education
Lefapha la Thuto la Bokone Bophirima
Noordwes Departement van Onderwys
North West Department of Education
NORTH WEST PROVINCE

# GRADE 12

# TERM 2

# REVISION QUESTIONS: INVESTMENT SECURITIES/OPPORTUNITIES, INVESTMENT INSURANCE AND MANAGEMENT AND LEADERSHIP

# 2020

## BUSINESS STUDIES

***Sources: DBE Previous Exam Papers and other sources***

**Introduction:**

- This document provides questions from previous DBE question papers intended to assist learners and teachers in focused revision.
- It addresses term 2 content from the broad topic Business Ventures which covers investment opportunities, investment insurance as well as leadership and management
- It seeks to address content which is in the Examination Guideline 2020 and possible questions drawn from Questions 3, Question 8 and partly on Question 6 (Miscellaneous) of past DBE papers and other sources
- The document will be helpful to assist learners with in preparing for the Paper 2 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.

**TRY TO PRACTICE THE FOLLOWING QUESTIONS:**

| QUESTION PAPER | QUESTIONS |
|---|---|
| November 2015 | Q3 and Q6 Miscellaneous where applicable: |
| March 2016 | Q3 and Q8: essay on insurance and investment<br>Q6 Miscellaneous where applicable |
| June 2016 | Q3 and Q8: essay on securities<br>Q6 Miscellaneous where applicable : |
| November 2016 | Q3 and Q8: essay on management and leadership<br>Q6 Miscellaneous where applicable |
| March 2017 | Q3 and Q8: essay on insurance and presentation<br>Q6 Miscelleneous where applicable |
| June 2017 | Q3 and Q6 Miscellaneous where applicable |
| November 2017 | Q3 and Q8: essay on insurance<br>Q6 Miscellaneous where applicable |
| March 2018 | Q3 and 8: essay on securities<br>Q6 Miscellaneous where applicable |
| June 2018 | Q3 and Q8: essay on management & leadership<br>Q6 Miscellaneous where applicable |
| November 2018 | Q3 and Q8: essay on investment & forms of ownership<br>Q6 Miscellaneous where applicable |
| June 2019 | Q3 and Q8: essay on investment & presentation<br>Q6 Miscelleneous where applicable |
| November 2019 | Q3 and Q6 Miscelleneous where applicable |

## INVESTMENT OPPORTUNITIES/SECURITIES AND INSURANCE

**QUESTION 3: BUSINESS VENTURES** **DBE/NOVEMBER 2015**

3.1 Read the scenario below and answer the questions that follow.

| **BONGANI GENERAL DEALER (BGD)** |
|---|
| Bongani General Dealer's stock is not insured. As an insurance broker, BGD requested your advice on insurance. You completed a quotation on the cost of insurance for BGD's stock. The monthly premium is quoted at R2 800 on a total value of goods amounting to R2 800 000 |

3.1.1 Identify the type of insurance that BGD needs and give ONE reason why it is beneficial to the business. (4)

3.1.2 Name and explain the type of insurance that Bongani should consider to protect his dependants when he dies. (5)

3.1.3 Define the following insurance concepts:

(a) Average clause (2)

(b) Reinstatement (2)

**QUESTION 6** **DBE SCE/JUNE 2015**

6.3 You want to invest R3 000 in RSA Retail Savings Bonds instead of unit trusts.

6.3.1 Distinguish between RSA Retail Savings Bonds and unit trusts. (4)

6.3.2 Explain the advantages of investing in RSA Retail Savings Bonds. (8)

**QUESTION 6** **DBE NOVEMBER 2015**

6.2 Read the scenario below and answer the questions that follow.

| **INVESTMENTS** |
|---|
| Claire wants to invest R2 000 in a savings plan for five years. She was advised to register and apply online or go directly to the National Treasury. |

