



**education**

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Noordwes Departement van Onderwys

North West Department of Education

**NORTH WEST PROVINCE**

**GRADE 12**

**PAPER 2 COLLECTABLE MARKS**

**REVISION QUESTIONS: TEAM PERFORMANCE ASSESSMENT & CONFLICT  
MANAGEMENT,**

**INVESTMENT SECURITIES/OPPORTUNITIES, INVESTMENT INSURANCE AND  
PRESENTATION AND**

**DATA RESPONSE**

**2020**

**BUSINESS STUDIES**

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**Instructions to learners:**

- a) Read your notes following the sequence of the bullets outlined in the extracts the Grade 12 Examination Guidelines 2020
- b) After reading content/a topic relating to each bullet go to your revision activities provided for each topic addressed in this document.
- c) Attempt all questions relevant to a specific bullet of the core content for a particular topic e.g. for investment securities bullet one will be addressed by practice question 1 under 1.2.1, bullet two by practice question 2 under 1.2.2 etc.

**NB:** Do all questions as they were provided to expose you to various ways in which same content can be addressed. Some content cannot be mastered by just doing one activity/question e.g. calculations

- d) Go to your marking guidelines or notes and mark yourself to check correctness of your answers.
- e) As you mark each question check the way ticks are allocated comparing to action verbs used in a particular question.
- f) Check where you went wrong and go back to your notes and study the topic again.

**BROAD TOPIC: BUSINESS ROLES: TEAM PERFORMANCE ASSESSMENT CONFLICT MANAGEMENT**

The following is an extract from the Grade 12 Examination Guideline 2020(Refer to pages 35-36)

**2.5 Learners should be able to:****TEAM PERFORMANCE ASSESSMENT**

- Outline/Explain/Discuss the criteria for successful team performance: interpersonal attitudes and behaviours, shared values, communication and collaboration.
- Identify the above-mentioned criteria from given scenarios/statements.
- Outline/Explain/Discuss the characteristics of successful team performance.
- Identify/Name the following stages of team development from given scenarios/statements:
  - Forming
  - Storming
  - Norming
  - Performing
  - Adjourning/Mourning
- Explain/Describe/Discuss the above-stated stages of team development.
- Describe/Explain/Discuss/Elaborate on the importance of team dynamic theories in improving team performance, e.g. allocating tasks according to the roles of team members.

**CONFLICT RESOLUTION**

- State/Outline/Explain/Describe/Discuss causes of conflict in the workplace.
- Identify causes of conflict from given scenarios/statements
- Explain/Advise businesses on how they should handle conflict in the workplace (Conflict resolution steps/techniques)

**DEALING WITH GRIEVANCES AND DIFFICULT PEOPLE/PERSONALITIES**

- Differentiate between grievance and conflict.
- Explain/Discuss the correct procedures to deal with grievances in the workplace.
- Identify/Name the following difficult people/ personalities from given scenarios/statements:
  - Complainier
  - Indecisive
  - Over-agree
  - Negativity
  - Expert
  - Quiet
- Suggest/Recommend ways in which businesses can deal with the above stated difficult people/personalities in the workplace.
- Explain/Suggest ways in which businesses can deal with difficult employees in the workplace.

**The practice questions were drawn from the following sources**

QUESTION PAPER	QUESTIONS	Content addressed
DBE NOV 2015	Q6.4 & 6.5	Criteria for successful team performance, ways in which businesses can deal with difficult employees in the workplace
DBE Feb/March 2016	Q9	Ways in which businesses can deal with difficult employees in the workplace
DBE May/June 2016	Q4.3, Q4.4	Causes of conflict, stages of team development
DBE NOV 2016	Q6.6, 6.7, Q9	The characteristics of successful team performance, ways in which businesses can deal with difficult people/personalities
DBE Feb/March 2017	Q4.2, 4.5, Q4.6, Q9	Criteria for successful team performance, stages of team development the importance of team dynamic theories in improving team performance, conflict resolution steps/techniques
DBE Feb/March 2018	Q9	Conflict resolution steps/techniques,
DBE May/June 2018	Q4.2, 4.5, 4.6,	Causes of conflict, stages of team development, the correct procedures to deal with grievances in the workplace
DBE NOV 2018	Q4.2, 4.1, 4.6 & Q9	Stages of team development, causes of conflict, ways in which businesses can deal with difficult people/personalities
DBE May/June 2019	Q4.2, Q6.6 & 6.7	Identifying causes of conflict from given scenarios/statements, identifying stages of team development from given scenarios/statements, the correct procedures to deal with grievances in the workplace.
DBE NOV 2019	Q9	Causes of conflict, ways in which businesses could deal with difficult people in the workplace
DBE Exemplar P2 2020	Q3.6	The correct procedures to deal with grievances in the workplace
GP Prep 2018	Q4.4	Ways in which businesses can deal with difficult people/personalities
GP & NW	Q4	Differentiate between grievance and conflict

