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TOTAL
MARKS

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NATIONAL SENIOR CERTIFICATE EXAMINATION
MAY 2021

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 option you have chosen in the space provided at the bottom of the page. There is only one correct answer for each question.

- 1.1 A ... management style is an approach where rewards and punishments are used by the manager to motivate employees to perform their tasks.
- A democratic
 - B transformational
 - C transactional
 - D situational
- (2)

- 1.2 The ... policy of marketing revolves around the behaviour, skills and morale of employees and the impact of these on the service experience of the customer.
- A product
 - B price
 - C people
 - D process
- (2)

- 1.3 When petrol attendants do no more or no less than the minimum requirements described by the rules of the garage, they engage in a ...
- A picket.
 - B sympathy strike.
 - C go-slow.
 - D work-to-rule.
- (2)

- 1.4 The return offered to an investor who has invested funds in an offshore savings account would be ...
- A interest.
 - B dividends.
 - C depreciation.
 - D premiums.
- (2)

- 1.5 Collective bargaining refers to the ...
- A negotiation between the employer and trade union about issues such as salaries and working conditions.
 - B management team giving advice to employees on how to deal with misconduct.
 - C dismissal of incompetent employees.
 - D feedback given to employees on their performance.
- (2)

1.1	1.2	1.3	1.4	1.5

- 1.6 Directors show ... when they admit that an unethical business practice has taken place on their watch.
- A accountability
 - B honesty
 - C integrity
 - D All of the above. (2)
- 1.7 When a new petrol attendant is given a mentor to help him / her understand the business culture, this forms part of ...
- A a feasibility study.
 - B induction.
 - C environmental scanning.
 - D succession planning. (2)
- 1.8 Which one of the following could be regarded as a weakness for an Engen garage owner?
- A An increase in the petrol price.
 - B A decrease in staff morale.
 - C An increase in national income.
 - D A decrease in the number of garages in Gauteng. (2)
- 1.9 An unethical practice at a garage forecourt could be when the business ...
- A requires a potential manager to undergo medical exams before a job offer is made.
 - B offers two cool drinks for the price of one.
 - C packs two competitive products on the shelf right next to each other.
 - D All of the above. (2)
- 1.10 Insurance could be beneficial for the cash flow of a business, because ...
- A the need for the business to keep cash reserves is reduced since the principle of indemnification will apply.
 - B the duplication clause prevents losses that might interrupt business operations.
 - C security covers the business if it makes a trading loss.
 - D underwriting ensures the debts of the owners are written off. (2)

1.6	1.7	1.8	1.9	1.10

- 1.11 An advantage of functional conflict in a garage forecourt could be that ...
- A an awareness is created of a problem that has to be addressed.
 - B a wide range of solutions to the conflict are considered.
 - C employees have the opportunity to state their opinions to clarify misconceptions.
 - D All of the above. (2)
- 1.12 When a Sasol franchise owner considers the strategic role that employees play in the success of the garage, a ... problem-solving technique is used.
- A tax avoidance
 - B resource-based analysis
 - C competitive advantage
 - D PESTLE analysis (2)
- 1.13 Which of the following could lead to a crisis that the public relations function of a petrol garage will have to address?
- A An inappropriate response by the store manager to a customer's problem.
 - B Changes in customer demographics.
 - C An increase in the minimum wage earned by forecourt staff.
 - D All of the above. (2)
- 1.14 A possible implication of the Employment Equity Act could be ...
- A a decrease in the standard of living of the black middle class.
 - B that previously disadvantaged people will benefit.
 - C less money is spent on skills development for people of colour.
 - D a decrease in CSR contributions by previously disadvantaged people. (2)
- 1.15 An increase in the inflation rate would be a(n) ... challenge to a garage owner.
- A micro
 - B internal
 - C macro
 - D controllable (2)
- 1.16 The ... Act aims to ensure that South Africa has a workforce with the right qualities that could lead to economic growth, social development and sustainable job creation.
- A Occupational Health and Safety
 - B Basic Conditions of Employment
 - C Skills Development
 - D Compensation for Injuries and Diseases (2)

1.11	1.12	1.13	1.14	1.15	1.16

1.17 A garage owner has ... when he / she can prove that he / she can legally enter into contracts.

- A sustainability
- B a return on their investment
- C market dominance
- D contractual capacity

(2)

1.18 A business that struggles financially uses a(n) ... strategy when it sells assets to pay off debt.

- A niche
- B liquidation
- C integration
- D differentiation

(2)

1.19 The ... is a measure that companies use to show that they act in a socially, economically and environmentally responsible manner.