6.2.1 Name the type of investment that Claire was advised to choose. (2)

6.2.2 Explain the benefits of investing in the type of investment referred to in QUESTION 6.2.1. (8)

**QUESTION 3** **DBE/MARCH 2016**

3.2.4 Discuss the functions of the JSE. (8)

3.3 Read the scenario below and answer the questions that follow.

| |
|---|
| Mahlori owns a thatched house valued at R1 000 000. He insured his house with Pro-cover Insurers for R800 000. A fire in the kitchen caused damages of R30 000. |

3.3.1 Calculate the amount that Pro-cover insurers will pay to Mahlori cover damages. Show ALL calculations. (4)

3.3.2 Briefly explain why Mahlori did not qualify for the full amount of damages sustained. (4)

3.4 Tabulate the differences between dividends and interest. (4)

**QUESTION 6** **DBE MARCH 2016**

6.4 Tabulate the differences between indemnification and security as principles of a legal insurance contract. (8)

**QUESTION 8** **DBE MARCH 2016**

| |
|---|
| Businesses operate in dynamic and risky environments. Insurance will always play a vital role in ensuring that they are sustainable.<br>Gant Ltd believes that insurance is a sound investment and want to make informed decisions about their insurance investments. |

Gant Ltd contacted you as an independent financial investment advisor. Your advice must include the following:

- Explain the importance of insurance on businesses.
- Differentiate between compulsory and non-compulsory insurance and give TWO examples for each.
- Advise the company by providing a description of any FOUR suitable forms of investments. Elaborate on the risk factor of EACH.

**QUESTION 3** **DBE SCE JUNE 2016**

3.3 Describe TWO types of preference shares. (6)

3.5 Read the scenario below and answer the questions that follow.

| |
|---|
| Sarie bought a business property worth R1 000 000, but she insured it for R800 000. Flooding destroyed a part of the property and damages were estimated at R400 000. |

3.5.1 Identify the insurance clause that applies to Sarie's situation in the scenario above. (1)

3.5.2 Calculate the amount that the insurer will pay Sarie. (5)

**QUESTION 6** **DBE SCE /JUNE 2016**

6.3 Identify the type of insurance applicable to EACH statement below:

6.3.1 Zaire will receive compensation for losing her job due to the company's restructuring.

6.3.2 Levy will be compensated for serious injuries he sustained in a taxi accident on his way to work. (4)

6.4 Jack wants to insure his business against various risks. Give TWO examples EACH of insurable risks and non-insurable risks. (4)

**QUESTION 8: BUSINESS VENTURES (INVESTMENTS)** **SCE JUNE/ 2016**

Tom is a first-year commerce student who inherited a large sum of money recently. He wants to invest this money to start his own business in three years' time. Tom is considering investing in ordinary shares on the Johannesburg Security Exchange Ltd (JSE) and RSA Retail Savings Bonds/Government Retail Bonds.

Advise Tom on the following investment aspects:

- Discuss the factors to be considered when making investment decisions.
- Explain the functions of the Johannesburg Security Exchange Ltd (JSE).
- Distinguish between compound interest and simple interest.
- Evaluate the impact of RSA Retail Savings Bonds/Government Retail Bonds on investors. **[40]**

**QUESTION 3** **DBE /NOVEMBER 2016**

3.1 Define the term insurance and give TWO examples of insurable risks. (4)

3.3 Outline THREE advantages of ordinary shares. (6)

3.4 Read the scenario below and answer the questions that follow.

**ANDRIES AND TSHIDI'S INVESTMENT OPTIONS**

Andries and Tshidi each have R3 000 to invest. Andries invests in a savings account at a bank where he will receive 10% p.a. interest, paid out every 6 months. Tshidi invests in a flexi-deposit account at a bank for two years at 10% p.a. interest, compounded annually.

