GRADE 12

BUSINESS STUDIES

LEARNER HOMEWORK SOLUTIONS
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LEARNER HOMEWORK SOLUTIONS

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<td>Consolidation exercises</td>
<td>9 - 16</td>
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</table>
SOLUTIONS TO HOMEWORK: SESSION 6
TOPIC: CONSOLIDATION

QUESTION 1
1.1 Strength √√ (2)
1.2 Threat √√ (2)
1.3 Weakness √√ (2)
1.4 Threat √√ (2)
1.5 Threat √√ (2)

[10]

QUESTION 2

Introduction

- A strategy is to be developed to overcome the specific challenge which is faced by the management team. √
- When devising a strategy, keep the vision and mission of an organisation in mind. √
- It is important to create a plan in which you include all steps which might be necessary to change the challenge into success. √
- It is a plan of action for a business to achieve its goals. √
- Short term and long term goals in line with the vision and mission of the organisation. √
- Vision is to use improved farming techniques and marketing methods to increase the farm’s income capacity. √
- Any other relevant introduction related to business environment. (Any 3 x 1) (3)
<table>
<thead>
<tr>
<th>CHALLENGE</th>
<th>STRATEGY</th>
<th>ENVIRONMENT</th>
<th>TOTAL</th>
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</table>
| 1. Applied for a loan of R1million. √√ | - Reduce loans. √√  
- Negotiate with other banks. √√  
- Additional cash investment by the owner. √√  
- Divestiture: √√ Sell part of his business as a way of raising funds. √√  
- Any other relevant answer. | Macro √√ | |
| Extension of the product line e.g. grape juice. √√ | - Product development. √√  
- Producing new product for the current market, e.g. grape juice.  
- Concentric diversification. √√ Using the same equipment to produce a different product i.e.grape juice. √√  
- Any other relevant answer. | Market/Micro √√ | |
| Wines of international quality. √√ | -Research on quality √√  
-International marketing √√  
-Form quality circles √√  
-Any other relevant answer | Micro/Mark et/  
Macro √√ | |
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<tbody>
<tr>
<td>2. Buy multi-purpose equipment. √√</td>
<td>- Obtain quotations from different suppliers of equipment and negotiate the most reasonable price. √√</td>
<td>Micro/Market/Macro √√</td>
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<tr>
<td></td>
<td>- Outsourcing. √√</td>
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<tr>
<td></td>
<td>- Type of equipment should meet the requirements of the business. √√</td>
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<td>- Purchase second hand machinery. √√</td>
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<td>- Any other relevant answer.</td>
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<td></td>
<td>Establish a wine shop on the farm.</td>
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<td></td>
<td>- Forward integration √√</td>
<td>Micro/ Market √√</td>
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<tr>
<td></td>
<td>- Selling the product directly to the public from the wine shop. √√</td>
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<td>- Use local handcrafted packaging for his products. √√</td>
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<td>- Any other relevant answer.</td>
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<tr>
<td>3. Increase in interest rates. √√</td>
<td>- Negotiate with other banks for lower interest rates. √√</td>
<td>Macro √√</td>
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</tbody>
</table>
| 4. Employees demanding higher wages and salaries. ✓ ✓ | - Increase in productivity  
- Defensive Strategy: ✓ ✓ | Micro ✓ ✓ |
|------------------------------------------------------|--------------------------------------------|-----------|
| Decline in profits. ✓ ✓ | - Negotiate with unions on the question of retrenchment. ✓ ✓  
- Increase production/reduce fixed costs. ✓ ✓  
- Any other relevant answer. ✓ ✓ | Micro ✓ ✓ |
| 5. Competitors selling similar types of wine. ✓ ✓ | - Market penetration: ✓ ✓  
Selling wines and grape juice at a discounted price to attract customers. ✓ ✓  
- Any other relevant answer. ✓ ✓ | Market ✓ ✓ |
| 6. Not advertising beyond the town of Franschhoek. ✓ ✓ | - Market development: ✓ ✓  
Advertise in the provincial newspaper. ✓ ✓  
- Sponsorships ✓ ✓  
- Radio broadcasts. ✓ ✓  
- Encourage wine tasting. ✓ ✓  
- Excursions. ✓ ✓  
- Any other relevant answer. ✓ ✓ | Market/Micro ✓ ✓ |
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<tbody>
<tr>
<td>7. Recession /slowdown. √√</td>
<td>- Propose a 3 day working week for the winery until the economy recovers. √√</td>
<td>- Engage in aggressive marketing strategies. √√</td>
<td>- Any other relevant answer</td>
<td>Macro/Micro √√</td>
</tr>
<tr>
<td></td>
<td>- Lobby Govt. to stabilise fuel prices.√√</td>
<td>- Cut down on the number of vehicles in operation and use vehicles only for essential deliveries/collection. √√</td>
<td>- Outsourcing the transport operation of the business. √√</td>
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<td>- Any other relevant answer.</td>
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6 x 2 = 12

