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TOTAL MARKS

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NATIONAL SENIOR CERTIFICATE EXAMINATION
NOVEMBER 2024

BUSINESS STUDIES

EXAMINATION NUMBER

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Time: 3 hours

300 marks

PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY

1. This question paper consists of 36 pages. Please check that your question paper is complete.
2. All questions are **COMPULSORY**.
3. Read the questions carefully.
4. **Answer ALL the questions on the question paper and hand it in at the end of the examination. Remember to write your examination number in the space provided on the question paper.**
5. Demonstrate insight, where applicable, when answering the questions. You may refer to any clothing retail business that you have studied this year.
6. You are advised to pay particular attention to the use of language and the **allocation of marks**.
7. It is in your own interest to write legibly and to present your work neatly.
8. Two blank pages (pages 35 and 36) are included at the end of the paper. If you run out of space for a question, use these pages. Clearly indicate the question number of your answer should you use this extra space.

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1	2	3	4	5	6	7	Total
					7A (LOT)		
					7B (HOT)		

SECTION A

QUESTION 1

Indicate the **most correct** answer by writing the letter of your chosen answer in the space provided at the bottom of each page.

1.1 Mr Price Clothing stores wants to install solar panels at their newest outlet to assist with overcoming loadshedding. They are addressing ...

- A an internal threat over which they have no control.
- B an external threat over which they have no control.
- C an internal threat over which they have full control.
- D an external threat over which they have full control.

(2)

1.2 Mr Price Clothing offers their customers high-quality, low-cost clothing items. This refers to which element of the SWOT analysis?

- A Strength
- B Weakness
- C Opportunity
- D Threat

(2)

1.3 The general increase in inflation and weakening of the Rand against other currencies are elements of which P²E²STLE environment?

- A Political
- B Social
- C Economic
- D Technological

(2)

1.4 Which strategic approach aligns with Mr Price Clothing's consideration to introduce an evening/formal wear section to expand its range for its current customer base?

- A Market development
- B Market penetration
- C Product development
- D Diversification

(2)

1.1	1.2	1.3	1.4

1.5 Which one of the following statements refers most accurately to the resource-based analysis?

- A Identify which resources the business should outsource.
- B Identify threats from the suppliers of resources.
- C Identify which resources the business is running out of.
- D Identify which resources provide strategic value to running the business.

(2)

1.6 When a business re-distributes employees, machines, and time in a way that creates greater value for business operations, which one of the following generic strategies is used?

- A Allocating resources differently.
- B Applying the principle of Total Quality Management.
- C Conducting performance appraisals.
- D Using financial ratios to improve operations.

(2)

1.7 When a business implements Corporate Social Responsibility projects, they are ...

- A decreasing their community support initiatives.
- B applying a decline strategy.
- C decreasing their competitive advantage.
- D improving their JSE SRI rating.

(2)

1.8 Which one of the following describes the purpose of the JSE SRI?

- A To provide a tool for investors to identify very profitable companies.
- B To provide international recognition of the business's internal processes.
- C To measure the policies and procedures of companies that trade on the stock exchange against globally acceptable CSR standards.
- D To identify businesses that treat their employees well.

(2)

1.9 The purpose of Workplace Skills Plans is to ...

- A measure the performance of individual employees.
- B put strategies in place that aim to improve the ability of employees to perform their tasks.
- C ensure that employees are treated fairly in disciplinary procedures.
- D create a record of how many employees the business needs for particular activities.

(2)

1.5	1.6	1.7	1.8	1.9

- 1.10 Mr Price Clothing's investment in property can be described as ...
- A a high-risk investment which allows Mr Price to receive dividends in return for their capital.
 - B a low-risk investment which allows Mr Price to receive interest in return for their capital.
 - C a medium to high-risk investment that allows Mr Price to receive rent in return for their capital.
 - D a low to medium risk investment that allows Mr Price to charge rent.
- (2)
- 1.11 Which investment category should Mr Price Clothing employees choose when they allocate a portion of their monthly income towards retirement savings while aiming to outperform inflation?
- A Property
 - B Cash
 - C Pension fund
 - D Collectibles
- (2)
- 1.12 Which insurance would cover the medical expenses of a Mr Price Clothing employee absent from work for five days due to bronchitis contracted while on holiday?
- A COIDA
 - B Personal medical insurance
 - C General business insurance
 - D Household insurance
- (2)
- 1.13 What insurance is Mr Price Clothing likely to obtain to reduce losses associated with cash shortages from the tills in their stores?
- A Fidelity insurance
 - B Money-in-transit insurance
 - C UIF
 - D Insurance for bad debt
- (2)
- 1.14 Which one of the following is **not** a requirement for a valid insurance contract?
- A Absolute good faith
 - B Contractual capacity
 - C Insurable interest
 - D Prior claims
- (2)

1.10	1.11	1.12	1.13	1.14

1.15 An employee of a clothing store who fails to disclose that they received a high-value gift from one of the store's suppliers could be accused of ...

