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TOTAL MARKS

INTERNATIONAL SECONDARY CERTIFICATE EXAMINATION
NOVEMBER 2023

BUSINESS STUDIES

EXAMINATION NUMBER

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. Where applicable, demonstrate insight when answering the questions. **You may refer to any retail business that you have studied this year.**
6. You are advised to pay particular attention to language and the **allocation of marks**.
7. It is in your interest to write legibly and present your work neatly.
8. THREE blank pages (pages 30–32) are included at the end of the paper. If you run out of space for a question, use these pages. Indicate the question number of your answer should you use this extra space.

FOR MARKER'S USE ONLY

1	2	3	4	5	6	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 is an external variable that can affect the functioning of a business?

A Employee morale
B Marketing strategy
C Organisational structure
D Economic climate

1.2 Public Private Partnerships (PPP) involve:

A government-owned businesses partnering with private sector companies.
B businesses collaborating with non-profit organisations.
C joint ventures between two private sector companies.
D government-owned business partnering with government-owned business.

1.3 The informal sector consists of:

A registered businesses.
B unregistered businesses.
C public sector organisations.
D non-governmental organisations.

1.4 In which of the following environments would a business analyse the competition, customers and suppliers?

A Macro environment
B Market environment
C Micro environment
D All of the above

1.5 Which of the following is a potential risk factor in the macro environment?

A Increase in consumer spending
B Change in government regulations
C Expansion of the business
D Improving economic conditions

1.1	1.2	1.3	1.4	1.5

1.6 Which of the following is a characteristic of a sole trader business?

A Has unlimited liability
B Has a separate legal persona from its owner
C Is owned by more than one person
D Can issue shares to the public

1.7 A partnership is a business owned by:

A one person.
B two or more people.
C the government.
D shareholders.

1.8 A private company can have a maximum of:

A 10 shareholders.
B 50 shareholders.
C 100 shareholders.
D unlimited shareholders.

1.9 Which of the following is an advantage of a sole trader business?

A Limited liability
B Shared decision-making
C Ease of formation
D Access to more capital

1.10 A public company can:

A have unlimited shareholders.
B operate without a board of directors.
C have limited liability.
D be formed by a single person.

1.11 In a partnership, the liability for debt is:

A limited to the amount of capital contributed.
B shared equally among the partners.
C the responsibility of the most senior partner.
D unlimited for all partners.

1.12 Which of the following is a disadvantage of a private company?

A Limited liability for debts
B Difficulty in raising capital
C Lack of privacy for the company
D Government regulations

1.6	1.7	1.8	1.9	1.10	1.11	1.12

1.13 The formation procedure for a sole trader business is:

A more complex than for a partnership.
B more complex than for a private company.
C simple and easy.
D only possible with the help of a lawyer.

1.14 Which of the following is a characteristic of a public company?

A Can be formed without the approval of the registrar of companies
B Can issue shares to the public
C Has a maximum of 10 shareholders
D Can only operate in the informal sector

1.15 The management of a partnership is:

A the responsibility of the most senior partner.
B shared equally among the partners in relation to collaboration.
C the responsibility of a board of directors.
D the responsibility of the shareholders.

1.16 Which of the following is **not** a technique used to solve business-related problems?

A Force Field Analysis
B SCAMPER
C Market penetration
D Decision tree

1.17 Which of the following techniques is more focused on a logical and rational process of evaluating ideas which already exist?