- ❖ The headings numbered 2.5.1-2.5.14 relates to the elaboration of core content which learners are expected to know according to the Grade 12 Examination Guideline 2020(refer to the extract provided on Page 2)
- ❖ Each practice question provided below addresses a specific bullet outlined in the core content. There are 14 practice questions addressing 14 bullets of Team Performance Assessment and Conflict Management
- ❖ The document also provides typical essay and Section A type practice questions which you also need to attempt to get exposed to all Sections covered in the Business Studies question paper.
- ❖ All questions used were derived from the DBE previous question papers and other relevant sources (refer to table above).

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**PRACTICE QUESTIONS: TEAM PERFORMANCE ASSESSMENT**

**2.5.1** Outline/Explain/Discuss the criteria for successful team performance: interpersonal attitudes and behaviours, shared values, communication and collaboration.

**Practice question 1**

1.1 Discuss the following criteria for assessing successful team performance:

    1.1.1 Interpersonal attitude and behaviour (2)

    1.1.2 Communication (2)

    1.1.3 Shared values (2)

1.2 Explain any THREE criteria for successful team performance. (9)

1.3 You are part of the 'Dream Big' community project team. The success of this project depends on the effectiveness of the team. Discuss any THREE criteria for successful teams. (9)

**2.5.2 Identify the above-mentioned criteria from given scenarios/statements.**

**Practice question 2**

**2.5.3 Outline/Explain/Discuss the characteristics of successful team performance.**

**Practice question 3**

3.1 Explain the characteristics of successful teams. (4)

**2.5.4 Identify/Name the following stages of team development from give scenarios/statements:**

- Forming
- Storming
- Norming
- Performing
- Adjourning/Mourning

**Practice question 4**

4.1 Identify the stages of team development applicable to Shiburi Construction team in EACH statement below:

    4.4.1 Team members confront each other's ideas and fight for leadership position.

    4.4.2 The team is aware of its aims and makes decisions without supervision.

    4.4.3 Team members gather information about the task that must be performed.

    4.4.4 Team members compare each other's ideas and fight for a leadership position. (8)

- 4.2 Read the scenario below and answer the questions that follow.

### DREAM TEAM (DT)

Dream Team is a group of computer science graduates who want to undertake a research project. They were comfortable with each other during their first meeting.

- 4.2.1 Identify the stage of team development that is applicable to the scenario above.  
Motivate your answer by quoting from the scenario. (3)
- 4.2.2 Discuss THREE other stages of team development. (9)

- 4.3 Read the scenario below and answer the questions that follow.

### SHINING STARS (SS)

Lerato, Josiah and Gerry started a recycling project, known as Shining Stars. Josiah always questioned the other members' ideas and opinions as he wanted to be the team leader. The team members eventually reached an agreement and consensus on the way forward.

- 4.3.1 Identify the TWO stages of team development that were experienced by SS.  
Motivate your answer by quoting from the scenario above. (6)

Use the table below as a guide to answer QUESTION 4.3.1.

STAGES OF TEAM DEVELOPMENT	MOTIVATION

- 4.3.2 Explain THREE other stages of team development. (9)

- 2.5.5 Explain/Describe/Discuss the above-stated stages of team development.

#### Practice question 5

- 5.2 Describe the stages of team development. (12)
- 5.1 Discuss FOUR stages of team development.. (8)
- 2.5.6 Describe/Explain/Discuss/Elaborate on the importance of team dynamic theories in improving team performance, e.g. allocating tasks according to the roles of team members.

