education
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TERM 2 &3

GRADE 12

PRACTICE QUESTIONS: SECTION A: BUSINESS VENTURES

2020

BUSINESS STUDIES

Sources: DBE Previous Exam Papers and other sources

This document consists of 19 pages.

Introduction:

- This document provides practice questions developed from previous DBE question papers and other sources.

  NB: These questions are not any form of scope but are just practice questions which are intended to assist learners and teachers in focused revision.

- It addresses Section A questions based on content from the broad topic Business Ventures which covers: investment opportunities/securities, investment insurance, management and leadership, forms of ownership and presentation and data response.
- It seeks to assist learners in collectable marks and also to mitigate on errors highlighted in the Diagnostic Report 2019 and those of other previous years.
- The document will be helpful to sufficiently expose learners possible Section A questions for the new Paper 1 question paper.

Tips:

Study your notes based on a particular topic and try and answer questions to prepare thoroughly for the examination.

Trying to answer questions will expose you to different approaches in which same content can be asked.

Do not check the marking guideline or your notes until you attempted to give your own answers.

PRACTICE QUESTION 1

SECTION A (COMPULSORY)

QUESTION 1

1.1 Various options are provided as possible answers to the following questions.
Choose the answer and write only the letter (A–D) next to the question number (1.1.1–1.1.10) in the ANSWER BOOK, for example 1.1.11 B.

1.1.1 According to this theory of leadership employees are encouraged to work hard because they will receive rewards:

A Situational

B Charismatic

C Transactional

D Democratic

1.1.2 Effective feedback involves …

A answering questions after a presentation.

B handing out flyers.

C dealing with difficult employees.

D applying visual aids in verbal presentations.

1.1.3 A private and a public company have the following advantage:

A The minimum number of members is four

B Both businesses are managed by one director

C The liability of the shareholders is limited to the amount of their investment

D The continuity of both businesses is limited

1.1.4 This source of funding represents a long-term loan to a business enterprise:

A RSA Retail Savings Bonds

B Bank overdraft

C Supplier's credit

D Debentures

1.1.5 ... communicate largely by means of interaction, behaviour or charisma.

A Leaders

B Followers

C Employees

D Subordinates

1.1.6 An over-insured warehouse implies that it is insured for ...

A less than its replacement value.

B less than its actual value.

C more than its market value.

D equal to its book value.

1.1.7 Browns Architects Inc. is an example of a …

A partnership.

B close corporation.

C personal-liability company.

D private company.

1.1.8 Senzo invested R8 000 at Burger Bank at 10% simple interest for three years. Burger Bank will pay out ... after three years when the investment matures.

A R10 400

B R8 800

C R10 648

D R2 400

1.1.9 Zizamele Incorporated is an example of a …

A private company.

B state-owned company.

C personal-liability company.

D sole trader.

1.1.10 The portion of an insurance claim that the insured must pay when a claim is lodged:

A Excess

B Premium

C Book value

D Interest

1.2 Choose the correct word(s) from those given in brackets. Write only the word(s) next to the question number (1.2.1–1.2.5) in the ANSWER BOOK.

1.2.1 A minimum of (two/twenty) partners can form a partnership.

1.2.2 (Excess, Premium) refers to the portion of an insurance claim which is the responsibility of the insured when a claim is lodged.

1.2.3 (UIF/ RAF) compensates someone injured in a motor vehicle accident whether or not he/she was part of the cause of the accident.

1.2.4 (Share-/Debenture) holders are creditors of a company.

1.2.5 Dividends payable to (preference/ordinary) shareholders accumulate if the company did not make enough profit during a particular financial year. (5 x 2) (10)

1.3 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–H) next to the question number (1.3.1–1.3.5) in the ANSWER BOOK, for example 1.3.6 K

COLUMN A	**COLUMN B**
1.3.1 Retirement annuity	A decisions usually made by top- level managers
1.3.2 Excess	B usually followed by choice
1.3.3 Managers	C Earned when owning shares in a company
1.3.4 Strategic decisions	D amount of money paid by the insured when the claim is lodged
1.3.5 dividends	E provides financial security for the investor upon reaching pensionable age
	F decisions usually made by middle- level managers
	G earning received for selling shares at a higher price
	H exercises authority to get things done in a business due to their position
	I the amount contributed by the insured monthly to the insurance company
	J influences people with to work independently

(5x2) (10)

PRACTICE QUESTION 2

SECTION A

1.1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only
the letter (A–D) next to the question number (1.1.1– 1.1.10) in the ANSWER BOOK, for example 1.1.11 B.

1.1.1 Effective feedback involves…

A answering questions after a presentation.

