 Province of the

EASTERN CAPE

EDUCATION

**DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)**

**HOME SCHOOLING SELF-STUDY ANSWER SHEET**

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| **SUBJECT** | **BUSINESS STUDIES** | **GRADE** | **12** | **DATE** | **10/06/2020** |
| **TOPIC** | **BUSINESS VENTURES** | **TERM 1**  **REVISION** |  | **TERM 2 - 3 CONTENT** | **X** |

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| --- | --- | --- | --- |
| **QUESTION 1: BUSINESS VENTURES** | | |  |
| SCE DBE/2018 | | |  |
| 1.1 | **Types of UIF benefits** | |  |
|  | * Unemployment√ * Maternity√ * Sick/Illness/Disability√ * Adoption√ * Dependants√   Any other relevant answer related to types of UIF benefits.  **NOTE: Mark the first FOUR (4) only. (4 x 1)** | | (4) |
|  |  | |  |
| 1.2 | **Types of preference shares** | |  |
|  | 1.2.1 | Participating√√ | (2) |
|  | 1.2.2 | Cumulative√√ | (2) |
|  |  |  |  |
| 1.3 | **Other types of preference shares.** | |  |
|  | * Ordinary preference shares√√ * Non-cumulative√√ * Redeemable√√ * Non-redeemable√√ * Non-participating√√ * Convertible√√ * Non-convertible√√   **NOTE: 1. Mark the first THREE (3) only.**  **2. Do not award marks for responses given in QUESTION 3.2.** (3 x 2) | | (6) |
| 1.4 | **Functions of the Johannesburg Securities Exchange (JSE).** | |  |
|  | * Gives opportunities to financial institutions such as insurance companies√ to invest their funds in shares. √ * Serves as a barometer/indicator√ of economic conditions in South Africa. √ * Keeps investors informed on share prices√ by publishing the share prices daily. √ * Acts as a link√ between investors and public companies. √ * Shares are valued√ and assessed by experts. √ * Small investors are invited to take part in the economy of the country√ through the buying of shares. √ * Venture capital market√ is made possible. √ * Orderly market for securities√ serves as a disciplined market for securities. √ * Encourages√ new investments. √ * Mobilises the funds√ of insurance companies and other institutions. √ * Raises √ primary capital. √ * Regulates market√ for dealing with shares. √ * Plans, researches and advises√ on investment possibilities. √ * Ensures that the market√ operates in a transparent manner. √ * Provides protection√ for investors. √ * Encourages short-term√ investment. √ * Facilitates electronic trading√ of shares/STRATE. √   Any other relevant answer related to the functions of the Johannesburg Securities Exchange (JSE.) Max | | (8) |
| 1.5 | **Forms of ownership** | |  |
|  | 1.5.1 | Partnership√√  **Motivation**  Zama and Quinton are qualified lawyers who have started a business, called Z and Q Attorneys, which lacks continuity. √ (1)  **NOTE: Do not award marks for the motivation, if the form of ownership was incorrectly identified**. Max | (3) |
|  |  |  |  |
|  | 1.5.2 | **Success factors of a partnership and personal liability company**   |  |  |  | | --- | --- | --- | | CRITERIA | PARTNERSHIP | PERSONAL LIABILITY COMPANY | | Management | * Partners are actively involved in management√ and may use the ideas of other partners.√ | * PLC is managed by a competent board of directors√ who may be experts in their fields. √ | | * Partners have access to expertise of other partners√ when difficult decisions have to be made. √ | * Quick decisions can be made√ even if there is only one director.√ | | * Not all partners need to be actively involved in management√ and would rather appoint competent managers.√ |  | | Any other relevant answer related to management as a success factor. | | |  | Sub-max (2) | Sub-max (2) | | Taxation | * Partners pay VAT only on relevant products sold/services rendered√ which reduces tax administration.√ | * PLC only pays tax after business expenses√ have been deducted. √ | | * The partnership does not pay income tax√, only the partners in their personal capacity.√ | * The company pays tax at a fixed rate√ which can be lower than that of partnerships.√ | |  | * Image of the business is promoted√ and attracts investment when companies comply with tax regulations/ laws. √ | | Any other relevant answer related to taxation as a success factor. | | |  | Sub-max (2) | Sub-max (2) | | Division of profits | * Fair distribution of profit√ as this is done according to the contribution of partners.√ | * High profits and good returns to shareholders√ indicate the success of a company, which increases the value of shares.√ | | * The division of profits between partners may motivate them√ to make a business a successful venture.√ | * Profits generated can be reinvested√ into expand business operations.√ | | Any other relevant answer related to division of profits as a success factor. | | | Sub-max (2) | Sub-max (2) |   **NOTE: 1. The answer does not have to be in tabular format.**  **2. Consider similarities if the partnership was incorrectly identified**. Max | (12) |