- A acid-test ratio
- B market map
- C FTSE / JSE Responsible Investment Index
- D balanced scorecard

(2)

1.20 Complete the missing information in each of the following statements:

- _____1_____ occurs when the human capital manager is part of the recruitment and selection panel and fails to disclose that one of the applicants is a family member.
- When a director trades shares on the JSE, based on knowledge that is confidential, the director is guilty of _____2_____.
- When the service of an employee is terminated because the business can no longer afford to employ the worker, it is known as _____3_____.

Choose the right combination:

	1	2	3
A	Tax exemption	integrity	constructive dismissal
B	Capital gains tax	gearing	bargaining
C	Conflict of interest	insider trading	retrenchment
D	Unethical behaviour	patenting	a goodwill payment

(3)

1.17	1.18	1.19	1.20

1.21 Which one of the following is the best sequence of activities in the Human Capital Department of Engen?

- A Manpower planning; recruitment; selection; placement; induction; performance appraisal
- B Recruitment; performance appraisal; selection; induction; manpower planning; placement
- C Manpower planning; placement; selection; recruitment, performance appraisal; induction
- D Induction; selection; performance appraisal, manpower planning; recruitment; placement

(3)

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

- (i) If consumers are sensitive to price changes, it is preferable to use fewer intermediaries in the distribution channel.
- (ii) The promotion policy of marketing considers the operating procedures that are used to make the service experience pleasant.
- (iii) The Advertising Regulatory Board regulates budgeting decisions in advertising.
- (iv) Sales promotion forms part of public relations.

Choose the right combination:

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

(3)

1.23 The current ratio measures ...

- A Total assets : Total liabilities
- B (Current assets – Inventory) : Creditors
- C (Bank + Debtors + Inventory) : Current liabilities
- D Current assets : Long-term liabilities

(3)

1.21	1.22	1.23

[50]

QUESTION 2

Choose the term from the table below that correctly completes each of the statements that follow.

Write your choice down in the space provided in each statement.

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

sustainable	market	cultural diversity
trademark	subrogation	liability insurance
diversified	price fixing	stretching
whistle blowing	labour relations	tax evasion
lock-out	extension	bribe
fidelity insurance	business practice	market penetration

- 2.1 _____ occurs when competitors agree to charge the buyers a predetermined price.
- 2.2 When someone is offered a reward to give a third party an unfair advantage to which he / she is not entitled, it is a _____.
- 2.3 _____ occurs when an employee exposes unethical behaviour of his / her manager.
- 2.4 The concept of good _____ refers to the business implementing measures to achieve objectives while acting in an accountable and ethical manner.
- 2.5 _____ is taken out to protect the business against losses that may occur when a financial manager defrauds the business.
- 2.6 _____ is displayed when an organisation employs people from different ethnic backgrounds.
- 2.7 When Sasol's CSR programmes are _____, it means that the programmes are able to continue in the foreseeable future without financial assistance from Sasol.
- 2.8 Semi-controllable challenges originate in the _____ environment.
- 2.9 Having a _____ investment portfolio means that Engen has investments in more than one asset class.
- 2.10 A _____ is a unique name, logo or design that differentiates a product from its competitors.
- 2.11 Brand _____ refers to a situation where an existing brand is used as a platform to launch a product into an unrelated market.
- 2.12 During a _____ an employer prevents employees from entering the workplace when the employees are participating in a strike.