3.4.1 Calculate the interest amount Andries will receive after 2 years. (3)

3.4.2 Calculate the interest amount Tshidi will receive after 2 years. (4)

3.4.3 Identify the better investment option and motivate the answer. (3)

**QUESTION 6** **DBE NOVEMBER 2016**

6.3 Name THREE types of compulsory insurance. (3)

6.4 Identify EACH type of investment described below:

6.4.1 Interest is guaranteed and paid out or re-invested twice a year.

6.4.2 A combination of different shares and securities are selected and managed by a fund manager as a balanced portfolio. (4)

**QUESTION 3** **DBE/FEB- MARCH 2017**

3.2 Identify the type of shares represented by EACH statement below.

3.2.1 Shares are issued to existing shareholders as compensation for loss of dividends.

3.2.2 Shareholders receive their dividends before others can be paid out.

3.2.3 These shares are issued to shareholders who started the company.

3.2.4 These shareholders may receive higher dividends when the company has made large profits. (8)

3.3 Outline the functions of the Johannesburg Securities Exchange Ltd (JSE). (8)

3.5 Distinguish between compound and simple interest. (8)

**QUESTION 6** **DBE/FEB-MARCH 2017**

6.4 Explain how *return on investment and risk* may influence the decision to invest in shares. (4)

**QUESTION 8** **DBE/FEB-MARCH 2017**

**SMART INSURANCE**

Mr Funa is an insurance broker at Smartsurance. He has to do a presentation on different types of insurance products at a meeting of local business owners. He is also expected to convince potential clients on the importance of insurance.

Mr Funa needs details on the following aspects to be included in his presentation. He requires you to:

- Distinguish between compulsory and non-compulsory insurance. Give TWO practical examples of each.
- Explain the importance of insurance for businesses.
- Discuss THREE principles of insurance.
- Advise him on how he can improve his next presentation. **[40]**

**QUESTION 3** **SCE JUNE 2017**

3.1 Give FIVE examples of long-term insurance. (5)

3.2 Classify EACH statement below under compulsory or non-compulsory insurance:

3.2.1 Sam claimed from the Road Accident Fund for losing his aim in a car accident.

3.2.2 Yugo Manufacturers insured their workers against injuries and diseases that may occur in the workplace.

3.2.3 Floyd's Tiling insured their building against theft and fire.

3.2.4 James claimed from Unemployment Insurance Fund during the time that he was unemployed.

3.2.5 Lisa insured her life against any event that may render her incapable at work.

(10)

3.3 Read the scenario below and answer the questions that follow.

| |
|---|
| John inherited R350 000 from his mother. He wants to invest this amount in a safe and low-risk investment option with a guaranteed return where no charges, fees or commission are payable. |

3.3.1 Identify the type of investment that will suit John's requirements. Motivate your answer. (3)

3.3.2 Explain the advantages of the type of investment identified in QUESTION 3.3.1 (6)

3.6 Read the scenario below and answer the questions that follow.

| |
|---|
| Marie and Tsolo each invested R10 000 at the same bank which offered both of them 10% interest per year. The bank applied different methods to calculate their respective amounts. Marie received R2 000 and Tsolo R2100 after two years. |

3.6.1 Identify the methods used by the bank to calculate Marie and Tsolo's interest. Motivate your answer. (6)

3.6.2 Explain the differences between the methods used to calculate the interest identified in QUESTION 3.6.1 (8)

**QUESTION 6** **SCE /JUNE 2017**

6.4 Read the scenario below and answer the questions that follow.

| **VENTER (PTY) LTD** |
|---|
| Venter (Pty) Ltd have been successfully operating as a private company, but now want to convert to a public company so that they can be listed. This will allow them to invite the public to buy shares. |

6.4.1 Name the institution that is responsible for the listing of public companies. (2)

6.4.2 Outline any THREE functions of the institution identified in QUESTION 6.4.1. (6)

**QUESTION 3** **DBE/NOVEMBER 2017**

3.1 Name FIVE factors that could be considered when making investment decisions. (5)

3.2 Outline FOUR rights of preference shareholders. (8)

3.5.2 Explain the functions of the JSE where KP can sell their shares. (10)

**QUESTION 6** **DBE/NOVEMBER 2017**

6.3 Tabulate the differences between compound interest and simple interest. (8)

**QUESTION 8** **DBE/NOVEMBER 2017**

| |
|---|
| Insurance companies offer a variety of insurance products that are vital to businesses. Some businesses argue that insurance and assurance decrease their profit, while others feel that insurance products provide peace of mind for any eventuality. Businesses are also required to contribute to compulsory insurance. |

