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TOTAL MARKS

INTERNATIONAL SECONDARY CERTIFICATE EXAMINATION
MAY 2025

BUSINESS STUDIES

EXAMINATION NUMBER

Time: 3 hours   300 marks

PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY

1. This question paper consists of 36 pages. Make sure 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 Clothing Retailer 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 interest to write legibly and to present your work neatly.
8. Two blank pages (page 35 and 36) are included at the end of the paper. If you run out of space for a question, use these pages. Clearly indicate the number of the question you are answering should you use this extra space.

FOR MARKER'S USE ONLY

Q 1	Q 2	Q 3	Q 4	Q 5	Q 6	Q 7	Total
					LOT		
					HOT		

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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 one of the following documents is **NOT** a requirement for an applicant applying for a position at a clothing store?

A Cover letter
B Curriculum Vitae (CV)
C Application form
D Labour Department approval letter (2)

1.2 A job that is assigned based on its tasks and responsibilities, is known as the job …

A classification.
B hunting.
C description.
D analysis. (2)

1.3 Which one of the following is **NOT** part of the PESTLE analysis?

A Exchange rates
B Ethical factors
C Environmental awareness
D Employee motivation (2)

1.4 When parties try to work with each other in a situation that fully satisfies everybody involved, it is called …

A compromising.
B cooperating.
C competing.
D communication. (2)

1.5 When a manager of a clothing retailer is dealing with a cashier who is not fond of change, it would be best to …

A offer the staff member a promotion.
B agree with the staff member and stop all changes taking place.
C bring about even more change in the business.
D try and explain how all members of staff would benefit from the change. (2)

1.1	1.2	1.3	1.4	1.5

1.6 Which of the following factor(s) would a clothing retailer consider when setting the price of a product?

(i) Objectives
(ii) Product demand
(iii) Competition
(iv) Profit-based bonuses

A (i)
B (i) + (ii)
C (i) + (ii) + (iii)
D (i) + (ii) + (iii) + (iv) (2)

1.7 … will have a negative impact on the operational performance of the business.

A High sales turnover
B High staff turnover
C An increase in the skills level
D A decrease in staff numbers (2)

1.8 A clothing store … some of their workers as a result of branch restructuring.

A dismisses
B retrenches
C demotes
D retains (2)

1.9 Woolworths offers vehicle, travel and cell phone allowances to its employees as an example of …

A fringe benefits.
B compulsory deductions.
C remuneration.
D salary. (2)

1.10 A clothing store uses the … analysis by evaluating the good practices and challenges experienced within the business.

A PESTLE
B Delphi-technique
C SWOT
D RACE (2)

1.6	1.7	1.8	1.9	1.10

1.11 The … function is responsible for the release of positive press statements in order to boost the image of the business.

A marketing
B procurement
C administration
D public relations (2)

1.12 A salesperson at a clothing store has not met his sales targets despite previous warnings and additional training. This can refer to a situation of …

A misconduct.
B incapacity.
C a breach in the probation period.
D collective bargaining. (2)

1.13 A SWOT analysis was used and the retailer identified a threat. Which one of the following would be seen as a threat?

A The appointment of an unqualified manager.
B A decrease in liquidity.
C A possible economic recession.
D Low staff turnover. (2)

1.14 A … is a letter of credit that Woolworths sold in order to borrow capital.

A fixed deposit
B debenture
C bond
D share (2)

1.15 Product sampling, discount coupons and buy-one-get-one-free offers are examples of …

A publicity.
B sales promotions.
C environmental challenges.
D distribution channel barriers. (2)

1.16 … means that Woolworths can prove that they may suffer financial losses if their assets would be damaged in a fire.

A Immediate cause
B Power to act
C Insurable interest
D Surcharge (2)

1.11	1.12	1.13	1.14	1.15	1.16

1.17 The production department of a clothing store ensures quality of performance through the use of … in its clothing production process.

A job specification
B norm setting
C forward integration
D marketing policy (2)

1.18 A/An … leadership style is used when the Sales Floor manager helps employees to understand the meaning of their work and devotes time to explaining to workers 'why they matter'.

A autocratic
B transactional
C transformational
D laissez-faire (2)

1.19 A code of conduct for a clothing store outlines the …

A challenges that can be faced in an environmental investigation.
B phases which a product goes through during the production process.
C position of employees in the management structure of the organisation.
D expected behaviour of employees that is acceptable for the business. (2)

1.20 A clothing store manager can improve their relationship with their supplier by …

A reducing their CSR contribution to the supplier.
B ensuring prompt payment for services.
C improving the suppliers' liquidity by delaying payment.
D cooperating with other clothing stores to boycott the supplier. (2)

1.21 Which of the following statements are **TRUE**?

(i) VAT is a legal deduction from an employee's salary.
(ii) A medical examination is a legal requirement when a job application is made.
(iii) Retention is the process of selecting the best candidate for the job.
(iv) Skills development is part of manpower planning.

