



education

Department:
Education
REPUBLIC OF SOUTH AFRICA

**NATIONAL
SENIOR CERTIFICATE**

GRADE 10

**BUSINESS STUDIES
EXEMPLAR PAPER - 2006**

MARKS: 300

TIME: 3 hours

This question paper consists of 10 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions:

1. This question paper consists of THREE sections: SECTION A, SECTION B and SECTION C.

SECTION A: COMPULSORY

SECTION B: Consists of three independent questions covering all learning outcomes. Answer ALL THREE questions.

SECTION C: Consists of four questions covering all learning outcomes. Answer any TWO questions from this section.

2. Consider the time allocation when answering the questions.
3. Read the instructions carefully for each question and answer only what is required.
4. Number the answers correctly according to the numbering system used in this question paper.
5. Excepts where other instructions are given, answers must be in full sentences.
6. The mark allocation of each question will determine the length of your answer.
7. Use the table below as a guide for marks and time allocation for each question.
8. NOTE: Start the answer for each question on a NEW page, for example QUESTION 1 - NEW page, QUESTION 2 - NEW page.

QUESTION	SECTION	MARKS	TIME
1	A: MULTIPLE-CHOICE QUESTIONS TRUE OR FALSE MATCHING ITEMS COMPULSORY		24 min.
2	B: Three direct questions.		36 min.
3	Answer ALL THREE questions.		36 min.
4			36 min.
5	C: ESSAY QUESTIONS		24 min.
6	Answer any TWO of the four questions.		24 min.
7			24 min.
8			24 min.
	TOTAL		180 min.

SECTION A (COMPULSORY)**QUESTION 1****(24 minutes)**

1.1 Various possible options are provided as answers to the following questions. Choose the correct answer and write only the letter (A – D) next to the question number (1.1.1 – 1.1.5), for example 1.6 B.

1.1.1 If most tasks in a manufacturing business are automated, the business is referred to as a ...-intensive business.

- A labour
- B capital
- C material
- D agricultural

1.1.2 The availability of water, electricity, transport, labour, et cetera is known as ...

- A infrastructure.
- B capital layout.
- C investment.
- D assets.

1.1.3 SWOT analysis is useful in evaluating a potential ...

- A client.
- B business venture.
- C owner.
- D location.

1.1.4 An agreement between two parties whereby the one party promises to pay out a certain amount of money to the other party in return for a monthly premium, is known as a/an ... contract.

- A employment
- B purchasing
- C leasing
- D insurance

1.1.5 Knowledge that is presented to management in a meaningful and useful way in the form of graphs, is known as ...

- A information.
- B data.
- C an interview.
- D a survey.

(5 x 3) (15)

1.2 Indicate whether the following statements are TRUE or FALSE. Write only 'true' or 'false' next to the question number (1.2.1 - 1.2.5). If the answer is FALSE, correct the underlined word.

- 1.2.1 The first step in problem solving is to define the problem.
- 1.2.2 Neatness of work, presentation and the proper clothing help to create a professional image.
- 1.2.3 One way to minimise costs and maximise output, is to increase the profitability of the workers.
- 1.2.4 Honesty when advertising is a social responsibility that does not have a cost implication for the business.
- 1.2.5 Recruiting staff for vacant positions is the responsibility of the general manager. (5 x 3)

(15)

1.3 Choose an item from COLUMN B that matches an item in COLUMN A. Write only the letter (A - H) next to the question number (1.3.1 - 1.3.5) in your answer book.

COLUMN A		COLUMN B	
1.3.1	Trade mark	A	seller pays all costs to the buyer's warehouse
1.3.2	Economic equilibrium	B	international quality of standards
1.3.3	Mortgage loans	C	balance kept in stock levels
1.3.4	Production is continuous and specialised machinery is used	D	Romany Creams®™
1.3.5	Binds the seller to offer the goods at the stipulated price	E	mass production
		F	quotation
		G	borrowed capital
		H	tender

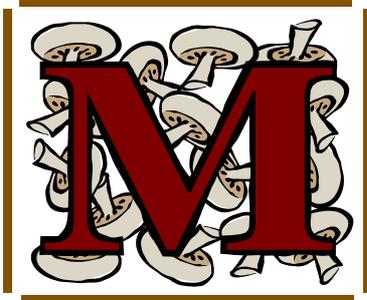
(5 x 2)

(10)

TOTAL SECTION A: 40

SECTION B (COMPULSORY)

This section consists of three questions covering ALL learning outcomes.