A Critical thinking
B Emotional thinking
C Force Field Analysis
D Pros and Cons chart

1.18 What is the purpose of a Pros and Cons chart?

A To identify the advantages and disadvantages of a decision or solution
B To identify the strengths and weaknesses of a business
C To analyse the market trends and competitors
D To measure the financial performance of a business

1.13	1.14	1.15	1.16	1.17	1.18

1.19 Which of the following tools is used to measure the overall improvement of a business?

A Benchmarking
B Triple bottom line
C Resource Allocation
D Balance Scorecard

1.20 What is the focus of Total Quality Management (TQM)?

A Reducing costs
B Increasing revenue
C Improving overall customer satisfaction
D Improving employee morale

1.21 Which of the following tools is used to identify areas of improvement by comparing one product to another?

A Sampling and Inspection
B Business Re-engineering
C Resource Allocation
D Benchmarking

1.22 What is the main goal of Business Re-engineering?

A To reduce employee turnover
B To improve customer satisfaction
C To increase revenue
D To redesign and optimise business processes

1.23 Which of the following is **not** a step in the decision tree technique?

A Identifying alternatives
B Analysing the advantages and disadvantages
C Evaluating the outcomes
D Collecting customer feedback

1.24 What is the purpose of Force Field Analysis?

A To identify the driving and restraining aspects that impact a business decision
B To analyse financial statements and performance metrics
C To measure customer satisfaction
D To develop a SWOT analysis

1.19	1.20	1.21	1.22	1.23	1.24

1.25 Which of the following techniques is used to generate new ideas by asking questions and challenging assumptions?

A SCAMPER
B Pros and Cons chart
C Force Field Analysis
D Benchmarking

1.26 Which of the following terms refers to a long-term, professional pursuit that provides a sense of purpose and fulfilment?

A Work
B Job
C Career
D Employment

1.27 Which of the following is **not** a factor that contributes to job satisfaction?

A Salary and benefits
B Job security
C Work-life balance
D Traveling time

1.28 This type of unemployment occurs when individuals are between different jobs:

A Frictional unemployment
B Structural unemployment
C Cyclical unemployment
D Seasonal unemployment

1.29 What is the impact of high levels of unemployment on businesses?

A Increased labour costs
B Decreased competition for skilled workers
C Reduced consumer spending
D Increased business profits

1.30 What type of unemployment occurs when there is a mismatch between the skills of workers and the needs of employers?

A Frictional unemployment
B Structural unemployment
C Cyclical unemployment
D Seasonal unemployment

1.25	1.26	1.27	1.28	1.29	1.30

[60]

QUESTION 2

Read each statement carefully. Decide whether the statement is true or false.

Mark your answer on the exam sheet by writing 'True' or 'False' in the corresponding space.

2.1 The private sector is made up of businesses that are owned and operated by the government.

2.2 The macro environment includes factors such as technology, demographics and cultural trends.

2.3 The formal sector consists of businesses that operate outside the legal framework.

2.4 A private company can issue shares to the public.

2.5 The liability for debt in a sole trader business is unlimited.

2.6 A public company can have a maximum of 50 shareholders.

2.7 Critical thinking is a technique used to generate new ideas and solutions.

2.8 The Balance Scorecard is a management system that provides feedback on both internal business processes and external outcomes.

2.9 Resource Allocation refers to the process of identifying areas of improvement by comparing a business to its competitors.

2.10 Continuous Skills Development is a tool used to improve employee morale.

2.1		2.6	
2.2		2.7	
2.3		2.8	
2.4		2.9	
2.5		2.10	

[20]

QUESTION 3

Provide a word/term in the missing spaces provided.

3.1 The public sector is made up of government-owned organisations, such as ____________________ and _____________________.

3.2 The PESTLE framework is used to analyse the ____________________ environment.

3.3 Businesses operating in the manufacturing sector may be affected by changes in the ____________________ sector.

3.4 The procedure for forming a partnership usually involves a ____________________ agreement.

3.5 A sole trader business is suitable for businesses with ____________________ levels of capital.

3.6 The ____________________ analysis is converted to a TOWS-matrix in order to formulate a strategic plan for a business.

3.7 The ____________________ assesses the relationship between a company's assets and liabilities.

3.8 A ____________________ is a set of values, rules, standards, and principles outlining what employers expect from staff within an organisation.