Advice on evaluation of Strategies:

1. Examine the underlying basis of business strategy. √√
   - Monitor and obtain regular feedback on the implementation of the above strategies. √√

2. Measure the business performance against original objectives. √√ Should the performance of the business not be in line with the proposed strategies then amend strategies or provide alternative strategies. √√

3. Take corrective action. √√
   - This corrective action must be taken in view of the above mentioned. √√
   - Any other relevant answer related to the advice on the evaluation of strategies. (Any 3 x 2) (6)
Conclusion
- Makaya Tali must carefully implement the above mentioned strategies. √√
- He must also obtain regular feedback in order to make an informed decision on whether to consider alternative strategies. √√
- Any relevant conclusion related to strategies. (Any 1 x 2) (2)

Breakdown of mark allocation

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<td>Mark ANY 6 challenges from the case study (IN ANY ORDER)</td>
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<tr>
<td>Mark ANY 6 strategies based on the above challenges</td>
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<td>Mark the environment linked to the above challenges</td>
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LASO – For each component
Allocate 2 marks if all requirements are met.
Allocate 1 mark only if some of the requirements are met. Allocate 0 marks where requirements are not met at all.
SOLUTIONS TO HOMEWORK: SESSION 7
TOPIC 1: CONSOLIDATION

QUESTION 1

1.1 Strategy ✓ ✓ (2)
1.2 Arbitration ✓ ✓ (2)
1.3 Creativity ✓ ✓ (2)
1.4 Inclusivity ✓ ✓ (2)
1.5 SABS ✓ ✓ (2) [10]

QUESTION 2

Introduction:

- Employers should promote the well-being of their employees through the provision of suitable working conditions in the workplace. ✓
- Employees are usually more productive if employers offer some incentives. ✓
- Employers should cater for other needs of its staff like offering help to employees who have personal problems, or are stressed. ✓
- Promoting the well-being of employees will assist in retaining a stable workforce. ✓
- Any other relevant introduction related to the well-being of employees. (Any 3 x 1) (3)

Critique of the statement

Agree ✓ ✓

Motivation

- Employees are motivated. ✓ ✓
- Lower staff turnover. ✓ ✓
- Less absenteeism. ✓ ✓
- Continuity in business operations. ✓ ✓
- Any other relevant answer related to the agreement.

Disagree ✓ ✓

Motivation

- The well-being of the employee is his/her own responsibility. ✓ ✓
- The employee presents him-/herself as a healthy person. ✓ ✓
- Unemployment rate in South Africa is high, therefore, many people would love to have the opportunity to work. ✓ ✓
- Any other relevant answer related to the disagreement.

Agree/disagree 2  Motivation 2 (2)
Motivation of employees √√
- Reward employees for jobs well done. √√
- Promotion of employees from within the organisation. √√
- Giving employee allowances, e.g. housing, subsidies and transport. √√
- Providing staff with a healthy working environment. √√
- Any other relevant answer related to motivation of employees.