B handing out flyers.

C dealing with difficult employees.

D applying visual aids in a verbal presentation.

1.1.2 A minimum of R1 000 must be invested in this form of investment:

A Unit trusts

B Shares

C Fixed deposit

D RSA Retail Savings Bonds

1.1.3 Unlimited liability means …

A owners' personal assets are protected in the event that the business becomes insolvent.

B owners stand to lose their personal assets in the event that the business becomes insolvent.

C owners cannot lose more than what they have invested in the business in the event that the business becomes insolvent.

D owners are not entitled to share in the profits of the business.

1.1.4 Businesses apply this management and leadership theory to change, develop and motivate employees over a short period of time:

A Situational theory

B Trait theory

C Transformational theory

D Leaders and followers'

1.1.5 The insured will receive a lump sum upon reaching a specific age. This refers to the insurance principle of …

A indemnification.

B insurability.

C security.

D good faith.

1.1.6 Information in the form of a/an … is an example of a non-verbal presentation.

A data projector

B written report

C video conferencing

D oral report

1.1.7 A … is the invitation by a company to the public to buy shares.

A prospectus

B share

C dividend

D debenture

1.1.8 The … leadership theory encourages followers to accept immediate change in the workplace.

A situational

B leaders and followers

C transformational

D trait

1.1.9 A visual presentation of a set of sales figures shown as a series of rectangles:

A Line graph

B Bar graph

C Table

D Diagram

1.1.10 Clinton invested R2 000 in a savings account at ABC Bank at 8% simple interest per year. He will earn … interest after two years.

A R160

B R320

C R2 160

D R2 320 (10 x 2) (20)

1.2 Complete the following statements by using the word(s)/abbreviation in the list below. Write only the word(s)/abbreviation next to the question number (1.2.1–1.2.5) in the ANSWER BOOK.

dividends; RSA Retail Savings Bonds; interest; managers; debenture holders; fixed deposit; shareholders; leaders; partners; rent

1.2.1 … have authority because of their position in the company.

1.2.2 A company pays interest to their…, irrespective of whether they made enough profit or not.

1.2.3 Investors who own part of a company are called...

1.2.4 Income earned from investing in property is known as …

1.2.5 A minimum of R1 000 is required to invest in ... (5 x 2) (10)

1.3 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–H) next to the question number (1.3.1–1.3.5) in the ANSWER BOOK, for example 1.3.6 K

COLUMN A	COLUMN B
1.3.1 Retirement annuities	A Investors who own part of a company
1.3.2 Cession	B issued by a company as compensation for start-up services provided
1.3.3 Private company	C the insured amount covers life
1.3.4 Bonus shares	D has to register and publish a prospectus
1.3.5 Indemnity	E no withdrawals can be made from the fund before the age of 55
	F transferring the rights in an insurance policy to another party
	G a lump sum pay-out will only be made after the death of the insured
	H issued by a company to compensate for loss of dividends
	I shares are not freely transferable
	J the insured amount covers only loss or damage to property

(5x2) (10)

TOTAL SECTION A: 40

PRACTICE QUESTION 3

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number (1.1.1–1.1.10) in the ANSWER BOOK, for example 1.1.11 B.

1.1.1 The government holds the majority of shares in this form of ownership:

A Sakhisizwe SOC Ltd

B Neil (Pty) Ltd

C Johns Ltd

D Zamani and Son

1.1.2 It is compulsory for … to hold an annual general meeting for its shareholders.

A Shark Tale General Dealer (Pty) Ltd

B Shrek Building Appliances CC

C Incredible Toy Store Ltd

D Healthy Living NPC

1.1.3 This aspect should be considered when designing a multimedia presentation:

A Prepare for the feedback session

B Cover a large amount of information

C Keep eye contact with the audience

D Choose relevant images

1.1.4 Thrums Traders insured their building for R80 000. The actual value of the building is R100 000. Damages caused by fire amounted to R50 000. What will be the compensation for the loss?

A R100 000

B R80 000

C R62 500

D R40 000

1.1.5 This form of ownership is established by a group of people who agree to work together for their mutual economic benefit:

A Cooperative

B Close corporation

C Personal-liability company

D Private company

1.1.6 The amount that the insured must pay when a claim is lodged:

A Excess

B Premium

C Book value

D Interest

1.1.7 A/An ... leader ensures that employees follow strict rules and procedures when performing their tasks.

A bureaucratic

B democratic

C autocratic

D laissez-faire/free-reign

1.1.8 Gerald lost his job at Green Industries, therefore he is entitled to claim from the …fund.

A Road Accident

B Compensation

C Medical Aid

D Unemployment Insurance

1.1.9 The …clause is applied to determine the amount that the insurer will pay out, especially when goods are underinsured.