With reference to the scenario above, write an essay on the following aspects:

- Distinguish between insurance and assurance.
- Discuss the THREE types of compulsory insurance.
- Elaborate on the meaning of the average clause and explain how it is calculated.
- Evaluate the positive impact of insurance on businesses. **[40]**

**QUESTION 3** **DBE /FEB. MARCH 2018**

3.4 Explain the meaning of compound interest. (4)

3.5 Read the scenario below and answer the questions that follow.

| |
|---|
| Insuring assets against theft, damage, fire and burglary is essential for every business. Businesses should also plan carefully for risks which are not insurable. |

3.5.1 Quote THREE examples of insurable risks from the scenario above. (3)

3.5.2 Explain the term non-insurable risks and give ONE example of such a risk. (3)

3.5.3 Advise businesses on the importance of insurance. (8)

3.6 Discuss THREE types of benefits covered by Unemployment Insurance Fund (UIF). (9)

**QUESTION 6** **DBE /FEB.MARCH2018**

6.4 Read the scenario below and answer the questions that follow.

| **KAY BED & BREAKFAST (KBB)** |
|---|
| Kay Bed & Breakfast insured their property for R600 000, but the property is valued at R800 000. Fire destroyed part of the property damages amounted to R500 000. |

6.4.1 Identify the insurance clause that will be applied to KBB's claim for damages. (2)

6.4.2 Calculate the amount that the insurer will pay KBB for damages incurred. (4)

**QUESTION 8** **DBE/ FEB.MARCH2018**

| **MPHO CAR WASH** |
|---|
| Recently Mpho Car Wash made large profits due to excellent services rendered. Mpho, the owner wants to invest his surplus funds in unit trusts and buy shares which are listed on the Johannesburg Security Exchange Ltd (JSE). |

Write an essay to guide Mpho on the following investment aspects:

- Discuss the functions of the JSE.
- Explain the following factors that must be considered when making investment decisions.
  - Return on investment.
  - Investment period.
  - Liquidity.
- Describe FOUR types of shares.
- Advise Mpho on the effectiveness of unit trusts as a good investment. **[40]**

**QUESTION 3** **DBE SCE /JUNE 2018**

3.8 Discuss the following factors that should be considered when making investment decisions:

3.8.1 Inflation (2)

3.8.2 Investment period (2)

3.8.3 Return on investment (2)

**QUESTION 6: BUSINESS VENTURES** **DBE/JUNE SCE 2018**

6.4 Read the scenario below and answer the questions that follow.

| **RETHABILE TRAINING AND LOGISTICS (RTL)** |
|---|
| Rethabile Training and Logistics have increased their number of clients because of the quality of the services offered by the business. The management of RTL have instructed the bank to manage their investment in a diverse portfolio managed by a specialist. |

6.4.1 Identify the type of investment option that is applicable to the scenario above. (2)

6.4.2 Discuss the advantages of the type of investment identified in QUESTION 6.4.1. (6)

6.5 Identify the type of compulsory insurance applicable to EACH statement below.

6.5.1 Nathalie broke her leg when her car collided with another car and she is demanding compensation. (2)

6.5.2 Piet lost his job due to retrenchment and he is claiming compensation from the Department of Labour. (2)

**QUESTION 3: BUSINESS VENTURES** **DBE /NOVEMBER 2018**

3.1 Give THREE examples of insurable risks. (3)

3.2 Outline TWO rights of ordinary shareholders. (4)

3.5 Read the scenario below and answer the questions that follow.

| |
|---|
| Ronnete wants to invest R30 000 in a fixed deposit for two years. She approached two banks. Saints Bank offered her 12% simple interest per annum and Caprica Bank 12% compounded interest per annum. |