Staff development programs √√
- Sending staff on courses. √√
- Getting professionals to coach staff on job-related matters. √√
- Mentoring of employees by experts (experienced staff). √√
- Development of staff skills through on the job training. √√
- Contributing funds for skills development. √√
- Redesigning of tasks. √√
- Any other relevant answer related to staff development programmes.

Stress reduction programs √√
- Staff empowerment by the business enterprise. √√
- Keep communication channel open. √√
- Offer employees recreation facilities, e.g. gymnasium. √√
- Encourage employees to lead a healthy lifestyle and care. √√
- Giving staff less complex work to do. √√
- Any other relevant answer related to stress reduction management.

Team building exercises √√
- Brings unity amongst staff. √√
- Enhances staff to tolerate each other. √√
- Staff benefits by sharing experience/knowledge. √√
- Working as a team will lead to increased productivity and profitability. √√
- Any other relevant answer related to team building.

Resolving personal problems/rehabilitation of employees √√
- Giving staff with personal problems leave to sort out their problems. √√
- Helping staff to prevent alcoholism and drug abuse. √√
- Encouraging staff to talk about their problems. √√
- Helping staff to stop smoking. √√
- Helping staff to manage stress. √√
- Any other relevant answer related to problem solving of staff members.

Coaching and mentoring √√
- Senior staff members assist and coach newly appointed employees in extraordinary matters in the workplace. √√
- Helping newly appointed employees to reach their full potential. √√
- A senior employee (mentor) who advises and guides a junior employee over a period of time. √√
- Any other relevant answer related to coaching and mentoring.
Performance appraisal $\checkmark$
- To give feedback on the performance of employees. $\checkmark$
- It can improve the performance of all the employees. $\checkmark$
- Management receives useful information to improve the performance of the business as a whole. $\checkmark$
- It can motivate all the employees in the workplace. $\checkmark$
- Any other related answer to performance appraisal.

Rewards and incentives $\checkmark$
- To improve the employee’s performance in the short term. $\checkmark$
- Can be in the form of bonuses, holidays or office parties. $\checkmark$
- Can be implemented effectively when predetermined targets are reached. $\checkmark$
- Can be used to increase the output of the factory. $\checkmark$
- Any other relevant answer related to rewards and incentives.

Training programs $\checkmark$
- Off-the-job training usually takes place during working hours but away from the workplace. $\checkmark$
- On-the-job training involves training in the workplace. $\checkmark$
- On-the-job training is usually informal. $\checkmark$
- Of-the-job training can be advantageous because employees focus on learning, and they obtain new skills. $\checkmark$
- Any other relevant answer related to training programmes.

Counselling $\checkmark$
- To guide and direct the employees in the workplace. $\checkmark$
- Counselling will help employees to work towards a goal. $\checkmark$
- Counsellors can assist employees to determine where their knowledge and skills can be put to best use in the workplace. $\checkmark$
- Any other relevant answer related to counselling.

Conclusion
- From the above discussion it is clear that well-being of employees should come first before profit making. $\checkmark$
- Taking care of employees needs is not a favour but a right because employees have rights which are backed up by policies/legislations. $\checkmark$
- Taking care of the workforce will be less costly than having a high labour turnover. $\checkmark$
- Any other relevant conclusion related to the well-being of employees.

(Any 4 x 2) (8)

(Any 4 x 2) (8)

(Any 4 x 2) (8)

(Any 4 x 2) (8)
## Breakdown of mark allocation

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**LASO** – For each component

Allocate 2 marks if all requirements are met.
Allocate 1 mark only if some of the requirements are met. Allocate 0 marks where requirements are not met at all.
QUESTION 1

1.1 Human Rights Commission √√ (2)
1.2 Dividends √√ (2)
1.3 Ethics √√ (2)
1.4 Sexual Harassment √√ (2)
1.5 Demographics √√ (2)

[10]

QUESTION 2

Introduction
- Human rights and fair labour practices have been the main basis for the passing of new labour legislation in South Africa. √
- This was based on the fact that apartheid promoted unfair labour practices. √
- The Bill of Rights sets out detailed rights and responsibilities for all citizens of the country. √
  (Any other relevant answer related to the introduction.) (Any 3 x 1) (3)

