Practice Exams – Mid-year exam

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1 This question paper consists of THREE sections and covers all topics covered in the year so far.

SECTION A: COMPULSORY.

SECTION B: Consists of FIVE questions.

Answer any THREE of the five questions in this section.

SECTION C: Consists of FOUR questions.

Answer any TWO of the four questions in this section.

2 Read the instructions for each question carefully and take particular note of what is required.

3 Number the answers correctly according to the numbering system used in this question paper.

4 Except where other instructions are given, answers must be in full sentences.

5 Use the mark allocation and nature of each question to determine the length of an answer.

6 Use the following table as a guide for marks and time allocation when answering each question.

|  |  |  |  |
| --- | --- | --- | --- |
| SECTION | QUESTION | MARKS | TIME |
| A: Multiple-choice, choose the correct words, matching items  COMPULSORY | 1 | 40 | 30 min |
| B: Direct scenario-based questions  Answer any THREE of the five questions. | 2 | 60 × 3 | 30 min × 3 |
| 3 |
| 4 |
| 5 |
| 6 |
| C: Essay questions  Answer any TWO of the four questions. | 7 | 40 × 2 | 30 min × 2 |
| 8 |
| 9 |
| 10 |
| **TOTAL** | | **300** | **180 min.** |

7 Begin the answer to each question on a NEW page.

PRACTICE EXAM PAPER 1 MARKS: 300

BUSINESS STUDIES GRADE 11 TIME: 3 hours

DATE: June

SECTION A (COMPULSORY)

QUESTION 1

**1.1** Four options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number (1.1.1–1.1.10).

**1.1.1** Which four components comprise the market environment?

A Competitors, suppliers, technological environment

B Competitors, suppliers, intermediaries

C Suppliers, technological environment, intermediaries

D Competitors, suppliers, the state, intermediaries

**1.1.2** Which of the following represent differences between a company and a close corporation?

A Tax liability, legal personality

B Tax liability and division between control and ownership

C Legal requirements and legal personality

D Legal requirements and division between control and ownership

**1.1.3** Total Quality Management theory:

A believes that change is a personal journey that begins with anxiety about being able to cope   
 with change.

B focuses more on the people and the processes that are used to do the work.

C is about getting the team to establish the vision that change will bring.

D explains the complex relationship between an organisation and its employees.

**1.1.4** Equipping workers with skills and motivating them to be honest is a solution to:

A piracy.

B illiteracy and skills shortages.

C economic crime.

D changes in income.

**1.1.5** ­­­­\_\_\_\_\_ is an advantage in working collaboratively to set up a business venture.

A An ability to set business goals that are in line with personal goals

B Accountability for your own actions

C Taking time to reach a decision

D Focusing on individual strengths

**1.1.6** The King Code of Governance was established to:

A set out ethical and professional values and principles for business.

B differentiate between ethics and professionalism.

C eliminate unfair discrimination in the workplace.

D redress the inequalities of the past.

**1.1.7** A fast-food restaurant has ignored customers’ complaints about toy guns that are included in Kids’ Meals. Managers must focus on improving the business’s:

A productivity.

B professionalism.

C ethics.

D sales targets.

**1.1.8** A finance company that buys a business’s creditors’ debts, usually at a percentage of the total value, is called a(n):

A investment banker.

B factor.

C investor.

D banker.

**1.1.9** Businesses can merge or form an alliance to adapt to challenges in the \_\_\_\_\_ environment.

A market

B micro

C macro

D micro, market and macro

**1.1.10** A \_\_\_\_\_ is a planning tool to show the relationship between different elements of a project.

A Gantt chart

B work breakdown structure

C time line

D strategy (10 × 2) [20]

**1.2** Choose the correct word(s) from those given in brackets. Write only the question number and word(s).

**1.2.1** (Price fixing / Charging the same price for goods in urban and rural areas) is an ethical business practice.

**1.2.2** The (force-field analysis / Delphi technique) is a problem-solving method which obtains the opinions of experts who are knowledgeable about the issue.

**1.2.3** A (flow chart / pictograph) shows the specific steps in a process or certain relationships in a visual presentation.

**1.2.4** (Re-organisation of plant layout / Loss of career prospects) is a reason for resistance to change because of the financial cost to the business.

**1.2.5** Strikes and go-slows are a challenge that the (micro / market) environment has to adapt to.

(5 × 2) [10]

**1.3** Choose a description from Column B that matches a term in Column A. Write only the letter next to the question number.

|  |  |
| --- | --- |
| Column A | Column B |
| 1.3.1 Minimum subscription | A An agreement to pay for the use of equipment or assets for a   fixed monthly amount |
| 1.3.2 Allotment | B Document that lists the number and type of shares to be sold |
| 1.3.3 Lease | C The smallest number of shares that must be purchased before a   public company can be registered |
| 1.3.4 Prospectus | D The right to use a business’s ideas, use the business name and   sell the products in a specific area |
| 1.3.5 Franchise | E To pay another business or person to do work you do not have   time or expertise to do yourself |
|  | F When a portion of the shares that have been applied for are   allocated to the prospective shareholder |

(5 × 2) [10]

**TOTAL SECTION A: 40**

SECTION B (Answer any THREE questions)

QUESTION 2

Cell Centre Accessories CC approached their bank manager to talk about ways to finance the growth of their business. It wants to open three more shops. The bank manager explained that this expansion would involve both fixed and current assets. The bank would only consider a loan after seeing their business plan, the cash-flow forecast for the next six months and the previous financial statements.