3.5.1 Calculate the interest amount Ronnete will receive after two years if she invests with Saints Bank. (3)

3.5.2 Calculate the interest amount Ronnete will receive after two years if she invests with Caprica Bank. (4)

3.5.3 Recommend the best investment option for Ronnete. Motivate your answer. (3)

3.6 Discuss any TWO principles of insurance. (6)

**QUESTION 6: BUSINESS VENTURES** **DBE/ NOVEMBER 2018**

6.4 Read the scenario below and answer the questions that follow.

| **JENNY AND JONE AUDITORS (JJA)** |
|---|
| Jenny and Jone Auditors insured their office building for R1 000 000. The market value of the building is R1 500 000. The building was damaged by floods and the damage amounted to R80 000. They received compensation of R53 333 from the insurance company. |

6.4.1 Identify the insurance clause applied by the insurance company in the scenario above. (2)

6.4.2 Elaborate on the meaning of the insurance clause identified in QUESTION 6.4.1. (4)

**QUESTION 8: BUSINESS VENTURES (INVESTMENTS AND FORMS OF OWNERSHIP) DBE/NOVEMBER 2018**

| |
|---|
| Peter and Teko are partners in P & T Consultancy. They are considering investing their surplus funds in RSA Retail Savings Bonds/government retail bonds and in preference shares of companies listed on the JSE. |

Keep the scenario above in mind and write detailed notes on the following aspects:

- Outline the functions of the JSE.
- Describe FOUR types of preference shares.
- Evaluate the impact of the RSA Retail Savings Bonds/government retail bonds on investors.
- Advise Peter and Teko on how the following factors could contribute to the success and/or failure of their partnership
  - Management
  - Legislation **[40]**

**QUESTION 3** **DBE SC/NSC JUNE 2019**

3.1 Give FIVE examples of non-insurable risks. (5)

3.2 Outline the functions of the Johannesburg Securities Exchange. (8)

3.3 Distinguish between insurance and assurance. (8)

3.5 Read the scenario below and answer the questions that follow.

| |
|---|
| Nellie won R500 000 in the lottery draw and decided to invest the money in a fixed deposit a Ithuba Bank. The bank offered her an interest of 12% compounded annually over a period of three years. |

3.5.1 Define compound interest. (2)

3.5.2 Calculate the amount of interest that Nellie will receive after three years. Show ALL your calculations. (5)

3.5.3 Name another type of interest that could be offered by Ithuba Bank. (2)

**QUESTION 8: BUSINESS VENTURES (INVESMENT ANDPRESENTATION) DBE SC/NSC JUNE 2019**

| |
|---|
| Mario, financial consultant, made a presentation on ordinary and preference shares. The presentation also addressed factors that need to be considered when making investment decisions. Mario received negative feedback from the audience on his presentation. |

Write an essay on investments and presentation in which you include the following aspects:

- Differentiate between ordinary and preference shares.
- Discuss the following factors that must be considered when making investment decisions:
  - Risk
  - Taxation
  - Investment period
- Explain to Mario the factors that he should consider during a presentation.
- Recommend ways in which Marion can improve his next presentation. **[40]**

**QUESTION 3: BUSINESS VENTURES** **DBE/NOVEMBER 2019**

3.1 State FOUR types of preference shares. (4)

3.2 Outline the advantages of unit trusts as form of investment. (8)

3.4 Discuss the importance of insurance for businesses. (8)

3.5 Explain the following factors that may be considered when making investment decisions:

3.5.1 Return on investment (4)

3.5.2 Liquidity (4)

3.6 Read the scenario below and answer the questions that follow.

| **TOP TRADERS(TT)** |
|---|
| Top Traders bought stock worth R400 000, but insured it for R300 000. A fire in the warehouse destroyed stock to the value of R60 000. |

3.6.1 Name the insurance clause that is applicable to the scenario above. (2)

3.6.2 Calculate the amount that Top Traders will receive as compensation from the insurer.

Show ALL calculations. (4)