- A receiving inappropriate gifts.
- B receiving a bribe.
- C corruption.
- D all of the above.

(2)

1.16 When a clothing retailer promotes their products in a way that manipulates buyers' emotions to increase sales, it is considered to be unethical due to ...

- A unfair discrimination.
- B emotional intelligence.
- C unfair labour practices.
- D unfair advertising.

(2)

1.17 What type of conflict arises when two employees in a clothing design business frequently disagree over fashion trends and refuse to collaborate due to the constant need to provide fashionable and trendy clothing?

- A Inner conflict
- B Functional conflict
- C Dysfunctional conflict
- D Progressive conflict

(2)

1.18 The principle of synergy can be referred to as ...

- A individuals who work independently to find solutions.
- B the interaction of team members in a manner where their collaboration leads to better outcomes than the individuals on their own.
- C the competition between team members that results in a clear winner.
- D the influence of a good manager on the work of the team.

(2)

1.19 ... means that a company has a strategy in place to ensure that employees with the correct skills and abilities are trained to take over senior positions so that there is a smooth transition when a senior manager retires.

- A Employee evaluation
- B Succession planning
- C Recruitment
- D Retention

(2)

1.15	1.16	1.17	1.18	1.19

1.20 Which one of the following statements describes the purpose of the Labour Relations Act?

- A The Act ensures that skills development and training are implemented in the workplace.
- B The Act provides the minimum requirements for the determination of minimum wage.
- C The Act ensures that the workplace has structures in place to empower previously disadvantaged individuals.
- D The Act ensures that the business adheres to fair labour practises when dealing with disputes and dismissals in the workplace.

(2)

1.21 ... refers to a visual representation of market conditions by plotting competitors on a diagram to show their position within the marketplace.

- A Market analysis
- B Environmental scanning
- C Market mapping
- D Customer analysis

(2)

1.22 When consumers purchase their clothing, they consider cost, price and style. Which type of product is being sold in this industry?

- A Convenience goods
- B Select goods
- C Speciality goods
- D Convenience services

(2)

1.23 Which one of the following statements describes the product life cycle of winter clothing?

- A The introduction phase is short, while the maturity phase is long.
- B The introduction phase is long, while the growth phase is long.
- C The growth phase is short, the maturity phase is medium, the decline phase is long.
- D The growth phase is short, the maturity phase is medium, the decline phase is brief.

(2)

1.24 The Basic Conditions of Employment Act ...

- A sets out the criteria used for training and skills development in the workplace.
- B provides guidelines on dispute resolution in the workplace.
- C outlines grievance procedures.
- D creates an outline for the framework to calculate minimum wage.

(2)

1.20	1.21	1.22	1.23	1.24

1.25 When a clothing retailer in South Africa insists that their suppliers around the globe adhere to acceptable ethical behaviours, they are ...

- (i) ensuring that their business activities are ethical because they are paying attention to ethics in the international market.
- (ii) ensuring that the ethics of their business partners are up to standard.
- (iii) evaluating ethics in government.
- (iv) acting ethically in their internal environment.

- A (i) and (ii)
- B (ii) and (iii)
- C (iii) and (iv)
- D (i), (ii), (iii) and (iv)

(3)

1.26 Change management is crucial to the business and needs to be managed carefully. Which one of the following most accurately explains why?

- A Employees embrace change easily and easily adapt to a different work environment.
- B Employees feel valued when there is a one-way communication chain within the organisation, and the manager makes all decisions.
- C Employees need to understand what changes are and why they are important to the improvement of the organisation.
- D Employees feel more settled when there is constant change in their environment as they know what to expect.

