



Subject: Grade 11 Business Studies

Topic: Business Studies: Term 1 - Mini-exam

Total: 105 Marks

1. C: Insurance

4 marks

Explanation:

Every business faces the risk of their assets being devalued over time, therefore it is important to diversify assets to protect against the inevitable. Strategies to do so are government bonds, real estate and precious metals.

Insurance, however, is not a protection against inflation. It is seldom that a person gets paid out the replacement value of the insured item.

2. tertiary • the ability to meet customers' needs • the Employment Equity Act

6 marks

Explanation:

The provision of services makes *NetPost* a business in the **tertiary** sector.

The ability to meet customers' needs is a strength for the business, making it a **micro-environmental** factor (Busi can control this).

All employers in South Africa must comply with the provisions of the Employment Equity Act, making this a **macro-environmental** factor over which Busi has no control.

3. false

2 marks

Explanation:

A Close Corporation (CC) is a separate legal entity like a company and pays tax on profits at 27%.

4. nepotism

3 marks

Explanation:

The hiring or promoting of a family member is known as **nepotism**. Appointments are based on relationships, not merit or qualification.

Similarly, the hiring or promoting of a friend or associate is known as cronyism. This is particularly rife in South Africa.

5. A: economic crime

4 marks

Explanation:

Economic crimes are illegal, non-violent acts which are **committed for financial gain**. These include, but are not limited to, fraud, money laundering and tax evasion. Criminals will target individuals or businesses, sometimes even governments.



6. true 2 marks

Explanation:

Many businesses in the secondary sector depend on other businesses who process raw materials. An example is car manufacturers who require tyres and car seats to complete production.

7. true 2 marks

Explanation:

The application for the establishment of a workplace forum is made to the CCMA (Council for Conciliation, Mediation & Arbitration).

8. corruption 3 marks

Explanation:

Corruption leads to misallocation of public funds, poor service delivery (for example potholes do not get fixed) and decreased foreign investment.

9. D: lobbying 4 marks

Explanation:

Lobbying is the process by which an organisation or business uses their influence to persuade persons of interest to their cause. A group of businesses can be a 'powerful lobby' if they represent a large amount of tax revenue or registered voters.

10. trade union 3 marks

Explanation:

Industries have **trade unions** that look after their members and negotiate better conditions and remuneration.

11. C: trade union 4 marks

Explanation:

Section 23 of the constitution recognises the right of every worker to join a trade **union**.

While the constitution does recognise rights to basic health care and social security, membership of a medical aid or pension fund is regulated.

12. Organisational culture 3 marks

Explanation:

The **organisational culture** refers to the habits and the way things are done in an organisation. If a new person can do things the same way, then that person is considered a 'good fit'. Organisational culture includes unspoken rules about how employees should behave and shared values like 'customer first'.

13. B: Creates high expectations

4 marks

Explanation:

Networking events are organised by business forums, specifically to create opportunities. However, they can be time-consuming and expensive to host. Many relationships are superficial and do not lead to valuable long term relationships. Attending networking events can feel useful, but do not lead to increased sales.

14. tertiary

3 marks

Explanation:

The **tertiary sector** includes services in distribution, transport, banking and insurance.

15. merger • takeover

6 marks

Explanation:

Businesses negotiate mergers/acquisitions/alliances etc as a means to better control their environment (eg control over resources or distribution chain or simply eliminating competition).

In 2015, *Takelot* **merged** with *Kalahari.com* to create a bigger e-commerce platform in South Africa. It now competes successfully with *Amazon* and *Temu*.

Takeover: *Canal+*, a French company, gradually bought a majority of shares in *Multichoice*. They now have power to change the content of every *DSTV* channel.

Alliance: *Woolworths* and *Engen* have a strategic partnership whereby *Woolworths* food courts trade out of *Engen* garages.

16. unemployment • crime • lack of education

6 marks

Explanation:

Social issues affect large numbers of people and require a lot of effort to resolve. South Africa suffers from high systematic **unemployment** (it has been high for years), which causes anxiety and stress for those not working. A major contributor to this is a **lack of education or skills** in the potential workforce. A knock-on effect of this is that individuals turn to **crime** in order to survive.

17. A: SMART

4 marks

Explanation:

SMART stands for Specific, Measurable, Achievable, Relevant/Realistic, Timely. The business owner must be able to adapt goals in order to function in the micro, market and macro environment.

18. offer a delivery service similar to the Sixty60 model • adjust selling prices

4 marks

Explanation:

Cutting costs is a potential solution, but the retrenchment of staff could affect the reputation of *SaveaLot* in the eyes of its customers. In addition, some of these former employees could end up working at Checkers and divulge trade secrets out of spite.

Changing the store from food to clothing will likely be unsuccessful, as there may not be a need for a clothing store in the area.

Adjusting selling prices on certain items, or running promotions, could be a viable option.

In addition, *Checkers'* *Sixty60* service has a good reputation and has been copied by other large retailers. It would be prudent for *SaveaLot* to also **offer deliveries**.

19. false

2 marks

Explanation:

A business should indeed be flexible in its organisational design, in order to better adapt to external factors. Decision-making is often decentralised, in order for management to make quicker decisions.

20. to start a similar business from scratch

4 marks

Explanation:

If the business model at *Netpost* is indeed successful, then Busi should consider **franchising** it. This will entail franchisees paying him (the franchisor) a start-up fee plus royalties for the use of his product offerings. It is certainly cheaper than **starting a new business**, especially if *NetPost* already has a good reputation and regular customers. Why not capitalise on this?

An e-commerce store will eliminate foot traffic and Busi will not be able to provide courier services.

21. dividend | dividends

3 marks

Explanation:

In return for owning shares in a company, shareholders receive a portion of the profit after tax. This is known as **dividends**.

If the company is doing well financially, the value of the shares will go up and shareholders can also sell their shares at a profit.

22. memorandum of incorporation

3 marks

Explanation:

The **Memorandum of Incorporation** sets out items like the name of the company, registered address, authorised share capital and shareholder meeting procedures.

23. false

2 marks

Explanation:

Even though a partnership is a formal form of ownership, it is owned and managed by individuals (partners) who are taxed in their personal capacities.

24. up to date 4 marks

Explanation:

After laws are promulgated (officially put into effect), there will be minor changes to the underlying regulations. It is important that a business knows about these changes (ie **stays up to date**). Examples could be changes to BEE requirements or acceptable carbon emissions.

Business that address socioeconomic issues like gender-based violence or youth unemployment are being **socially responsible**.

25. false 2 marks

Explanation:

Demographics is a social factor that affects the **macro** environment.

26. false 2 marks

Explanation:

Shareholders liability is limited to the amount that they paid for shares. Company debts are the responsibility of the company itself (represented by directors).

27. lockouts • go-slows • strikes 6 marks

Explanation:

Industrial action is taken by employees as a form of protest, in order to change the minds of employers.

The ways to do this are **strikes** (employees refuse to work until their demands are met), **go-slows** (employees continue to work but their output is deliberately lower than normal, to affect profits) and **lockout** (when employers keep employees out of the workplace due to a disagreement).

28. true 2 marks

Explanation:

CIPC requires all companies to have names that are unique, not similar to existing names and not offensive.

29. B: Management 4 marks

Explanation:

A business must be **managed by the owner** of the business. The owner must determine the vision & mission for the business and motivate employees to share in these goals. **Leadership cannot be outsourced**.

30. D: Difficult employee 4 marks

Explanation:

The micro environment consists of factors that directly influence the daily operations and performance of a business, as well as its ability to service customers and suppliers. A **difficult employee** is such a factor.