**QUESTION 6: BUSINESS VENTURES** **DBE /NOVEMBER 2019**

6.3 Identify the types of business investment opportunities that were used by Prime Plumbers in EACH statement below:

6.3.1 Prime Plumbers invested R50 000 for six months at 12% interest with a financial institution.

6.3.2 Prime Plumbers received dividends for their portion of ownership in Blue Range Ltd. (4)

6.4 Outline the functions of the Johannesburg Securities Exchange (JSE). (6)

**LEADERSHIP AND MANAGEMENT**

**QUESTION 3** **DBE/MARCH 2016**

3.5 Read the scenario below and answer the questions that follow:

**FOAM BRIGHT(PTY) LTD (FB)**

Jozi and Jane are managers in large laundry business, Foam Bright (Pty)Ltd, in Kimberly.
Jozi manages the laundry and dry-cleaning and usually changes her leadership style to fit the task on hand.

Jane is the marketing, administration and delivery manager and believes that time is money. She introduced a laundry "fetch-and-drop" service which will ensure an increase in income. She offers incentives to motivate employees to meet weekly targets and deadlines. If deadlines are not met, employees may not receive all their incentives.

3.5.1 Jozi is typical example of a situational leader. Quote from the scenario above to support the statement. (1)

3.5.2 Identify the type of leadership that Jane mostly applies as manager in her department.

Motivate your answer using information from the scenario above. (3)

3.5.3 Evaluate the impact of Jane's type of leadership, referred to in QUESTION 3.5.2, on the business. (6)

**QUESTION 3** **DBE SCE JUNE 2016**

3.1 Read the scenario below and answer the questions that follow.

**FANCY CLOTHING**

Patrick is the manager of Fancy Clothing. He rewards his employees for producing high quality products and punishes them if targets are not met.

3.1.1 Identify the leadership style used by Patrick. (2)

3.1.2 Evaluate the impact of Patrick's leadership style on his business as described in the scenario above. (8)

3.2 Distinguish between leadership and management. (8)

**QUESTION 3** **DBE/NOVEMBER 2016**

3.6 Discuss the role of personal attitude in successful leadership. (8)

**QUESTION 8** **DBE NOVEMBER 2016**

| |
|---|
| Successful businesses believe that leadership and management form an integral part of their success. Others argue that management plays a more important role than leadership in the success of businesses. |

Support the above arguments by referring to the following aspects in your answer:

- Give TWO differences between leadership and management.
- Discuss situational and transformational leadership theories.
- Evaluate the impact of autocratic and transactional leadership styles on businesses and suggest situation in which each leadership style can be applied. **[40]**

**QUESTION 3** **DBE/FEB-MARCH 2017**

3.6 Read the scenario below and answer the questions that follow.

| **BALOYI TRADERS** |
|---|
| Ms Green, a manager at Baloyi Traders, regularly requests employees to contribute ideas on how to increase business profits. |

3.6.1 Name the leadership style that Ms Green is applying in the scenario above. Motivate you answer. (3)

3.6.2 Discuss the impact of Ms Green's leadership style identified in QUESTION 3.6.1 on Baloyi Traders. (8)

**QUESTION 3** **SCE JUNE 2017**

3.4 Identify the leadership styles that are applicable to the following situations:

3.4.1 Georgina uses her personality to inspire employees to do more than what is normally expected.

3.4.2 The CEO of Trevor Shuttle Services requested experienced employees to share their ideas when important decisions need to be taken.

