



Lesson Description

In this lesson we:

- Work through various questions and answers relating to Business Environments and Ventures from the 2014 Exemplar.



Exam Questions

Question 1

(Adapted from Exemplar 2014, NSC, Question 2.1)

Read the case study below and answer questions that follow.

NATHANIEL'S BRICKS AND TILES

Nathaniel's Bricks and Tiles specialises in the manufacturing of bricks and floor tiles. They have 20 workers who are directly involved in the manufacturing process.

Sam, one of the employees, was injured at work and lost his arm despite all the necessary health and safety requirements being in place. Sam demanded that he be paid for losing his arm.

Nathaniel's Bricks and Tiles refused to pay Sam arguing that it was not the business's responsibility to compensate workers for injuries sustained while they are on duty.

- 1.1 Name and explain the Act that allows Sam to claim for compensation. (4)
- 1.2 Do you think Sam's demand for compensation is justified? Support your opinion with a reason. (4)
- 1.3 Explain the procedure that Sam must follow to claim for compensation. (6)
- 1.4 Discuss the consequences for Nathaniel's Bricks and Tiles for not complying with the Act identified in QUESTION 1.1. (6)
- 1.5 State any THREE advantages of this Act for businesses in general. (6)

Question 2

(Adapted from Exemplar 2014, NSC, Question 2.2)

Recommend measures businesses can introduce to ensure that their operations do not affect human health negatively. (8)





Question 3

(Adapted from Exemplar 2014, NSC, Question 2.3)

Businesses operate in diverse communities and they have a diverse workforce. Discuss the obligations of businesses in terms of their broad-based approach with specific reference to inclusivity.

(6)

Question 4

(Adapted from Exemplar 2014, NSC, Question 2.5)

The Labour Relations Act, 1995 (Act 66 of 1995) provides for the establishment of trade unions and employer organisations. Distinguish between these two types of organisations.

(4)

Question 5

(Adapted from Exemplar 2014, NSC, Question 2.6)

Evaluate the impact of the Consumer Protection Act, 2008 (Act 68 of 2008) on businesses.

(12)

Question 6

(Adapted from Exemplar 2014, NSC, Question 3.1)

- 6.1 Name the type of presentation described in each statement below:
- 6.2 Printed copies of financial statements to support an electronic presentation on this year's financial results
- 6.3 Production figures for 2013 and 2014 on a histogram
- 6.4 A short video explaining the steps to complete an application form
- 6.5 Drawings and pictures in the user manual of a fax machine
- 6.6 A flow chart explaining the steps in the production process

(10)

Question 7

(Adapted from Exemplar 2014, NSC, Question 3.2)

Distinguish between limited liability and unlimited liability.

(4)

Question 8

(Adapted from Exemplar 2014, NSC, Question 3.3)

Compare the success or failure of a personal-liability company and a partnership in terms of:

- 8.1 Capacity
- 8.2 Legislation
- 8.3 Management

(12)





Question 9

(Adapted from Exemplar 2014, NSC, Question 3.4)

A building in the centre of Paarl was damaged in a fire. The building was insured for R500 000 and the damage caused was R120 000. The building was valued at R750 000.

- 9.1 Name the party responsible for assessing the above-mentioned claim and determining the extent of the damage. (2)
- 9.2 Calculate the amount of money that will be paid for the fire damage. Show ALL calculations. (6)
- 9.3 Explain the clause that is applicable to the above situation. (4)

Question 10

(Adapted from Exemplar 2014, NSC, Question 3.5)

Suppose a building is insured for R300 000 and its market value is R200 000. It is completely destroyed in a storm. Rebuilding costs amount to R200 000. Describe the role of the insurance company in this regard. (6)

Question 11

(Adapted from Exemplar 2014, NSC, Question 3.6)

Raymond is the manager of Fine Clothing. He explains work procedures, rewards employees for excellence and punishes them if targets are not met.

- 11.1 Identify the leadership style described above. (2)
- 11.2 Evaluate the impact of this leadership style on business operations. (8)

Question 12

(Adapted from Exemplar 2014, NSC, Question 7)

Vusi's Stores have been experiencing a decline in sales due to a loss of customers to competitors. The management of Vusi's Stores decides to conduct a planning session to come up with strategies to increase sales and to attract customers.

Formulate TWO possible strategies that Vusi's Stores can include in their strategic planning to address the challenges in the scenario. Discuss how Vusi's Stores can apply the Porter's Five Forces model to analyse their market environment.

[40]





Question 13

(Adapted from Exemplar 2014, NSC, Question 8)

You are the financial advisor who must assist a client who wants to invest R5 million for three years in ONE of the following investment options:

- A fixed-deposit bank account for three years at simple interest of 8,5% per year
- Shares in a well-known listed company at R5 per share. Dividends of 95 cent per share have been paid out in the past two years. The directors have indicated that this amount will not change for the next three years.
- Government retail bonds for three years at 8% per year, compounded annually
- A small shopping centre with 10 shopping outlets (units). Rent per unit will be fixed at R60 000 per year for the next three years.

Support your customer to make the best investment decision by:

- Explaining each investment option listed above
- Describing the risk involved in each option
- Calculating the return on each investment (show calculations clearly)

Recommend the best investment option to your client and motivate your recommendation. [40]