QUESTION 2**(36 minutes)****SUCCESS STORY**

Martha **M**othiba is the owner of a small mushroom enterprise, situated in Bloemfontein. She started her business in a small way, growing mushrooms in her backyard and selling them to people in her own community. The demand for mushrooms has increased

gradually and she must now look for new premises so that her business can expand.

- 2.1 Martha decides to move. List FIVE factors that she should take into account when establishing a business and show how ALL of these are relevant in the selection of a new site for Martha's Mushrooms. (5 x 2) (10)
- 2.2 The macro-environment includes all forces and happenings, for example political change and circumstances which may influence a business and market environment.
- As a business, Martha's Mushrooms should take these forces into account. Apart from political change, name FIVE other macro-forces and give an example of each. (5 x 3) (15)
- 2.3 The expansion of a business may bring about new problems, new strategies to follow and decisions to be made.
- Briefly describe how you would go about solving a problem. (10)
- 2.4 Define the following terms:
- 2.4.1 Self-management (3)
- 2.4.2 Values (2)
- 2.5 Being a small business, Martha is responsible for all the business functions in her business. Name SIX of the business functions she is responsible for. (12)

- 2.6 At present Martha operates her business as a sole proprietor. If she expands, she will have to consider other forms of ownership. Identify FOUR other forms of ownership that she might consider.

(8)
[60]**QUESTION 3****(36 minutes)**

John is thinking about starting a car wash business. He has R2 000 available to start his business with. He wants to ask his little brother, his niece who is a student in Accounting and his friend to help him and plans to pay them a small salary. Adjoining his father's business is an open stand that also belongs to his father. His father is willing to rent this stand to John for his business enterprise at a minimal amount.

- 3.1 The table below gives an indication of the possible expenses that John is going to have. Determine whether he will have sufficient capital available.

	R
Capital available	2 000
Less: Expenses	
Water	90
Clothes, sponges, et cetera	120
Cleaning detergents and polish	280
4 buckets @ R12,50 each	?
Advertisements	100
Rent @ R50 per week	200
Remuneration (reward for services rendered) (Brother R50, friend R100, niece R150)	?
Capital available/required	?

(6)

- 3.2 List and discuss the factors of production and how John is going to use them in his business. (4 x 3)

(12)

- 3.3 A SWOT analysis is a technique used to evaluate a situation from various perspectives to be able to make strategic decisions. Explain what the acronym SWOT means by using John's business as an example. (4 x 3)

(12)

- 3.4 Since John is going to deliver a service to the public, it is important that he pays attention to public relations.

Substantiate this statement by supplying FIVE reasons why good relations with the public is of utmost importance. (5 x 2)

(10)

- 3.5 John's niece is going to handle the financial aspects and administration of the business. Briefly explain the following concepts concerning financing and administration:
- 3.5.1 Cost accounting
- 3.5.2 Budgets
- 3.5.3 Statistics
- 3.5.4 Bank overdraft
- 3.5.5 Cheques (5 x 2) (10)
- 3.6 Why is it necessary to keep record of all business transactions? Substantiate your answer by identifying and describing the various accounting records that can be used. (5 x 2) (10)
- [60]**

QUESTION 4**(36 minutes)**

Sara, an insurance broker and her friend, Tumi, who owns a small clothing factory, form part of different sectors of the country's industry. These sectors are known as the production chain or production stages.