[24]

QUESTION 3

Choose the term in brackets that makes the statement TRUE. **Underline your answer.**

- 3.1 The (**Compensation for Occupational Injuries and Diseases Act / Occupational Health and Safety Act**) provides compensation for injuries sustained, or diseases contracted by employees in the course of their work.
- 3.2 Commercial insurance is seen as a (**non-compulsory / compulsory**) insurance for petrol stations and their food courts.
- 3.3 If a petrol station owner claims from the insurance company for a loss suffered, the insurance company will make sure that the loss was as a direct result of the event that was insured. This is referred to as (**proximate cause / excess clause**).
- 3.4 An (**intrapreneur / entrepreneur**) uses initiative to create new ideas and turns these into profitable products or services for his / her employer.
- 3.5 A (**leader / manager**) is appointed in a position of authority and may therefore give instructions to subordinates.
- 3.6 The (**average clause / cession**) stipulates that the insured will not be fully compensated for a loss if the assets were insured for less than their full replacement value.
- 3.7 A job (**description / specification**) outlines the duties of a petrol attendant and the degree of supervision that will be applicable while performing the job.
- 3.8 When a third party makes a recommendation on how she / he thinks a labour dispute should be settled, but it is not legally binding, the parties have made use of (**conciliation / mediation**).
- 3.9 (**Benchmarking / Differentiation**) is when a business measures its current performance with the standard of best practice in the industry.
- 3.10 The time span that describes a product's sales from the time it is entered into the market, until such time as it is withdrawn from the market, is referred to as the product (**life cycle / segmentation**).
- 3.11 (**Delegation / Communication**) is the process where the manager will allocate tasks to subordinates to ensure a more meaningful and fair distribution of responsibilities.
- 3.12 The (**Labour Relations Act / Constitution**) is the highest law of South Africa.
- 3.13 The threat of new entrants into the market is a challenge from the (**internal / external**) environment.

[26]