|  |  |  |  |
| 1.6 | **Transformational leadership theory.**   * Suitable for a dynamic environment√, where change could be drastic. √ * The passion/vision/personality of leaders inspire followers√ to change their expectations/perceptions/motivation to work towards a common goal. √ * Strategic thinking leaders develop a long term vision for the organisation√ and sell it to subordinates/employees. √ * Leaders have the trust/respect/admiration√ of their followers/subordinates. √ * Promotes intellectual stimulation/creative thinking/problem solving√ which result in the growth/development/success of the business. √ * Followers are coached/led/mentored/emotionally supported through transformation/change√ so that they can share their ideas freely. √ * Encourages followers√ to explore/try new things/opportunities. √ * Leaders lead by example√ and make workers interested in their work. √ * Leaders have strong, charismatic personalities√ and are very good at motivating staff to achieve results. √ * Enable employees to take greater ownership for their work√ and to know their strengths and weaknesses. √ * Any other relevant answer related to the transformational leadership theory.   **NOTE: Award marks if examples demonstrate understanding of the leadership theory which could be integrated in the answer.** Max | | (6) |
|  |  |  |  |
| 1.7 | **Ways in which Ayisha responded to questions at the end of her presentation** | |  |
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|  | 1.7.1 | **Ways in which Ayisha responded to questions at the end of her presentation** |  |
|  |  | * At the end of her presentation she ensured that no member of the audience dominated the discussion. √ * She apologised for making an error in her presentation. √ * She acknowledged good questions. √   NOTE: 1. Mark the first THREE (3) only.  2. Only allocate marks for responses that are quoted from the scenario.  (3 x 1) | (3) |
|  | 1.7.2 | **Other ways to respond to questions after a presentation** |  |
|  |  | * Ensure that you understand each question/what is being said. √√ * Comment/Rephrase questions if uncertain, before responding. √√ * Listen carefully to each question/Think carefully before responding. √√ * Address questions and not the person. √√ * Remain professional/polite/calm/open/non-aggressive. √√ * Do not get involved in a debate/argument. √√ * Avoid answering difficult questions when the answer is not known. √√ * Address the whole audience and not only the person asking the question. √√ * Promise to follow up on answers you do not know/unsure about. √√   Any other relevant answer related to other ways to respond to questions after a presentation.  **NOTE: Do not allocate marks for responses quoted in QUESTION 3.7.1.** Max | (8) |
|  |  | |  |
| 1.8 | **Investment factors** | |  |
|  | 1.8.1 | **Inflation rate** |  |
|  |  | * People are affected by a high inflation rate√, because their money/purchasing power decreases. √ * The return on investment√ should be higher than the inflation rate. √ * Inflation has a positive effect on some investments√ such as property/shares where the income will increase as inflation increases. √   Any other relevant answer related to inflation rate as a factor that must be considered when making investment decisions. Max | (2) |
|  | 1.8.2 | **Investment period**   * The investment period can be short, medium and/or long term√ depending on the investors’ needs. √ * Short term investments enable investors to access their money√ on a short period if needed. √ * The longer the investment period√ the higher the returns. √   Any other relevant answer related to investment period as a factor that must be considered when making investment decisions. Max | (2) |
|  | 1.8.3 | **Return on investment**   * There is a direct link√ between risk and return. √ * The return should be expressed as√ net after-tax gains on the investment. √ * Returns can be in the form of capital gains√ where the asset appreciates in value. √ * The net after-tax return should be higher√ than the inflation rate. √ * High risk investments√ yield higher returns. √   Any other relevant answer related to return on investment as a factor that must be considered when making investment decisions. Max | (2) |
|  |  | | **[60]** |
|  | **BREAKDOWN OF MARKS**   |  |  | | --- | --- | | **QUESTION 1** | **MARKS** | | **1.1** | **4** | | **1.2.1** | **2** | | **1.2.2** | **2** | | **1.3** | **6** | | **1.4** | **8** | | **1.5.1** | **3** | | **1.5.2** | **12** | | **1.6** | **6** | | **1.7.1** | **3** | | **1.7.2** | **8** | | **1.8.1** | **2** | | **1.8.2** | **2** | | **1.8.3** | **2** | | **TOTAL** | **60** | | |  |