**SARA****TUMI**

- 4.1 Identify and give examples of the THREE sectors that form part of the production chain. (3 x 6) (18)
- 4.2 The owners of the businesses are commonly referred to as entrepreneurs. They are the driving forces behind the most successful business enterprises in South Africa.
- Identify any FIVE self-management skills of an entrepreneur. (5 x 2) (10)
- 4.3 Economic equity can only be reached if the purchasing department of Tumi's factory keeps effective control over the available stocks of raw material, work-in-process and completed products.
- Describe the FOUR objectives of stock control. (4 x 2) (8)

- 4.4 Differentiate between *basic* and *luxury* needs and give THREE examples of each. (10)
- 4.5 Sometimes an entrepreneur like Tumi needs some advice and information about business decisions.

Read through the extract below and answer the following questions. Some of the answers may be found in the extract itself.

Management consultants under the magnifying glass

In a country that faces huge challenges due to globalisation, it is nearly impossible for any industry to escape the speed of transformation.

Management consultants are no exception. The consultant industry arose from the need for support and help concerning knowledge, especially when businesses went through uncertain times. However, this industry has had to pull up its socks during the past five years. International competition and increasing internationalisation of South African business enterprises have demanded a lot from consultation services.

When competitive multinational companies overshadowed South African markets, corporate advisors had to present local businesses with technical and technological skills.

Mr Martin Westcott, managing director of PE Corporate Services, said that although large South African consultant companies had meaningful international ties in the past, they still had to learn to use these ties productively. Issues like world standards and the latest modern technology were not quite relevant in our previously closed economy.

Pierre Tredoux, MD of Deloitte Consulting Services, reasons that companies coming to South Africa for the first time expect the same quality services that they receive in their own countries. South African companies that spread their wings overseas, expect the same.

Adapted from *Sunday Times - Business Times SURVEY*

- 4.5.1 Name ONE business career that is mentioned in this extract and list TWO companies that employ such persons. (6)
- 4.5.2 Explain the term *globalisation*. (2)
- 4.5.3 How does globalisation influence management consultants? (4)

- 4.5.4 What should South African consultants do to compete on an international level?

(2)
[60]

TOTAL SECTION B: 180

SECTION C

Read the following case study and answer any TWO of the following four questions.

BUSINESS OPPORTUNITIES FOR SOUTH AFRICANS



South Africa is hosting the World Cup Soccer in 2010. Without doubt, it is a very important event which will boost South Africa's economy. Moreover, this is a golden opportunity for South Africans to make a lot of money.

Steven, a student in commerce, plans to use this opportunity to his advantage, since by the time he finishes his studies, employment is not guaranteed. Some members of his family are also unemployed and suffer from poverty. He plans to employ some of these family members to manufacture T-shirts and caps to be used by South African fans during the tournament, while he will act as manager of his little business venture. He has decided that it might be to his advantage to start his business in the immediate future if he manages to get sufficient funds.

QUESTION 5

(24 minutes)

Briefly explain the influence of the socio-economic issues mentioned in the extract on businesses and the economy of South Africa, as well as any other FOUR socio-economic issues.

Before attempting any business venture, Steven should conduct a feasibility study. Discuss the various research instruments available to him and substantiate the importance of a business plan as part of his research.

[40]

QUESTION 6**(24 minutes)**

Steven is considering the possibility of establishing his business before the World Cup Soccer to ensure that possible hiccups are ruled out before the big event. He has managed to rent a small shop in the central business section of his hometown and is now part of the formal sector in the national economy.

Differentiate between the *private sector* and the *informal sector*. Evaluate the various forms of ownership that Steven may choose from to operate his business and make a motivated recommendation to Steven.

[40]**QUESTION 7****(24 minutes)**

The main objective of any business enterprise is to make a profit. However, this cannot be achieved without teamwork and a team should be motivated by their leader.

Justify this statement by discussing the importance of teamwork and the role of the manager (Steven) and explain the various levels of management in a business.

[40]**QUESTION 8****(24 minutes)**

Since Steven is a student and is not able to finance his business himself, he will have to obtain sufficient funds from somewhere else to start his business.

Advise him on the various sources where he can obtain capital.

He should also be informed of the importance of preparing a contract with other parties involved in the business venture.

Prepare a brief information booklet explaining what a contract is, describing the requirements for a legal contract and listing the contracts that an entrepreneur like him should enter into.

[40]**TOTAL SECTION C: 80****GRAND TOTAL: 300**