3.9 The ____________________ line is an accountability framework with three parts: social, environmental and economic.

[20]

100 marks

SECTION B

QUESTION 4

4.1 A general retailer in the local community has general business insurance in order to protect the business against unforeseen circumstances.

This commercial insurance covers the business up to the value of R2.5 million. Upon submitting a claim, the insurance company determined that the actual commercial insurance was valued at R2.9 million.

Apply the average clause in order to determine the amount that the insurance company will pay out if the value of equipment stolen from the General retailer was worth R60 000.

(6)

4.2 Compulsory insurance is mandatory for general retailers in the formal sector.

4.2.1 Differentiate between insurable risks and uninsurable risks.

(4)

4.2.2 Identify **three** types of compulsory insurance.

-
-
-

(3)

4.3 Discuss with the use of relevant examples, how all the role players in economic activity can be seen as producers and consumers.

(10)

4.4 List **five** key factors that will ensure that the general retailer maintains a competitive advantage.

- ____
- ____
- ____
- ____
- ____

(5)

4.5 Study the following extract and then answer the question that follows.

General Retailer Meat Processing Plant

Plants process patties; ground beef; chicken cubes and fillets according to unique formulations as set down by brands. Only the very best raw materials are procured from around the globe. State of the art equipment, manufacturing processes and innovation are critical success factors in these plants.

[Fictitious source]

One of the key responsibilities of a general retailer towards their customers is offering them good value for money.

Apply the value chain analysis in explaining this responsibility of the general retailer towards their customers.

(12)

4.6 Using examples from the retail industry, discuss how the following ethical theories could be applied in making the right decisions:

- Principle-based theory
- Consequence-based theory

(10)
[50]

QUESTION 5

Study the following extract and answer Question 5.1.

General Retailer Group's CSR
General Retailer Group has committed to sponsor a university sports team for five years. We want to support the community and believe that our investment benefits all relevant stakeholders.

[Fictitious source]

5.1 5.1.1 With reference to the extract, differentiate between Primary- and Broad Social Responsibility as elements of corporate governance.

(8)

5.1.2 Discuss **three** aspects that contribute to the need for involvement in Corporate Social Responsibility.

(6)

5.1.3 Formulate arguments for and against the social responsibility commitment by The General Retailer Group.

(12)

5.2 Suppose a human capital manager at the General Retailer Group needs to appoint a new marketing manager. A member of the HR manager's family applied for the position and the HR manager now needs to decide as to whether to proceed with the recruitment process of this specific candidate.

5.2.1 Analyse the above-mentioned scenario and explain why it might be viewed as unethical.

(6)

5.2.2 The human capital manager of the General Retailer Group could consider internal or external recruitment. Explain which method of recruitment would benefit the General Retailer Group more.

(6)

5.3 Manpower planning is a vital part of the human capital department and will directly affect the quality performance of a business.

5.3.1 Outline the purpose of manpower planning and list the activities that take place in this regard.

(6)

5.3.2 Evaluate placement and induction as necessary employee management activities.

(6)
[50]

QUESTION 6

Study the cartoon below and answer Question 6.1.

[Source: <http://www.jetson.net.au//images%20sja/conflict%20cartoon.jpg>]

6.1 In the cartoon above you see two employees fighting and the manager trying to intervene.

6.1.1 What type of conflict is depicted in the cartoon? Motivate your answer.

____

____

____

____

____ (3)

6.1.2 Debate the effectiveness of a Workplace Forum (WPF) intervening as a third party to resolve the conflict between the two employees.

