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Department:
Education
PROVINCE OF KWAZULU-NATAL

ILEMBE DISTRICT

BUSINESS STUDIES

TERM ONE :2025

CASE STUDY

GRADE 11

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Issue date: **Submission date:**

Duration: 2 Hours **Total marks: 50**



TOPICS ASSESSED:
1. Influences on business environments.
2. Challenges of the business environment.
3. Adapting to challenges of the business environment.
4. Contemporary socio-economic issues.

Note:

1. Learners should be informed of the topics to be assessed.
2. The case study must be administered and completed within two hours under controlled conditions.
3. The task must be completed individually. Group work is not allowed.
4. Write neatly and legibly.
5. Number your answers correctly as indicated in the question paper.

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INSTRUCTIONS

Read the case study below and answer the questions that follow:

Gledhow Sugar Company (GSC) Initiates Business Rescue Proceedings to Ensure Sustainable Operations

GSC is situated in KwaDukuza, KZN and is responsible for manufacturing sugar. The Board of Directors of Gledhow Sugar Company Proprietary Limited has announced that it has passed a resolution to voluntarily commence business rescue proceedings.

The company has been facing significant challenges in recent years, including the forced closure of its factory due to social unrest in KwaZulu-Natal in July 2021, the catastrophic flood damage to its machinery and infrastructure in April 2022 and the recent Russia-Ukraine War which resulted in significant increases in essential supply costs such as coal, oil and other operational inputs, which have further affected the company's operating margin and resulted in cash flow challenges. GSC has now been put into business rescue because of mismanagement of organisational resources and funds. Disgruntled employees embarked on industrial action. Employees have asked their respective trade unions to intervene on their behalf.

These challenges have resulted in the company becoming “financially distressed”, however GSC were still able to award bursaries to students from the local community, donated books to a school library and offered low cost meals to the employees.

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Adapted from: https://www.gledhowsugar.com/business-rescue

Date: 25/01/2024

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1. Identify the sector in which GSC operates. Motivate your answer by quoting from the scenario. (3)

2. Read the scenario on the previous page and answer the following questions.

2.1 Quote THREE challenges from the scenario that GSC had to deal with. (3)

2.2 Classify each challenge quoted in QUESTION 1.1 according to their business Environment. (3)

Instructions:

2.3 State the extent of control that GSC has over EACH business environment classified In QUESTION 2.2 (3)

Use the table below as a GUIDE to answer QUESTIONS 2.1, 2.2 and 2.3

CHALLENGES (2.1)	BUSINESS ENVIRONMENT (2.2)	EXTENT OF CONTROL (2.3)
1.		
2.		
3		

3. "*Strikes and go slows* are examples of industrial action".

3.1 Differentiate between strikes and go slows.

Use the table below as a GUIDE to answer QUESTION 2.1

STRIKES	GO SLOWS

(6)

3.2 Discuss the impact of strikes on businesses (4)

4. Explain the purpose of the Labour Relations Act 66 of 1995 (6)

5. Elaborate on the functions of trade unions (4)
6. State TWO CSR project undertaken by GSC. (2)

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7. Discuss the benefits of CSI projects for the business. (6)

8. Outline the advantages of networking for a business. (4)

9. Suggest ways in which businesses can be involved in the macro environment (6)

Total: 50



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MARKING GUIDELINE Notes

to markers:

1. Candidates' responses must be in full sentences. However, this would depend on the nature of the question.
2. A comprehensive marking guideline has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:
   - Uses a different expression from that which appears in the marking guideline
   - Comes from another credible source
   - Original
   - A different approach is used
3. Take note of other responses provided by candidates, that are relevant within the context of a particular question, and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
4. Correct numbering of answers to questions or sub questions is recommended. However, if the numbering is incorrect, follow the sequence of the candidate's responses.
5. No additional credit must be given for repetition of facts. Indicate with an 'R'.
6. If for example, FIVE facts are required, mark the candidate's FIRST FIVE responses and ignore the rest of the responses. Indicate by drawing a line across the unmarked portion. This applies only to questions where the number of facts is specified.