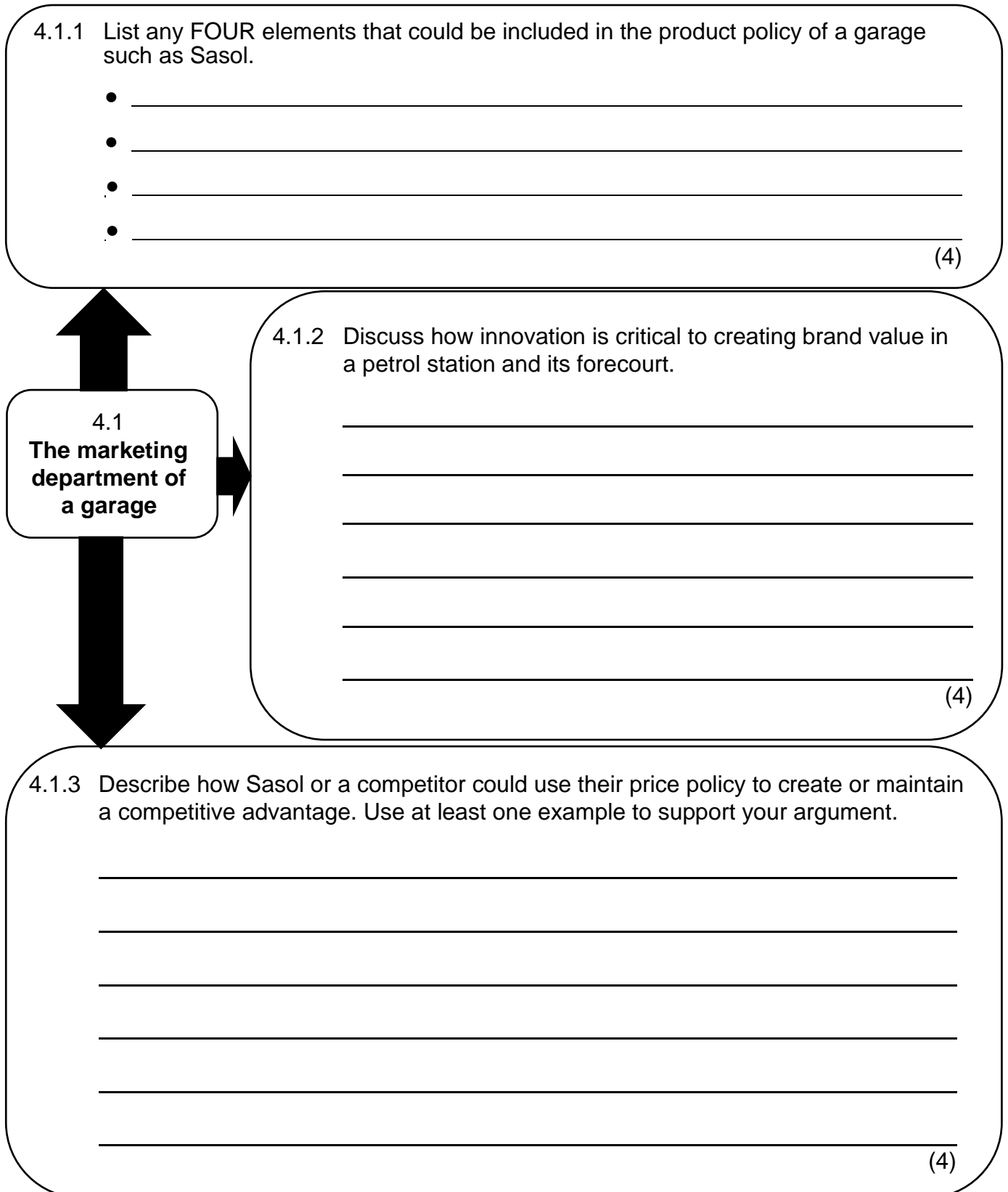
100 marks

SECTION B

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

QUESTION 4

Answer the questions in each of the following schematic diagrams.



4.2 Ethics and professionalism at an Engen garage

4.2.1 Evaluate the importance of having a code of ethics for a garage such as Engen.

(5)

4.2.2 Unethical behaviour by employees

(a) Give an example of unethical behaviour by an Engen employee.

(1)

(b) Suggest and explain TWO different ways in which Engen's management could deal with the unethical behaviour mentioned in question 4.2.2 (a).

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(4)

QUESTION 5

5.1 The human resources / human capital function at Engen

5.1.1 List THREE topics that Engen's human resources manager could include in their induction programme.

(3)

5.1.2 Discuss possible reasons why Engen would make use of external recruitment.

(3)

5.1.3 Discuss potential consequences of a high staff turnover for Engen.

(4)

5.1.4 Evaluate the importance of manpower planning for Engen.

(5)

5.2 Corporate social responsibility and corporate governance

5.2.1 What is the importance of the Global Reporting Initiative?

(3)

5.2.2 Discuss how Engen could use integrity as a corporate governance principle to ensure it is seen in a favourable light by potential investors.

(3)

5.4.2 In some instances it may be in the best interest of employees to strike. Discuss the validity of this statement. You may use examples to support your answer.

(4)


5.4.3 Describe the impact that a trade union could have on the negotiating process between employers and employees at Engen.

(4)

[50]

QUESTION 6

TopUp What we have identified is the need to originate a network of fuel retailers for innovative investors looking to tap into an existing brand, with all the benefits of a franchising model.



[Adapted from: <<https://TopUpservicestations.co.za/>> Downloaded Feb 2020]

6.1 TopUp service stations will potentially be investing large amounts of capital as they grow their operations throughout South Africa. Explain how TopUp service stations should use the following three investment criteria when considering the following investment options.

6.1.1 Fixed notice deposit:

- Risk:

- Return on investment:

- Time frame:

(6)

6.1.2 Equities:

- Risk:

- Return on investment:

- Time frame:

(6)

6.2 6.2.1 Discuss the possible outcomes of dysfunctional conflict at a TopUp service station.

(5)

6.2.2 Describe TWO possible causes of conflict at a TopUp service station. Suggest how management could deal with each conflict situation. Provide a different suggestion for each conflict situation.

Possible cause of conflict:

Suggestion to manage the conflict situation:

(5)

Possible cause of conflict:

Suggestion to manage the conflict situation:

(5)

6.4 6.4.1 Apart from a focus on our planet (environment), explain to the management of TopUp service stations what it means to follow the other elements of triple bottom line reporting. You may use examples to support your explanation.

(4)

6.4.2 Suggest ways in which TopUp service stations can be more environmentally sustainable.

(4)

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

Trends shaping the local fuel retail sector

With over 4 600 fuel forecourts currently in operation and more expected in the future, this industry is rapidly growing as a key driver of revenue for fuel stations in South Africa.

The success and profitability of fuel forecourts lie in their ability to understand and meet the ever-changing needs of consumers, while providing them with exceptional service at any time of the day. Even in the toughest economic conditions, this business model has proven to be successful for service stations.