____

____

____

____

(6)

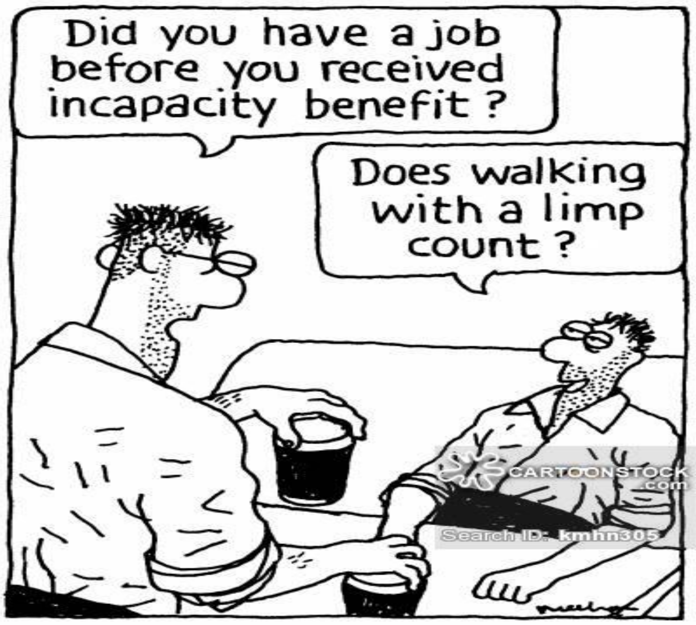
6.1.3 Provide **one** other third party that you can consult (other than a WPF) about this problem.

(1)

6.1.4 Recommend various ways in which the manager could manage the conflict between the two employees.

(6)

Study the cartoon below and answer Question 6.2.



[Source: <https://s3.amazonaws.com/lowres.cartoonstock.com/social-issues-job-benefit- incapacity_benefit-limp-limping-kmhn305_low.jpg]

6.2 In the cartoon the two men are talking about *incapacity*.

6.2.1 Describe the term *incapacity* using an example of an employee working at the general retailer.

____

____

____

____ (1)

6.2.2 Would it be seen as substantively fair for this man to be dismissed because of his limp? Motivate your answer.

____

____

____

____ (3)

6.3 Evaluate the role of general management in addressing risk factors (risk management) in the internal as well as the external business environments.

(4)

6.4 Evaluate the effectiveness of the following **two** leadership styles. Make use of practical examples linking to the general retailer as part of your answer.

Autocratic style	
Democratic style	

(6)

6.5 Demonstrate an understanding of the importance of change management from the perspective of an employer and employees working in a general retailer.

(6)

6.6 Name **four** management tasks.

-
-
-
-

(4)

6.7 Explain the importance and relevance of public relations by referring to the demands of internal and external stakeholders.

(10)
[50]

150 marks

SECTION C

The following aspects will be considered when marks are allocated in this question:

- Format:
  - The CORRECT format for each question 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/theme.
- Problem-solving rather than just giving theoretical facts.
- Synthesis and sequencing.

QUESTION 7

The Future of Traditional Retail in Africa

Millions of small, independent shops are the cornerstones of African commerce. Now they're diversifying, digitising, and partnering with modern retailers to reach the next level.

Yet traditional retail in Africa faces many imposing challenges, including the expansion of modern retail, the rise of e-commerce, and changes in consumer behaviour that were accelerated by the COVID-19 pandemic.

We concluded that the traditional retail sector will remain at the core of African commerce in all but a handful of nations, such as South Africa, for the foreseeable future. But there is strong momentum for change in the traditional retail experience.

[Source: <https://www.bcg.com/publications/2022/the-future-of-traditional-retail-in-africa>, Accessed December 2022]

A local retailer in your community is planning to expand and grow their market share. It is important that they conduct the necessary research and implement the correct marketing strategies to support their vision.

Assist the local retailer by:

- completing a SWOT analysis to analyse the impact of internal and external factors,
- suggesting marketing and branding strategies to respond to internal and external challenges, and
- using the Stimulus-Response Model to help the marketing team to understand their buyers' behaviour.

50 marks

Total: 300 marks

ADDITIONAL SPACE (ALL QUESTIONS)

REMEMBER TO CLEARLY INDICATE AT THE QUESTION THAT YOU USED THE ADDITIONAL SPACE TO ENSURE THAT ALL ANSWERS ARE MARKED.