A (i), (ii), (iii), and (iv)
B (i) and (iii)
C (iii) and (iv)
D (iv) (2)

1.17	1.18	1.19	1.20	1.21

1.22 The directors of a … company are jointly and severally responsible for the debts of the business.

A non-profit
B personal liability
C state-owned
D private (2)

1.23 The principal amount remains the same for the duration of the investment period.

A Simple interest
B Capital gain
C Compound interest
D Dividends (2)

1.24 Employees of a clothing store used the internet facilities of the business after working hours without permission. This refers to … as a type of unprofessional business practice.

A unproductive employees
B abuse of work time
C difficult employees
D unauthorised use of workplace funds and resources (2)

1.25 Which one of the following concepts is **NOT** a management task?

A Leading employees in the department.
B Controlling resources.
C Motivating employees to achieve goals.
D Attending all meetings in the department. (2)

1.22	1.23	1.24	1.25

[50]

QUESTION 2

Each of the following statements is **FALSE**. Change the **underlined word(s)** in each statement to make the statement **TRUE**. Write only the **correct word/term** in the space provided below.

2.1 Avoidance means the parties in a conflict situation find a middle ground where ideally both parties are satisfied with the outcome.

____ (2)

2.2 Resource-based analysis involves the process of thinking about the different ways in which the business can improve the efficiency of production.

____ (2)

2.3 According to the principle-based theory, the outcome of the action will determine if the action is ethical or not.

____ (2)

2.4 A/An argument is a dialogue between two or more people or parties intended to reach a beneficial outcome.

____ (2)

2.5 Team members gather information and impressions about each other in the storming stage of team development.

____ (2)

2.6 The right to choose and practice a religion is an example of social rights.

____ (2)

2.7 An employee of a clothing store lost their job, therefore they are entitled to claim from the Compensation Fund.

____ (2)

2.8 Solvency measures how much profit was generated with the capital invested in the business.

____ (2)

2.9 Recruitment is when candidates' application forms are checked against the requirements of the job.

(2)

2.10 Clothing stores add unrelated products to their existing products which may appeal to new customers. This is an example of a concentric diversification strategy.

(2)

2.11 The principle of good governance where there must be regular communication between management and the stakeholders is referred to as responsibility.

(2)

2.12 All the owners in a company act as agents of the business and bind their co-owners by their actions.

(2)
[24]

QUESTION 3

Choose a description from **COLUMN B** that matches the term in **COLUMN A**. Write only the letter that you have chosen in the space provided on the following page.

COLUMN A	COLUMN B
3.1 Brand stretching	A Current Assets : Current Liabilities
3.2 Cession	B The percentage of an industry accounted for by a specific entity
3.3 Customer loyalty programs	C Approach in conflict management followed when a person yields to the other's point of view and neglects their own beliefs
3.4 Intrapreneur	D A form of protest in which employees demonstrate outside their place of work
3.5 Current ratio	E One of the perspectives of the Balanced Scorecard
3.6 Global Reporting Initiative	F One of the tools used to identify areas of improvement by comparing a business to its competitors
3.7 Learning and growth	G Takes place when an insurance company transfers a portion of insurance obligations to a reinsurer
3.8 Marketing	H A strategy implemented to make the business more attractive than its competitors
3.9 Market Share	I An employee that is highly innovative
3.10 Accommodating	J Organisations responsible for developing an acceptable guideline on sustainable disclosure
3.11 Benchmarking	K A type of unit trust that invests in interest-bearing instruments such as debentures and bonds
3.12 Money Market	L An activity that a business undertakes to promote the buying or selling of a product or service
3.13 Picketing	M The process of using an existing brand name for new products or services that may not seem related

	N Profit made on the sale of property O Current Liabilities : Current Asset

3.1	3.2	3.3	3.4	3.5	3.6	3.7	3.8	3.9	3.10	3.11	3.12	3.13

[26]

100 marks

SECTION B

QUESTION 4

4.1 Explain how a clothing store would make use of a SWOT analysis to conduct environmental scanning of the internal business environment.

(6)

4.2 Read the scenario below and answer the questions that follow.

Mr Price Clothing

Mr Price Clothing is a very famous clothing store. Their building is worth $500 000. However, they decided to only insure the building for $300 000. A fire broke out one evening and the damage was calculated at $60 000.

[Fictitious scenario]

4.2.1 Identify the insurance clause that will apply in the scenario.

(1)

4.2.2 Calculate the amount that Mr Price Clothing will receive from insurance and explain why Mr Price Clothing does not qualify for the full amount of the damage.

(4)

4.3 Suggest ways in which businesses can be professional and responsible in carrying out ethical and effective business practices.

(6)

4.4 Advise a clothing retailer on how they could apply the following forces of Porter's Forces model to analyse their position in the market environment:

4.4.1 **Power of buyers**

(4)

4.4.2 **Threats/Barriers to new entrants to the market**

(4)

4.5 Discuss how the following factors could contribute to the success and/or failure of a partnership:

4.5.1 **Capital**

(4)

4.5.2 **Management**

(4)

4.6 How can diversity in the workplace be used to create a competitive advantage for a clothing retailer?

(5)

4.7 Explain the key elements of the Balanced Scorecard, and provide specific examples of how a clothing store management team could use each element to evaluate the overall performance of the business.