(3)

1.27 Which statement below describes the reason why inventory is excluded from the Acid Test Ratio?

- A Inventory has no monetary value to the business and thus should not be included in financial calculations.
- B Due to the constant change of fashion trends, inventory that was in style for one season may no longer be in fashion for the next.
- C Inventory is a long-term asset and should only be considered when calculating the solvency ratio.
- D Inventory is a short-term liability, which decreases the efficiency of the Acid Test Ratio in measuring financial stability.

(3)

1.25	1.26	1.27

1.28 The buyer response stimulus refers to the ...

- A personal characteristics, psychological factors, social factors and economic factors.
 - B psychological factors, environmental factors, technological factors and social factors.
 - C environmental factors, psychological factors, economic factors and competitive factors.
 - D personal factors, regulatory factors, psychological factors and political factors.
- (3)

1.28

[60]

QUESTION 2

Choose the **most correct** answer from the table below that best matches the following statements. Write the correct answer in the space provided after each statement.

Note: There is only **ONE** correct answer for each statement.

Proximity Clause	Unit Trusts	Average Clause
Debentures	Notice Deposits	Dividends
Smoothing	Decision Tree	Interest
Pros and Cons Chart	Premium	Avoidance
Liability Insurance	Fidelity Insurance	Cost to Company
Retirement Annuity	Cost plus Benefits	Human Resources
Excess	Ethics	Equities

2.1 Investments in this asset class are a combination of shares that are invested by a fund manager according to a risk profile that is acceptable to the investor.

_____ (2)

2.2 An investment in this asset class can be extremely volatile due to uncontrollable external factors.

_____ (2)

2.3 The company's Board of Directors determine how the profits are shared. When they have made their decision, they will distribute ... to the shareholders.

_____ (2)

2.4 When Mr Price Clothing offers this high-risk investment opportunity to their investors in exchange for a fixed interest rate so that they can fund a new project, in which investment category would the investors be investing?

_____ (2)

2.5 A claim sent to a clothing retailer by a customer injured while shopping in the store is covered by ...

_____ (2)

2.6 The contribution to an insurance claim payable by the clothing retailer is referred to as ...

(2)

2.7 In a recent insurance claim, a clothing retailer only received 60% of the claimed value as they had not been insured for the total value of their assets. This principle is referred to as the ...

(2)

2.8 A visual representation of different outcomes of an event is referred to as a ...

(2)

2.9 A manager is trying to resolve conflict in their store by bringing the two conflicting parties together and pointing out their shared similarities so that they focus on what they have in common. This manager is applying the conflict resolution tool of ...

(2)

2.10 The ... salary structure offers a basic salary to which the company contributes further fringe benefits.

(2)

[20]

QUESTION 3

Choose the term in the brackets that makes the statement TRUE. Write your answer in the space provided.

- 3.1 When a clothing company approaches an insurance company to cover them in case of technological advancements, the risk they are trying to cover is **(insurable/uninsurable)**.

_____ (2)

- 3.2 The **(Utilitarian/Principle-based)** Theory of Ethics determines that the action that should be taken must serve the largest number of people.

_____ (2)

- 3.3 When the Purchasing Manager of Mr Price Clothing serves on the Board of Directors of the company that supplies the store with T-shirts, they should defer the decision to another manager because of **(insider trading/conflict of interest)**.

_____ (2)

- 3.4 When employees use company resources such as the company credit card to take their family out for dinner, it is referred to as **(unauthorised use of funds/inappropriate gifts)**.

_____ (2)

- 3.5 A group of employees who represent employees in matters relating to their work environment by consulting with management about internal issues such as criteria for merits and bonuses is a **(workplace forum/trade union)**.

_____ (2)

- 3.6 A **(job analysis/job specification)** is performed to determine all the tasks and responsibilities associated with each job in the organisation.

_____ (2)

- 3.7 **(Recruitment/Selection)** is referred to as a positive activity that invites internal and/or external candidates to apply for positions in the business.

_____ (2)

3.8 **(Skills development/An appraisal)** assists employees to broaden their range of abilities to improve their productivity in the workplace.

(2)

3.9 The **(LRA/BCEA)** provides the framework regarding working hours, leave and termination when employment contracts are set up.

(2)

3.10 When an employer provides acceptable reasons for dismissing an employee, they are adhering to the requirement of **(substantive/procedural)** fairness in the dismissal process.