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BUSINESS ENVIRONMENTS

1. **Sector**: Secondary✓✓
   Motivation: Is responsible for manufacturing sugar✓

2. **Environments / Challenges and Extent of control**

CHALLENGES (2.1)	BUSINESS ENVIRONMENTS (2.2)	EXTENT OF CONTROL (2.3)
• forced closure of its factory due to social unrest in KwaZulu-Natal in July 2021.✓ • catastrophic flood damage to its machinery and infrastructure in April 2022.✓ • Russia-Ukraine War which resulted in significant increases in essential supply cost such as coal, oil and other operational inputs✓.	Macro ✓	No control ✓
Russia-Ukraine War which resulted in significant increases in essential supply cost such as coal, oil and other operational inputs✓.	Market✓	Partial control✓
GSC has now been put into business rescue because of mismanagement of organisational resources and funds.✓	Micro✓	Full Control✓
Sub max (3)	Sub max (3)	Sub max (3)

Max (9)

NOTE:

1. **Do not award marks for challenges that are not quoted from the scenario.**
2. **The challenges must be linked to the environment**
3. **The extent of control must be linked to the business environment.**

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4. Mark the FIRST challenge of each environment only.
5. No marks should be awarded for challenges that are repeated.

3.1 **Differences between *strikes* and go-slows.**

STRIKES	GO-SLOWS
˅ Temporary collective refusal of employees to work. ✓✓	˅ The employees still carry on with their work, but at a much slower pace than normal. ✓✓
˅ A collective, organised cessation of work by employees to force the employers to accept their demands.✓✓	˅ The employees aim to disrupt the workplace production.✓✓
˅ Workers will not be fired if they participate in a protected strike✓ ✓	˅ Workers participating in a goslow are often punished , sometimes fired✓✓
Sub max (4)	Sub max (4)

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(6)

Note: 1. The answer does not have to be in tabular format.
2. The differences does not have to be linked but should be clear.
3. If the difference is not clear, award a maximum of FOUR (4) marks. Mark either strikes or go-slows.

3.2 **Impact of strikes on businesses**

- Strikes discourages ✓potential investors to invest.✓
- Businesses may be forced to close down✓ due to lower profitability. ✓
- Results in losses of production/ lower productivity✓ as employees are absent from work during strikes.✓
- Many businesses suffer losses✓ as a result of damage to property.✓
- They can lead to violence/assaults✓ if there is intimidation of workers who do not strike.✓✓
- Loss of skilled employees to competitors ✓ as employees can lose their wages/ salaries due to no work, no pay policy✓
- The image of the business✓ can be destroyed/ decline✓
- Generally strikes are used as a wage negotiation lever✓ which results in higher wage bills for businesses. ✓✓
- Any other relevant answer related to the impact of strikes on businesses.

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Max (4)

4. **Explain the purpose of the Labour Relations Act**

- Provides a framework where the employees, trade unions and employers work together✓ to discuss matters relating to employment, e.g. wages, conditions of employment. ✓
- Promotes orderly negotiations✓ and employee participation decision making in the workplace. ✓
- Promotes resolution✓ of labour disputes.✓
- Promotes fair✓ employment practices. ✓
- Outlines the relationship between employees and employers.✓
- Provides simple procedures for the registration of trade unions and employers' organizations. ✓
- Regulates the rights of trade unions✓ and facilitates collective bargaining.✓
- Regulates the effectiveness✓ of bargaining councils and statutory councils. ✓
- Establishes workplace forums✓ to promote the interest of all employees in the workplace whether they belong to the trade union or not. ✓
- Allows for workplace forums where employees✓ may participate in decision making.✓
- Establishes the Commission for Conciliation, Mediation and Arbitration (CCMA) ✓to resolve labour disputes through statutory conciliation, mediation and arbitration.✓
- Endorses the right to strike against retrenchments✓, and facilitates labour disputes.✓
- Clarifies the transfer of contracts✓ of employment procedures.✓✓
- Establishes Labour Courts and Labour Appeal Courts✓ to deal with labour issues.✓✓
- Any other relevant answer related to the purpose of Labour Relations Act.