A excess

B reinstatement

C average

D subrogation

1.1.10 The past and current directors of a … company are jointly and severally responsible for the debts of the company.

A personal liability

B state-owned

C public

D private (5X2) (10)

1.2 Complete the following statements by using the word(s)/abbreviation in the list below. Write only the word(s)/abbreviation next to the question number (1.2.1–1.2.5) in the ANSWER BOOK.

liability policies; dividends; manager; fixed deposits; retirement annuities; graphs; RSA Retail Savings Bonds; leader; tables; interest

1.2.1 A reward paid out to shareholders on the profits of the business is known as …

1.2.2 Gert inspires his workers to do their best. He is therefore a good …

1.2.3 An investor can only withdraw money from … when he/she reaches a certain age.

1.2.4 The National Treasury of South Africa offers … as a secure investment option.

1.2.5 Collins uses … to display sales figures in columns for his presentation to management.

(5 x 2) (10)

1.3 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–H) next to the question number (1.3.1–1.3.5) in the ANSWER BOOK, for example 1.3.6 K

COLUMN A	**COLUMN B**
1.3.1 Shareholders	A applies to short-term insurance
1.3.2 Bar graph	B investors who lend money to a company
1.3.3 Security	C change in technology
1.3.4 Non-insurable risk	D visualise a whole unit and the proportion of its components
1.3.5 Debentures	E applies to long term insurance
	F investment of the company
	G property damage by natural disasters
	H represents a short-term loan to a business
	I a set of sales figures shown as a series of rectangles
	J enables businesses to make loans from investors

(5x2) (10)

TOTAL SECTION A: 40

PRACTICE QUESTION 4

SECTION A (COMPULSORY)

QUESTION 1

1.1 Various options are provided as possible answers to the following questions.
Choose the answer and write only the letter (A–D) next to the question numbers (1.1.1 to 1.1.10) in the ANSWER BOOK, e.g. 1.1.11 D.

1.1.1 Which one of the following is an example of compulsory insurance?

A Medical aid
B Pension Fund
C Road Accident Fund
D Life insurance

1.1.2 William, the manager of Eden Supermarket, applies the … leadership style when delegating tasks to followers without supervision.

A autocratic
B bureaucratic
C laissez-faire/free-reign
D charismatic

1.1.3 The … company provides essential services such as water and electricity at reasonable prices.

A personal liability
B state-owned
C public
D private

1.1.4 An example of a non-verbal presentation is information in the form of a/an …

A written report.
B data projector
C video conferencing
D oral report.

1.1.5 …is an example of a non-profit company.

A Post Office.
B Eskom
C Telkom
D Johan Old Age Home.

1.1.6 Which one of the following is a function of the Johannesburg Securities Exchange(JSE)?

A Helps investors to choose between different share options
B Raises primary capital
C Serves as an instrument for pricing
D Does not provide protection for investors (6x2) (12)

1.2 Complete the following statements by using the words provided in the list below. Write only the word(s) next to the question numbers (1.2.1 to 1.2.5) in the ANSWER BOOK.

simple interest; non-verbal; assurance; SENS; reinstatement; insurance; compound interest; STRATE; average clause; verbal

1.2.1 A person / business can buy shares electronically via ... on the JSE.

1.2.2 Thandeka earned…calculated on the principal amount and accumulated interest.

1.2.3 Fire and theft are examples of short-term…

1.2.4 Businesses may use Power-Point during a…presentation in the workplace.

1.2.5 The insurance company will apply the …when goods are insured for less than their market value. (5 x 2) (10)

1.3 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–J) next to the question numbers (1.3.1 to 1.3.5) in the ANSWER BOOK, e.g. 1.3.6 K.

COLU	COLUMN B
1.3.1 RSA retail savings bonds	A personal belongings of the shareholders may be used to recover debts of the company
1.3.2 Insurable risk	B It is issued to shareholders as a result of a dividend shortfall.
1.3.3 Bonus shares	C businesses may be insured against losses from changes in fashion and shoplifting
1.3.4 Limited liability	D Requires a minimum investment amount of R500.
1.3.5 Insurable interest	E The debts of the of the company do not extend to the personal belongs of the shareholders
	F the insured must prove that he/she will suffer a financial loss if the object is damaged
	G businesses may be insured against losses from theft and fire
	H It was issued to the promoters of a company.
	I Requires a minimum investment amount of R1000
	J Both the insurer and the insured must disclose relevant facts

(5 x 2) (10)

TOTAL SECTION A: 40