


BUSINESS STUDIES
Grade 12
BUSINESS ENVIRONMENTS
04 JULY 2014
Checklist

Make sure you:

- Can explain:
 - The impact of recent legislation, developed in response to demands for redress and equity, on small and large business operations as well as the role of the government in the implementation of these Acts.
 - Analyse and explain the following about ALL ACTS:
 - Nature
 - Aims/Purpose
 - Analyse the impact on business operations including advantages/positives and disadvantages negatives on small and large business operations
 - Compliance and penalties if a business does not comply.
 - Actions regarded as discriminatory.
- Know how to:
 - Devise/Formulate strategies of how a business can respond to the challenges of the macro business environment, critically evaluate such strategies and make recommendations as required.
 - Use the following industry-related tools: SWOT analysis, Porter's Five Forces and PESTLE
- Can describe:
 - The three business environments related to the three economic sectors and give an explanation of the extent to which a business can control these environments.

Exam Questions
Question 1
(Adapted from Via Afrika Business Studies Gr 12)

 1.1 Write out the full term for the abbreviations of the different Acts listed in Column B. (9)

 1.2 Link the purpose of the different acts in Column A with the corresponding acronym for an Act in Column B. (9)

Column A		Column B	
1	Collective bargaining process	A	BBBEE
2	Fair labour practice	B	BCEA
3	Financial support for injured workers	C	BEE
4	Prevention of unfair discrimination	D	COIDA
5	Combat unemployment	E	CPA
6	Broaden SA's economic base	F	EEA
7	All parties must contribute to objectives of BEE	G	LRA
8	Protection against negligent lending practices	H	NCA
9	Promote social and economic welfare of SA consumers	I	SDA





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Question 2

(Adapted from Nov 2013, Paper 1, Question 2)

Identify a specific business strategy in each of the scenarios below:

- 2.1 The Virgin Group of companies owns, among others, Virgin Records (music industry), Virgin Atlantic (airline industry) and Virgin Active (leisure industry).
- 2.2 Foster D started its business in Saudi Arabia and has entered the South African cellphone market.
- 2.3 Toyota SA (a car manufacturing business) gained ownership of Raylite car batteries.
- 2.4 Grace Ltd sold all its assets in an attempt to pay creditors.
- 2.5 Sizwe Clothing Stores has taken over Easy Clothing Stores.

(10)

Question 3

(Adapted from Feb 2013, Paper 1, Question 2)

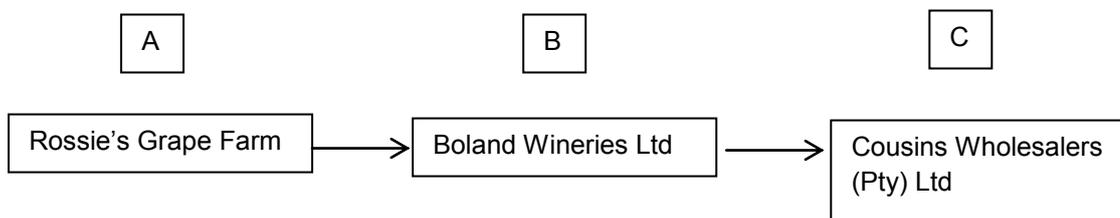
Name and explain FOUR of the forces that Michael Porter (Five Forces) used to analyse the market environment.

(8)

Question 4

(Adapted from Feb 2013, Paper 1, Question 4)

Study the illustration below and answer the questions that follow:



4.1 Name the business sector in A and C.

(2)

4.2 Identify the form of ownership in B and C.

(2)

Question 5

(Adapted from Nov 2011, NSC, Question 5)

The National Credit Act was put into place to improve the way we, as consumers, have been using credit. With improvement comes change and one of the important changes is that we need to recognise the importance of determining whether WE CAN AFFORD CREDIT.

[Adapted from the Financial Health magazine 2009]

Discuss the purpose, advantages and disadvantages of the National Credit Act, 2005 (Act 34 of 2005) (NCA) to both business (service provider) and consumers (clients).

Explain the National Credit Act, 2005 (Act 34 of 2005) (NCA) in terms of consumer rights and indicate what can be done when a customer's application for credit is declined.

[40]



**BUSINESS STUDIES****Grade 12****Test Yourself****Question 1**

- 1.1 If a car manufacturer makes use of the advantages of economies of scale, they will have to:
- A. Produce and sell more cars
 - B. Produce less cars
 - C. Expand the business by acquiring another premises
 - D. Retrench employees during an economic decline
- 1.2 An act put in place to serve as a legal framework for negotiations between employer and employee:
- A. CPA
 - B. BCEA
 - C. LRA
 - D. HRDS
- 1.3 According to the SDA, the business needs to contribute a Skills Development Levy in the following way:
- A. A percentage of their profit depending on how many employees are employed.
 - B. A percentage of their salary bill if they have more than 50 employees.
 - C. 1% of their salary bill if the salaries collectively exceed a prescribed amount per annum.
 - D. 1% of their business profit if they have more than 50 employees.
- 1.4 Which ONE of the following businesses can be classified under the tertiary sector?
- A Sishen Iron Ore Mine
 - B Spier Wine Farm
 - C SA Furniture Manufacturers
 - D First National Bank
- 1.5 A strategy where a business adds new products or services that are unrelated to existing products, but which may appeal to existing customers:
- A. Horizontal diversification
 - B. Concentric diversification
 - C. Conglomerate diversification
 - D. Product development