#### Practice question 6

- 6.1 Elaborate on the importance of team dynamic theories in improving team performance. (4)

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## CONFLICT RESOLUTION

### 2.5.7 State/Outline/Explain/Describe/Discuss causes of conflict in the workplace.

#### Practice question 7

- |       |   |      |
|-------|---|------|
| 7.1.1 | State FIVE causes of conflict in the workplace.         | (5)  |
| 7.1.2 | .Discuss the causes of conflict in the workplace.       | (10) |
| 7.1.3 | Describe any THREE causes of conflict in the workplace. | (9)  |

### 2.5.8 Identify causes of conflict from given scenarios/statements

#### Practice question 8

- 8.1 Identify the causes of conflict applicable to Siyaya Inc. in EACH statement below:
- 8.1.1 The Dream Team is not willing to work with the Khula Team who always receives awards.
- 8.1.2 Employees do not complete their tasks effectively as clear instructions are not always provided.
- 8.1.3 Employees always argue over the use of equipment to accomplish their tasks.
- 8.1.4 Some employees cannot cope with the large number of tasks given to them. (8)
- 8.2 Read the scenario below and answer the questions that follow.

#### TREVOR TYRES LTD(TT)

Trevor Tyres Ltd(TT) employ workers from diverse backgrounds. Some workers find it difficult to tolerate others beliefs and values. Many workers fight over the use of the businesses' limited resources and some ignore business rules.  
Management refuses to address the workers' concerns, despite a formal complaint being lodged by some workers.

- 8.2.1 Quote FOUR causes of conflict in the scenario above. (4)
- 8.2.2 Recommend ways in which Trevor Tyres Ltd can address. EACH of the causes of conflict referred to in QUESTION 8.2.1 (8)
- 2.5.9 Explain/Advise businesses on how they should handle conflict in the workplace (Conflict resolution steps/techniques)

#### Practice question 9

- 9.1 Explain how businesses should handle conflict in the workplace. (8)
- 9.2 Advise businesses on the steps to be applied when resolving conflict in a team. (8)

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## DEALING WITH GRIEVANCES AND DIFFICULT PEOPLE/PERSONALITIES

2.5.10 Differentiate between grievance and conflict.

### Practice question 10

10.1 Differentiate between grievance and conflict. (8)

2.5.11 Explain/Discuss the correct procedures to deal with grievances in the workplace.

### Practice question 11

11.1 Explain the correct procedure to deal with grievances in the workplace. (8)

11.2 Discuss the correct procedure to deal with grievances in the workplace. (8)

2.5.12 Identify/Name the following difficult people/personalities from given scenarios/statements:

- Complainier
- Indecisive
- Over-agree
- Negativity
- Expert
- Quiet

### Practice question 12

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

#### LELETHU SHUTTLE SERVICES (LSS)

Lelethu Shuttle Services provide transport services for tourists in Sharpeville. Albert, a well-experienced employee in the transport industry, refuses to take instructions from management. Njabulo, the supervisor at LSS, is always arguing and fighting with the clients.

12.1.1 Identify the types of difficult personalities displayed by Albert and Njabulo. Motivate your answer by quoting from the scenario above. (6)

Use the table below as a guide to answer QUESTION 4.6.1.

EMPLOYEES	TYPE OF DIFFICULT PERSONALITY	MOTIVATION
Albert		
Njabulo		

12.1.2 Recommend ONE strategy that LSS can use to deal with EACH type of difficult personality identified in QUESTION 12.1.1. (4)

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**2.5.13 Suggest/Recommend ways in which businesses can deal with the above stated difficult people/personalities in the workplace.**

**Practice question 13**

13.1 Recommend ONE **strategy** that could be used when dealing with the following difficult personalities:

13.1.1 Aggressive (2)

13.1.2 Complainier (2)

13.1.3 Expert (2)

**2.5.14 Explain/Suggest ways in which businesses can deal with difficult employees in the workplace.**

**Practice question 14**

14.1 Suggest ways in which businesses can deal with difficult people.

**TYPICAL ESSAY TYPE QUESTIONS**

**ESSAY NO.1**

**QUESTION 9 (CONFLICT MANAGEMENT AND DIVERSITY)**

**DBE MARCH 2016**

Businesses employ workers from different cultural backgrounds and beliefs, which may lead to conflict in the workplace. Employees are also expected to work together in teams, which may intensify conflict.

Refer to the statement above and elaborate on the following in the workplace:

- Discuss possible causes of conflict.
- Identify and explain the team development stage in which conflict is most likely to take place.
- Suggest ways in which businesses can deal with difficult people.
- **Analyse the benefits of a diverse work force to businesses.** [40]

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## **ESSAY NO.2**

### **QUESTION 9: BUSINESS ROLES (TEAM PERFORMANCE AND CONFLICT MANAGEMENT)** DBE SCE JUNE 2017

Teamwork plays an important role in achieving business goals and objectives. Businesses spend large amounts of money and time on team building exercises and projects. Teams may consist of people from diverse backgrounds which may sometimes cause conflict.