3.4.3 The employees of Sizwe Marketing LTD may choose their own work methods as long they do not violate the company's policies. (6)

3.5 Analyse the impact of an autocratic leadership style on business. (8)

**QUESTION 1: 26 marks 30 minutes GDE**

1.1 Identify the leadership theory that the management of Rori manufacturers has applied in each statements below:

1.1.1 Tasks are allocated to employees according to the level of maturity.

1.1.2 Rori uses his passion to inspire his workers to change.

1.1.3 Rori delegates tasks to followers that are dedicated and committed to do the work. (6)

1.2 Discuss any TWO leadership theories that have been identified in QUESTION 1 (20)

> ***Hint:*** *Candidates have a tendency to confuse the leadership styles with theories, especially transformational and transactional. Transactional is a style whilst the former is a theory.*

**QUESTION 4: 36 marks 30 minutes GDE 2018**

4.1 Evaluate the impact of the following leadership styles on leadership and management:

4.1.1 Autocratic (8)

4.1.2 Democratic (8)

4.1.3 Laissez faire (8)

**QUESTION 3 DBE /NOVEMBER 2017**

3.3 Identify the leadership style applied by Kobus Limited in EACH case below.

3.3.1 Employees are allowed to make their own decisions as long as they do not violate the company's policies. (2)

3.3.2 Employees are requested to give inputs during planning sessions. (2)

3.3.3 Employees are rewarded for meeting sales targets and punished for not meeting deadlines. (2)

3.4 Explain the role of personal attitude in successful leadership. (6)

**QUESTION 3 DBE /FEB MARCH 2018**

3.3 Explain the differences between democratic leadership style and the autocratic leadership style. (8)

**QUESTION 6 DBE /FEB MARCH2018**

6.3 Discuss situational leadership as a management and leadership theory. (8)

**QUESTION 3** **DBE/ SCE 2018**

3.6 Discuss the transformational leadership theory. (6)

**QUESTION 8: BUSINESS VENTURES (MANAGEMENT AND LEADERSHIP)**

| |
|---|
| Managers and leaders have realised that they need both management and leadership skills for successful business ventures. They are also in agreement that personal attitude plays an important role in promoting a good team spirit. |

With reference to the statement above, write an essay on the following aspects:

- Give THREE differences between management and leadership.
- Discuss the role of personal attitude in successful leadership.
- Analyse the impact of democratic and laissez-faire/free reign leadership styles on businesses.
- Recommend situations in which the above-mentioned leadership styles could be applied in the workplace.

**[40]**

**QUESTION 3: BUSINESS VENTURES** **DBE/ NOVEMBER 2018**

3.3 Tammy allocates tasks to employees according to their level of maturity.

3.3.1 Name the leadership theory that Tammy is applying. (2)

3.3.2 Discuss the leadership theory identified in QUESTION 3.3.1. (8)

**QUESTION 3** **DBE SC/NSC JUNE 2019**

3.6 Read the scenario below and answer the questions that follow.

| **GIANT COMPUTER SOFTWARE(GCS)** |
|---|
| GCS specialises in developing new computer software for various computer programmes. Cindy, the production manager, offers rewards to motivate employees who meet set targets. Tom, the marketing manager, uses charm to influence his team to work hard. |

3.6.1 Identify the leadership style used by Cindy and Tom. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 3.6.1

| | **LEADERSHIP STYLE** | **MOTIVATION** |
|---|---|---|
| Cindy | | |
| Tom | | |

(6)

3.6.2 Discuss the impact of Tom's leadership style as identified in QUESTION 3.6.1 on businesses. (8)

**QUESTION 3: BUSINESS VENTURES** **DBE/NOVEMBER 2019**

3.3 Read the scenario below and answer the questions that follow.

| **MOUNTAIN HOTEL (MH)** |
|---|
| Sihle, the owner of Mountain Hotel, applies the democratic leadership style in managing his employees. He has a positive attitude and knows that there is always more to learn. She models the behaviour that he wants to see in his followers. |

3.3.1 Quote TWO roles of personal attitude in successful leadership displayed by Sihle in the scenario above. (2)

3.3.2 Advise Sihle on the impact of the democratic leadership style on MH as a business. (8)

**QUESTION 6: BUSINESS VENTURES** **DBE/ NOVEMBER 2019**

6.5 Discuss the *situational leadership theory*. (6)

**QUESTION 6** **DBE SC/NSC JUNE 2019**

6.3 Name THREE types of leadership theories. (3)