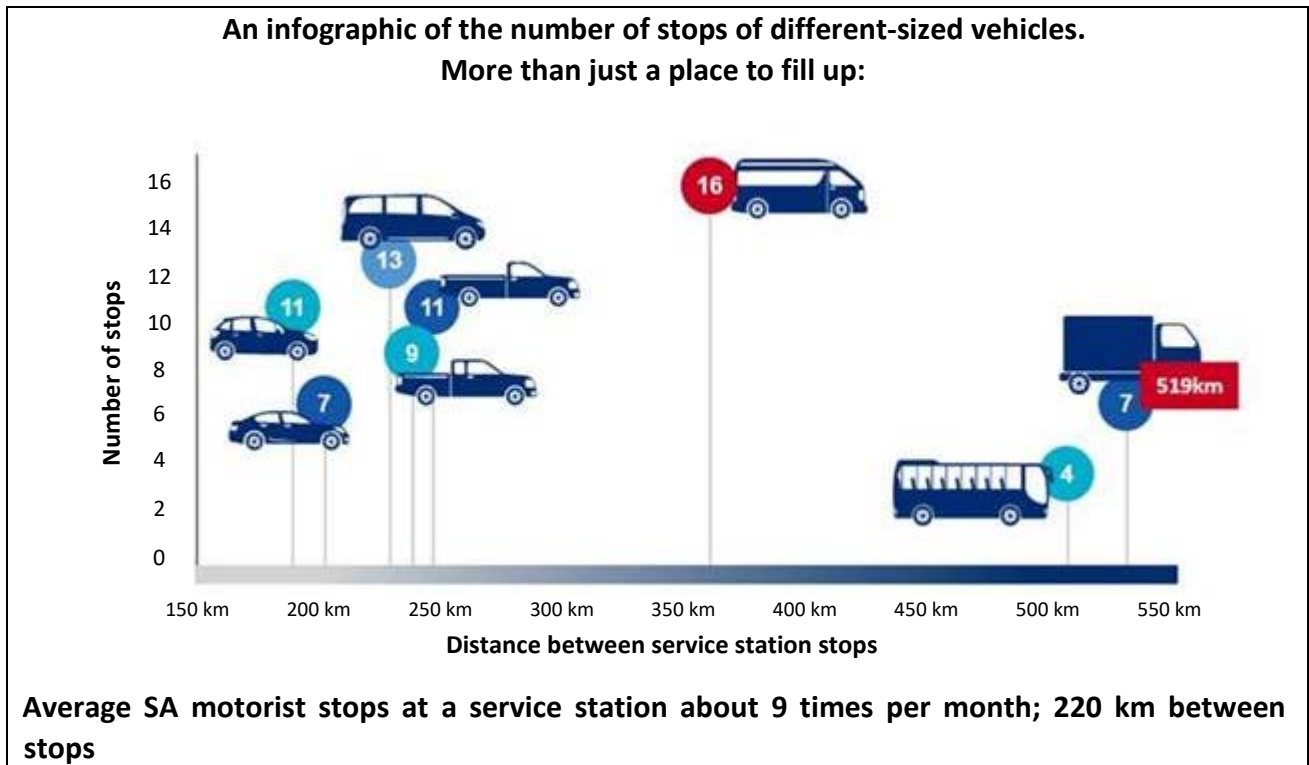
[Source Adapted from: <<https://www.supermarket.co.za/news-article.asp?ID=5971&CatTags=1>> 29/08/2019]

SOURCE B



[Source: <https://www.cartoonstock.com/directory/p/petrol_pumps.asp> 29/8/2019]

SOURCE C



[Source: <https://www.wheels24.co.za/Fuel_Focus/see-more-than-just-a-place-to-fill-up-average-sa-motorist-stops-at-a-service-station-about-9-times-month-220km-between-stops-20190815> 26/8/2019]

Petrol stations (food courts / forecourts) face a number of rapid changes in the business environment. This requires that managers at all levels of the business act skilfully to guide the business through positive and negative developments to ensure that the business effectively meets the demands of its stakeholders.

Required:

You have been asked to write a business report where you include the following.

- Identify possible trends (both positive and negative) and crises that a manager (franchisor and / or franchisee) of a petrol station with a food and forecourt will have to deal with.
- Explain how a manager could make use of the various management competencies to skilfully deal with the issues that have been identified.