Max (6)

5. **Functions of trade unions (6)**

- Improves conditions of employment.✓✓
- Ensures that all employees are treated equally in the workplace✓✓
- Representing the interest of general society and minority groups through media and negotiations. ✓✓
- Influencing government decisions.✓✓
- Representing employees corporately and individually.✓✓
- Improving material benefits of their members. ✓✓

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- Establishing minimum economic and legal conditions/influencing economic policy and law. ✓✓
- Playing a role as moral institutions that will uplift the weak and oppressed and give them the dignity and justice they deserve.✓✓
- Protecting workers from unfair labour practices and unfair dismissal.✓✓
- Take legal action on behalf of members when necessary.✓✓
- Any other relevant answer related to the functions of trade unions

Max (4)

5. **CSR projects**

- Award bursaries to students from the local community✓
- Donated books to a school library✓
- Offered low cost meals to the employees✓

Max (2) **Note: 1. The CSR project must be from the scenario.**
2. Mark the FIRST two (2) projects only.

7. **Benefits of CSI projects for the business.**



- Increases employees' morale and job satisfaction✓ when they are involved in social responsibility programmes.✓
- CSI projects may be used as a marketing strategy✓ to promote their products.✓
- CSI projects promote teamwork✓ within businesses. ✓
- CSI helps to attract investors✓ because of increased profits/income✓
- Promotes customer loyalty resulting in more sales. ✓✓
- May attract experienced employees/increase the pool of skilled labour✓ which could increase productivity. ✓
- Positive/Improved image✓ as the business looks after employees/conducts itself in a responsible way. ✓
- A business may have a competitive advantage✓, resulting in good publicity/an improved reputation. ✓
- The business enjoys the goodwill/support✓ of communities✓
- Any other relevant answer related to the benefits of CSI projects for the business.

Max (6)

8. **Advantages networking for the business**

- Businesses can attract new customers resulting in increased market share and profitability.✓✓

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- Networking can be an excellent source of new perspectives and business ideas.✓✓
- Allows managers to build new businesses relationships and generate new business opportunities.✓✓
- Plays a role in the marketing and expansion of a business.✓✓
- Assists businesses in making future business decisions.✓✓
- Businesses can gain support when representation to various authorities is planned✓✓
- Any other relevant answer related to the advantages of networking for a business.

Max (4)

9. **Ways in which businesses can be involved in the macro environment.**

- Influencing suppliers by signing long term contracts.✓✓
- Creating new uses for a product by finding new customers.✓✓
- Influencing regulators through lobbying and bargaining.✓✓
- Initiating bargaining sessions between management and unions.✓✓
- Influencing its owners using information contained in annual reports.✓✓
- Negotiating strategic alliance agreement through contractual processes.✓✓
- Knowing government regulations and operating within them. ✓✓
- Keeping up with new technologies to improve production and marketing.✓✓
- Lowering its impact on the environment. ✓✓
- Entering the global market by using the internet to source suppliers and customers.✓✓
- Working within the law to set up contracts. ✓✓
- Taking advantage of economic changes such as exchange rate, tax breaks. ✓✓
- The business can stay informed about the challenges and developments in the macro environment and can adapt to challenges quickly.✓✓
- Entering the global market by using the internet to source suppliers and customers✓✓
- Working within the law can assist the business to set up contracts. ✓✓
- Getting involved in research/development so that they can continue to operate✓✓
- Any other relevant answer related to ways a business can be involved in the macro environment.

Max (6) **Total: 50 Cognitive grid**

Ques. No	Basic	Moderate	High
1.	1		2
2.1	3		
2.2			3
2.3	3		
3.1		6	
3.2		4	

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4.		6	
5.		4	
6.	2		
7.		6	
8	4		
9.			6
Total	13	26	11
%	26%	52%	22%
Difference	-4%	+2%	+2%