As a team performance analyst, provide detailed information on the following:

- Explain any THREE criteria for successful team performance.
- Discuss the different stages of team development.
- Describe the causes of conflict that may arise in the workplace.
- Advise businesses on the steps to be applied when resolving conflict in a team. [40]

## **ESSAY NO.3**

### **QUESTION 9: BUSINESS ROLES (DIVERSITY AND CONFLICT MANAGEMENT)** DBE MARCH 2018

Businesses employ people who have different ways of doing things, which may lead to conflict. It is important that businesses identify diversity issues and find ways to deal with them. Businesses should be well informed about handling conflict in the workplace.

Write an essay on the following aspects:

- Discuss the benefits of a diverse work force.
- Suggest ways in which businesses may deal with language and age as diversity issues in the workplace.
- Explain the causes of conflict in the workplace.
- Advise businesses on how they should handle conflict in the workplace. [40]

## **ESSAY NO 4**

### **QUESTION 9: BUSINESS ROLES (TEAM PERFORMANCE AND CONFLICT MANAGEMENT)** DBE NOVEMBER 2019

Businesses encourage employees to work in teams, which may lead to conflict sometimes. For this reason, it is important for businesses to familiarise themselves with the stages of team development. They should also find ways to deal with conflict and difficult people in the workplace.

Write an essay on team performance and conflict management in which you address the following aspects:

- Describe FOUR stages of team development.
- Discuss the causes of conflict in the workplace.
- Explain how businesses could handle conflict in the workplace.
- Suggest ways in which businesses could deal with difficult people in the workplace.

[40]

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## **SECTION A (COMPULSORY)**

### **PRACTICE QUESTION 1**

#### **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 Diversity in business means ...

- A businesses should include people from different religions and cultures.
- B only previously disadvantaged individuals should be employed.
- C employ young people only.
- D include only English-speaking people.

1.1.3 In the resolution of ... management needs to listen and consider all views before deciding on the best action to take.

- A quality
- B teamwork
- C conflict
- D strategies

1.1.4 Which statement is TRUE with regard to creativity?

- A Only intelligent people are creative.
- B Knowledge does not support creativity.
- C Creativity is an inborn talent that can also be acquired through learning.
- D Only artistic people are creative.

1.1.5 A problem-solving technique where a team of experts are given questionnaires to obtain their opinions without bringing them together:

- A Force-field
- B Brainstorming
- C Empty chair
- D Delphi

- 
- 1.1.6 Which ONE of the following is an advantage of corporate social responsibility for a business?
- A Increases financial risks
  - B Good publicity to improve reputation
  - C Detailed reports must be drawn up
  - D Projects must be constantly monitored
- 1.1.7 This problem-solving technique allows a manager to find solutions on his/her own:
- A Brainstorming
  - B Delphi
  - C Empty chair
  - D Forced combination
- 1.1.8 SASOL Ltd is not only concerned about their financial position, but also about their social and environmental successes. They therefore report on their ... performance.
- A profitability
  - B social
  - C Porter's Five Forces
  - D triple bottom line
- 1.1.9 Joe believes in doing things differently to remain competitive. He applies... thinking to generate new ideas.
- A conventional
  - B routine
  - C creative
  - D inductive
- 1.1.10 The right of employees to join trade unions is known as freedom of ...
- A association.
  - B expression.
  - C movement.
  - D speech.

(9X2) (18)

- 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 (Discrimination/ Inclusivity) means valuing each person regardless of status, culture or disability.
- 1.2.2 (Economic/ Cultural) rights include freedom of expression and association.
- 1.2.3 Mr Ngobeni's name appears on the list of directors of Hubar Ltd even though he is employed as a driver. This practice is referred to as (nepotism/fronting)
- 1.2.4 (Decision-making/Problem-solving;) requires creative thinking skills to generate and evaluate alternative solutions. (4 x 2) (8)

- 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 J

COLUMN A	COLUMN B
1.3.2 Professional business conduct	A reporting is concealing information that may be harmful to a company's image
1.3.4 Storming stage	B assist to allocate tasks according to roles of individual members
1.3.4 Team dynamics theories	C assumes that people are born with a preference for certain attitudes and functions
1.3.5 Disclosure	D different individuals work together towards one goal
	E assumes that successful team performance is influenced by the behaviour of team members
	F ignoring the dress code of the business
	G adhering to business policies at all times
	H helps to identify the best leader
	I reporting on the positive and negative impact of a company
	J power struggle for the position of team leader occurs Sometimes

(4x2) (8)

**TOTAL SECTION A: 34**

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## Practice question 2

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 Businesses protect the environment through ...

