketing strategy:

- _____
- _____
- _____

(3)

6.4 It is essential that Checkers protects the business by taking out insurance. Assess **THREE** types of non-compulsory insurance that will protect Checkers.

- _____

- _____

- _____

(6)

6.5 Name **THREE** types of compulsory insurance.

- _____
- _____
- _____

(3)

6.6 Critically evaluate the following investment opportunities based on: Risk, Timelines and Return on Investment (ROI).

Equities/ Shares	Risk: <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Debentures	Timelines: <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Unit Trusts	ROI: <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>

(9)
[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 must be used.
- Content: must be sufficient to cover all aspects of the question.
- Substantiation: justification of 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

Massmart is the home to some of Africa's most loved brands. Through our widely recognised and differentiated retail and wholesale formats, we have leading market shares in the general merchandise, liquor, home improvement and wholesale food markets.



[Source adapted from: <<https://www.massmart.co.za/our-brands>> 1 April 2022]