(9)

4.8 Woolworths stores need to ensure that they meet the needs of their customers.

State **THREE** factors that could influence the buying decision of customers.

(3)
[50]

QUESTION 5

5.1 Justify how the following managerial competencies can lead to the success of a clothing store:

5.1.1 **Global Awareness Competency**

(3)

5.1.2 **Management Competency**

(3)

5.1.3 **Strategic-Action Competency**

(3)

5.2 Discuss how a clothing retailer could use functional conflict to create the ultimate customer experience.

(6)

5.3 How do the following concepts relate to the insurance of a clothing retailer?

5.3.1 **Public liability insurance**

(3)

5.3.2 **Iron-safe clause**

(3)

5.4 Discuss the implications for the business when a clothing store undertakes corporate social responsibility (CSR).

(6)

5.5 Evaluate how the marketing department of a clothing store can improve the quality of performance of its brand by referring to the following elements:

5.5.1 **Process**

(4)

5.5.2 **Physical Evidence**

(4)

5.5.3 **People**

(4)

5.6 Read the scenario below and answer the question that follows:

Many clothing store owners are not skilled in the methods of problem-solving. If a small problem is not addressed, it could potentially become a crisis. For example: Inventory is a clothing retailer's most significant investment. Poor inventory practices can suck up your capital and cause store inefficiencies. If this is not addressed, it could become a big problem.

[Fictitious scenario]

Use any problem-solving technique to solve the problem of poor financial performance in the business.

(5)

5.7 List any **THREE** recommendations regarding the management of conflict in a business.

- ______________________________
- ______________________________
- ______________________________

(3)

5.8 Identify the following types of entrepreneurs:

5.8.1 Seek ways to develop technology: ______________________________ (1)

5.8.2 Start businesses to solve social problems in the community:

______________________________ (1)

5.8.3 Often have no fixed premises: ______________________________ (1)

[50]

QUESTION 6

6.1 What does the term ***breach of contract*** mean?

(3)

6.2 Explain how the following could negatively contribute to the performance of a team:

6.2.1 **Role Classification**

(2)

6.2.2 **Emotional intelligence**

(2)

6.3 Why is *warehousing* considered an important element of the purchasing function?

(4)

6.4 Explain the concept of Triple Bottom line Reporting and its importance to the financial function.

(4)

6.5 Evaluate how each of the following factors could influence the success of a clothing retailer.

6.5.1 **Illiteracy**

(3)

6.5.2 **Crime**

(3)

6.6 Explain the difference between **strategic** and **tactical** decision-making from a clothing retailer viewpoint.

(6)

6.7 We often hear that entrepreneurs need to be creative to make their mark in the marketplace. Justify this statement by providing sound examples.

(4)

6.8 Name **THREE** compulsory insurance types.

(3)

6.9 Discuss the importance of a Code of Ethics in a business such as Woolworths. Make sure to give practical examples to illustrate your answer.

(5)

6.10 An employee at a clothing store has just had a bad performance appraisal, because she is not performing well. She claims a performance appraisal is a waste of company resources.

Give **TWO** reasons why you disagree with this statement.

(4)

6.11 Discuss the impact of continuous skills development as a Total Quality management element.

(5)

6.12 Name any **TWO** types of budget that the financial department may use.

- ______________________________
- ______________________________

(2)
[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

Read the source below and answer the question that follows:

SOURCE A

Woolworths workers can't sleep at night: inside the supermarket giant's controversial 'Framework'

Published: October 24, 2024 9.03am SAST

In early 2024, Woolworths introduced a new worker performance management programme across warehouses run by the company's distribution arm, Primary Connect.

Under the programme, known as the Coaching and Productivity Framework or simply 'the Framework', workers say they face potential disciplinary action if they fail to achieve 100% adherence to a speed-related metric known as pick rates. This represents a sharp break from previous approaches in which a pick rate of 100% was a non-enforceable goal, rather than a basic requirement.

A Primary Connect spokesperson told The Conversation the Framework is more flexible, ensuring 'a fair approach to the standards is applied to any personal circumstances or abilities', with exemptions 'for when a team member is unable to perform to standards, including pregnancy, disability or injury'.

Workers say the new system creates huge stress and leads to unsafe work practices.

[Source: <https://theconversation.com/why-woolworths-workers-cant-sleep-at-night-inside-the-supermarket-giants-controversial-framework-242015>]

From Source A, it is evident that Woolworths is focused on enhancing its overall performance. One of the strategies it has employed to achieve this goal is a thorough reassessment of key management positions, followed by the appointment of new personnel to these roles. Additionally, Woolworths has conducted a comprehensive analysis of both its internal and external environments to better inform its strategic decisions.

Required:

Prepare a business report for the Board of Directors of Woolworths, critically assessing the performance and interrelationships of key business functions such as operations.

In your analysis, explore how these functions collaborate and align with Woolworths' strategic objectives, and evaluate their collective impact on the company's overall success and competitive positioning in the market.

[Source: <https://www.gettyimages.com/photos/woolworths>]

[50]

50 marks

Total: 300 marks

ADDITIONAL SPACE (ALL QUESTIONS)

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