- A recycling programmes.
- B dumping toxic waste in rivers and dams.
- C air pollution.
- D non-compliance with environmental legislation.

1.1.3 Businesses use their ... programmes to improve the living conditions of the communities within which they operate.

- A social governance
- B social investments
- C corporate social responsibility
- D corporate governance

1.1.4 ONE of the roles of the health and safety representative:

- A Identify potential dangers in the workplace
- B Report product defects
- C Make a monetary contribution to the central fund
- D Charge workers who do not comply with safety measures

1.1.5 Busi allows Joyce time to speak in an angry manner without attacking her. This is an example of dealing with a(n) ... personality.

- A complaining
- B quiet
- C expert
- D aggressive

- 
- 1.1.6 A business contributes towards the well-being of its employees by ...
- A providing recreational facilities.
  - B allowing them to work overtime without pay.
  - C encouraging those who are not physically fit for work to resign.
  - D excluding them from decision-making.
- 1.1.7 Team members gather information and impressions about each other in this stage of team development:
- A Mourning/Adjourning
  - B Storming
  - C Norming
  - D Forming
- 1.1.8 The right to choose and practise a religion is an example of ... rights.
- A economic
  - B social
  - C consumer
  - D cultural
- 1.1.9 Creative thinking in the workplace means ... to solve business problems.
- A using old ways
  - B generating innovative ideas
  - C using routine thinking
  - D allowing one employee
- 1.1.10 Businesses use team dynamics theories to ...
- A promote total satisfaction.
  - B allocate tasks according to the roles of team members.
  - C allocate tasks to team members with similar personalities.
  - D encourage competition within teams.

(9x2) (18)

- 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

CCMA; providing transport; social; grievance; conflict.; equity; conflict; environmental, SAQA

- 1.2.1 Businesses may advance the well-being of their employees by ...
- 1.2.3 An employee who has been treated unfairly may refer his/her matter to the...for resolution.
- 1.2.4 The ... procedure may be used to resolve the case of verbal abuse of the secretary by her manager.
- 1.2.5 A business that changes to cleaner production techniques is promoting ... protection.

(4 x 2) (8)

- 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 J

COLUMN A	COLUMN B
1.3.1 Creative thinking	A solve business problems by considering the pros and cons
1.3.2 Grievance	B disagreement between two or more parties in the workplace
1.3.3 Force-field analysis	C developing a moral compass for decision-making
1.3.4 Professionalism	D employees may have access to health care in the workplace
1.3.5 Social rights	E solve business problems by consulting experts individually
	F uses routine methods to solve problems
	G when an employee has a complaint in the workplace
	H upholds the reputation of a business
	I employees may observe religious holidays
	J uses non-routine methods to solve problems

(5X2) (10)

**TOTAL SECTION A: 36**

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### 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 When resolving differences between employees in the workplace, management needs to ...

- A dismiss the affected worker.
- B shift the blame.
- C address the causes of conflict.
- D transfer the difficult worker.

1.1.2 The process a senior manager uses to choose the best solution, is known as...

- A problem solving.
- B routine thinking.
- C decision making.
- D brainstorming.

1.1.3 Team dynamic theories help businesses to ...

- A allocate tasks to team members with similar personalities.
- B allocate tasks according to the role of each team member.
- C establish good relationships with teams.
- D promote individual satisfaction.

1.1.4 A King Code principle that requires companies to have their financial statements audited regularly:

- A Profitability
- B Responsibility
- C Sustainability
- D Transparency

- 
- 1.1.5 Telkom Ltd's concern is not only about their financial position, but also about their social and environmental successes. Therefore they report on their...performances.
- A profitability
  - B social
  - C operational
  - D triple bottom line
- 1.1.6 One of the following is the importance team dynamic theories in a business:
- A allocate tasks to team members with similar personalities
  - B establish good relationships with teams
  - C promote total satisfaction
  - D allocate tasks according to the roles of team members
- 1.1.7 Benny promotes ...by employing people from diverse backgrounds
- A accountability
  - B discrimination
  - C social rights
  - D inclusivity
- 1.1.8 ONE of the steps that businesses consider when handling conflict in the workplace:
- A Implement disciplinary procedures
  - B Provide recreational facilities
  - C Select appropriate solution
  - D Provide fringe benefits
- 1.1.9 Corporate Social Investment (CSI) includes:
- A measure taken by the business to protect the environment
  - B conducting research about consumer needs
  - C disclosing information about the ingredients of the product that may be harmful to the consumers
  - D identifies, plans and manages development plans for the community

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1.1.10 A disagreement between two people is ...