**2.1** Define a fixed asset and give TWO examples. (4)

**2.2** Name FOUR factors that will affect the amount of capital this business will need. (4)

**2.3** Explain why its previous financial statements and the business plan are required. (8)

**2.4** Name and explain TWO sources of funding for a business. (2 × 5)

**2.5** List FOUR types of funding. (4)

**2.6** Cell Centre Accessories CC will use a Gantt chart to help them turn their business plan into an action plan. Describe a Gantt chart. (10)

**2.7** Discuss a franchise as an alternative option to expanding this business. (10)

**2.8** Explain how leasing would reduce the amount of capital needed for this expansion programme. (10) [60]

QUESTION 3

Since 1 May 2011, CIPRO ceased to exist and was replaced by CIPC. The New Companies Act came into being at the same time, changing the way owners register their businesses. The Companies Act provides for non-profit and for-profit companies. A company is incorporated by lodging a Notice of Incorporation and a Memorandum of Incorporation.

**3.1** State CIPRO and CIPC in full. (2)

**3.2** Explain the purpose of the CIPC. (4)

**3.3** Distinguish between a private and personal liability company. (10)

**3.4** Describe the documents needed to register a company. (16)

**3.5** Explain the purpose of a prospectus. (6)

**3.6** Identify when a private and public company may commence business. (8)

**3.7** Describe how a person can reserve a name for a business. (4)

**3.8** Explain the difference between a non-profit and for-profit company. (8)

**3.9** How many people can form a private company? (2) [60]

QUESTION 4

Jesse is a sole trader in the clothing manufacturing industry. This industry is struggling to compete with globalisation, dumping, changing consumer needs as well as crime and supply of fabric.

**4.1** Briefly describe the THREE environments that Jesse’s factory engages with. (3 × 2)

**4.2** Explain how Jesse can control the effects of the market environment. (6)

**4.3** Describe how the following challenges in the clothing manufacturing industry can be controlled:

**4.3.1** Poor management skills (6)

**4.3.2** Trade unions, strikes and go-slows (6)

**4.4** Explain how the following challenges that Jesse is facing can be addressed to minimise the impact on her business:

**4.4.1** Competition (4)

**4.1.2** Shortages of supply (4)

**4.5** Are there ways Jesse can deal with the effects of globalisation? Justify your answer. (4)

**4.6** Clothing manufacturers are part of the secondary business sector. Explain the links between the secondary and tertiary sectors. (6)

**4.7** Complete the following table:

|  |  |  |
| --- | --- | --- |
| Socio-economic issue | Explanation | Business solution |
| Inflation | (2) | (4) |
| Dumping | (2) | (4) |
| Economic crime | (2) | (4) [18] |

[60]

QUESTION 5

Blaikie T-shirt Manufacturer has been in business for 20 years and is finding it difficult to compete with cheap imported clothing. Its labour costs are constantly increasing and sales are dropping.

**5.1** Explain how the nominal group technique can be used to resolve some of its problems. (20)

**5.2** How will blocks to creative thinking affect its problem-solving skills? (6)

**5.3** List and briefly explain two creative-thinking techniques that this business can try. (2 × 5)

**5.4** How will the indigenous approach to problem-solving differ if the factory was based in KwaZulu-Natal or Mpumalanga? (8)

**5.5** Discuss how outsourcing could reduce costs in the factory and office of the business. (10)

**5.6** Explain how the King Code has impacted business ethics in South Africa. (6) [60]

QUESTION 6

**6.1** Brentwood Enterprises is restructuring their factory to increase their production capability.

**6.1.1** Identify how a business plan would assist this business to achieve its goals. (4)

**6.1.2** Compare a work breakdown structure to scheduling as a tool to achieve its production target. (20)

**6.1.3** Discuss how working collaboratively with business partners can improve its chances of a successful business venture. (10)

**6.1.4** Advise the general manager on the factors that will affect the funding of this expansion programme. (8)

**6.2** Bradley is an advertising executive who works 12 hours a day and often has to put in hours over the weekends too.

**6.2.1** Compare the external and internal stresses that Bradley could be experiencing. (8)

**6.2.2** Advise Bradley on the importance of managing stress. (6)

**6.2.3** List four types of change management theories. (4) [60]

**TOTAL SECTION B: 180**

SECTION C (Answer any TWO questions)

QUESTION 7

|  |
| --- |
| Trading in different African countries requires teamwork to promote creative thinking to resolve conflicts and differences in ethical values. |

Discuss this statement by explaining the principles of ethics. Include the techniques that can be used to remove mental blocks to creative thinking. Explain the Delphi technique and the importance of working together to generate ideas. [40]

QUESTION 8

|  |
| --- |
| *Refer to Question 2.*  Jabu from Cell Centre Accessories CC has to give a verbal presentation to the bank and other potential investors to obtain funding for the planned expansion. |

Write a report with the following information to assist Jabu:

The impact of visual aids, the use of visual aids in a presentation, how to respond to questions, tips on preparing a PowerPoint® presentation, and advice on giving a verbal presentation using visual aids. [40]

QUESTION 9

|  |
| --- |
| *Refer to Question 2.*  Jabu is facing a stressful time as he prepares for the changes that expanding Cell Centre Accessories CC will bring. |

Write a report explaining how he can manage this stress. Prepare for crisis management and explain ONE change management theory. He also needs some advice on the importance of a Code of Conduct so that all the employees understand professionalism in the workplace. [40]

QUESTION 10

Benson Limited buys and sells steel and steel products on international markets. It uses e-mail and written quotations in its business. It is having problems with some of their staff who have to write business letters, quotations and e-mails.

Discuss FOUR challenges that Benson Limited could encounter in the macro environment. Give it advice on how to compose an e-mail. It also requires some tips on writing business letters and quotations. [40]

**TOTAL SECTION C: 80**

**GRAND TOTAL: 300**