Basic Conditions of Employment, 1997 (Act 75 of 1997)
- The Act prescribes the minimum conditions of employment that employers must legally comply with. √√
- The Act protects workers from exploitation, respect for human rights and social justice.
  The following are the main provisions of the Act. √√

Working Hours. √√
- The maximum hours to be worked per day for a five day week is 9 hours or 45 hours – normal work time. √√
- The maximum hours to be worked per day for a six day week is 8 hours or 48 hours – normal work time. √√
- Overtime must be a maximum of 3 hours per day or 10 hours per week. √√
- Payment for overtime is usually at one and half times the normal rate. √√
- Meal breaks of at least 1 hour after 5 hours of work. √√
  (Max 4) (4)

Leave √√
- The worker is entitled to 21 days annual paid leave for every 12 months of continuous employment. √√
- Maternity leave is four months. √√
- Family responsibility leave of 3 days per year is allowed for family death, illness etc. √√
- Employees are allowed 36 days of sick leave in a 36 month/3 year cycle. √√
  (Max 4) (4)
Public Holidays
- Employees must be paid for any public holiday that falls on a working day. (Max 4) (4)
- If the workers are required to work on a public holiday then they must receive double their normal rate. (Max 4) (4)

Notice of termination of employment.
- Employees must give 1 week's notice during the first six months of being employed.
- Two weeks' notice must be served if employed between 6 to 12 months.
- Four weeks’ notice if employed for more than a year. (Max 4) (4)

Accept other conditions as stipulated in the BCEA Act.

Employment Equity Act (Act 55 of 1998)
- This Act states that there must be no discrimination on the basis of race, age, gender, religion or disability in the workplace.
- Affirmative Action is used as a mechanism to correct the imbalances of the past with respect to access to employment, training, promotion and equitable remuneration especially for blacks, women and the disabled.
- Employers who employ 50 or more workers must develop specific affirmative action plans in consultation with the workers.
- Business enterprises must submit employment equity plans every two years to the Department of Labour.
- This Act also forces businesses to employ more people from disadvantaged groups and promote the same to managerial positions.
- The employment equity plan of the business must be built into its recruitment and selection process.

- This Act was passed to address the effects of discriminatory labour laws, employment policies and the education system of the apartheid regime.
- This has resulted in a severe shortage of skilled labour, high unemployment rate and the lack of transformation in the workplace.
Therefore, the Skills Development Act was passed to:
- Encourage workers to get involved in training programmes.
- Improve employment opportunities for disadvantaged people.
- The workplace should be transformed as a place of learning.
- Ensure that workers participate in learnerships.
- Provide quality education and training at the workplace.
- Reduce the high unemployment rate and skills shortage.
Success/Failure of the above Legislations

- Most of the business enterprises are successfully implementing the above legislations in their business operations. √√
- This is evident in the large number of successful empowerment companies established in South Africa. √√
- These companies are complying with the equity plans, affirmative action, employment of women and disabled people. √√
- The Advisory Commission for Employment Equity advises businesses on the formulation of Codes of Good Practice and Balanced Score Card. √√
- The government imposes fines on those companies that do not comply. √√
- Some businesses may not be familiar with the legislations. √√
- Training is necessary for the successful implementation. √√
- Companies would rather pay the fines, than obeying the rules and regulations. √√

(Any other relevant answer related to success/failure of above legislations.)

Any (6 x 2) (12)
Max (12)

NOTE: A maximum of 4 marks must be given if the success/failure is discussed under each Act.

Conclusion

- From the above discussion it is clear that the new policies for labour legislation in South Africa have provided a much happier workforce in the country. √
- More people are being educated and skilled through the SETAs, etc. √

(Any other relevant answer related to unfair labour practices.)

Sub Total: (45)
Max (32)
**Breakdown of mark allocation**

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**INSIGHT**

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**TOTAL MARKS**

|                  | 40      |

- **LASO** – For each component
  Allocate 2 marks if all requirements are met.
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