(2)

[20]

100 marks

SECTION B

QUESTION 4

4.1 Read the extract below and answer the questions that follow.

The Rise of Sustainable Fashion

Consumer Demand for Sustainable Fashion

Consumer awareness and demand for sustainable fashion have been growing steadily. Today's consumers are more conscious about the environmental and social impact of their purchasing decisions. They seek brands that prioritise sustainability and align with their values.

[Source: <<https://3dlook.ai/content-hub/sustainable-fashion-trends-to-watch-in-2023/>>]

4.1.1 Name and justify which element of the SWOT analysis is discussed in the extract above.

(3)

4.1.2 What are the **THREE** elements of sustainable business reporting?

(3)

4.1.3 With reference to the extract above, identify **ONE** element from each of the three business environments. Outline and provide a reason for the level of control the clothing retailer has over each element. Provide one strategy that the clothing retailer could use to improve its control over the identified element.

Environment	Identify ONE element from each business environment.	Outline and provide a reason for the level of control the clothing retailer has over each element.	Provide ONE strategy the clothing retailer could use to improve its control over the identified element.
Micro	(1)	(3)	(2)
Market	(1)	(3)	(2)
Macro	(1)	(3)	(2)

(18)

4.2.3 Consider the following unethical activities. For each unethical activity, provide **ONE** example of how it could happen at Woolworths. Suggest how management at Woolworths could prevent this unethical activity from occurring.

Unethical activity	Provide ONE example of an unethical activity at Woolworths.	How could Woolworths management prevent it?
Counterfeiting	(2)	(2)
Conflict of interest	(2)	(2)
Pricing of goods in rural areas	(2)	(2)
		(12)

4.2.4 State the purpose of a Code of Ethics.

(2)
[50]

5.1.3 Describe **TWO** advantages of having a motivated workforce.

(4)

5.1.4 Briefly describe **TWO** non-monetary factors a fashion retailer could use to motivate their staff.

(4)

5.2 **Conflict is inevitable in the workplace.**

5.2.1 Suggest **THREE** ways in which a manager of a clothing retailer could address conflict between two employees.

(3)

5.2.2 Read the scenarios below and answer the questions that follow.

Scenario 1:

Employees in Woolworths are unhappy about the Education and Training they have access to. They want more opportunities to improve their skills.

Name an ideal third-party intervention that could be used in this situation and explain how this third party would be involved.

(5)

Scenario 2:

An owner of a new Woolworths clothing store does not have the expertise to set up employment contracts that adhere to all legal requirements. This is making employees feel unfairly treated and is disrupting operations.

Name an ideal third-party intervention that could be used in this situation and explain how this third party would be involved.

(5)

6.1.2 Why do clothing retailers want to stock leading brands in their stores?

(4)

6.2 Explain how the physical evidence of a clothing store influences the buyer's purchasing decision when buying clothing.

(6)

6.3 Discuss the advantages of a strong brand from the perspective of the consumer.

(4)

6.4 **Many say that having the right salesperson can increase sales.**

6.4.1 Explain the importance of having a good selection process in place when hiring new employees.

(4)

SECTION C

The following aspects will be considered when marks are allocated in this section:

- Format:
 - The CORRECT format must be used, i.e., business report.
 - Where applicable, include an introduction and conclusion.
 - Use headings and subheadings where appropriate.
- Terminology: correct business terminology must be used.
- Content: must be sufficient to cover all aspects of the question.
- Substantiation: justify all statements made.
- Application to case study/context.
- Creative problem-solving rather than just providing theoretical facts.
- Synthesis and appropriate sequencing.

QUESTION 7

Study the following sources before answering the question that follows.

SOURCE A:**South African clothing retailers losing lustre in face of Shein juggernaut**

The China-based ultra low-cost fast fashion retailer might have a growing market in South Africa, but it's putting the squeeze on local retailers.

The fashion industry is the world's second-biggest polluter and fast fashion is at the very heart of the problem, with ultra-low-cost, cross-border retailers accused of human rights violations, environmental degradation, social problems and waste because returned products are not recycled or resold – they're destroyed.

[Adapted from: <<https://www.bizcommunity.com/Article/196/182/241290.html>>]

SOURCE B:**Despite the controversy, fast fashion is still quite popular**

Among the top 15 most popular brands worldwide, six are fast-fashion brands, reflecting a growing interest in fast fashion, based on mass production, rather than on quality manufacturing.



[Adapted from: <<https://www.citizen.co.za/lifestyle/fashion-and-beauty/controversy-fast-fashion-is-still-quite-popular/>>]