- A grievance
- B conflict
- C decision-making
- D problem-solving

1.1.11 A problem-solving technique requires each employee to first generate his/her own ideas and then share them with members:

- A Brainstorming
- B Force-field analysis
- C Empty chair
- D Nominal group technique

1.1.12 Goal Ltd contributes towards the well-being of their employees by ...

- A giving them the right to freedom of association.
- B providing recreational facilities.
- C allowing them longer break intervals despite tight deadlines.
- D providing transport to all employees regardless of working hours.

(12x2) (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.

interpersonal attitude; employer, dispute; race; consensus; norming; health and safety representative, grievance; language; performing; dynamics; collaboration

1.2.1 A business that appoints an interpreter for meetings is addressing ... as a diversity issue.

1.2.2 An employee lodges a ... through a formal, written complaint to senior management.

1.2.3 During the ... stage of team development, team members are motivated to work towards a common goal.

1.2.4 Group ...is a method that is used by teams to come to an agreement.

1.2.5 Willingness to co-operate as a unit to achieve team objectives is...

1.2.6 The responsibility of the ... is to provide all the necessary equipment for workers to perform their duties in a favourable work environment.

(6 x 2) (12)

- 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 J

COLUMN A	COLUMN B
1.3.1 Unethical business practice	A aims at uplifting the standard of living of communities
1.3.2 Economic right	B disagreement between two people
1.3.3 Grievance	C allows employees to have access to health care
1.3.4 CSI project	D disclose information about a product's ingredients that may be harmful to consumers
1.3.5 Aggressive	E overemphasises product information that has not been tested
	F an employee who is always unhappy about decisions taken by others in a meeting
	G aims at making maximum profits
	H allows employees to be paid equally for work of equal value
	I an employee complaint relating to poor working conditions
	J an employee who becomes argumentative when confronted by others in a meeting

(5x2) (10)

**TOTAL SECTION A: 40**

#### PRACTICE QUESTION 4

- 1.1.1 A problem-solving technique requires each employee to first generate his/her own ideas and then share them with members:
- A Brainstorming
  - B Force-field analysis
  - C Empty chair
  - D Nominal group technique

- 
- 1.1.2 Goal Ltd contributes towards the well-being of their employees by ...
- A giving them the right to freedom of association.
  - B providing recreational facilities.
  - C allowing them longer break intervals despite tight deadlines.
  - D providing transport to all employees regardless of working hours.

- 1.1.3 Thembi allows Joyce time to speak in an angry manner without attacking her. This is an example of dealing with a/an ... personality.
- A complaining
  - B quiet
  - C expert
  - D aggressive

- 1.1.5 Team dynamic theories help businesses to ...
- A allocate tasks to team members with similar personalities.
  - B allocate tasks according to the role of each team member.
  - C establish good relationships with teams.
  - D promote individual satisfaction.

(4x2) (8)

**BROAD TOPIC: BUSINESS VENTURES****INVESTMENT SECURITIES**

The following is an extract from the Grade 12 Examination Guideline 2020(Refer to pages 20-22)

**1.2 Learners should be able to:**

- Outline/Explain/Discuss the functions of the JSE.
- Investigate a range of available business investment opportunities.
- Outline/State/Describe/Explain/Discuss the following factors that should be considered when making investment decisions:
  - Return of investment (ROI)
  - Risk
  - Investment term/period
  - Inflation rate
  - Taxation
  - Liquidity
  - Personal budget
  - Investment planning factors
  - Volatility/Fluctuations on investment markets
- Explain/Discuss the various types of investments opportunities e.g. fixed property, stokvels, managed portfolio and venture capital etc.
- Explain the risk factor of each type of investment opportunity.
- Explain/Discuss/Analyse/Evaluate (positives/advantages and/or negatives/disadvantages) of the following forms of investment:
  - Government/RSA retail savings bonds
  - Unit trusts
  - Shares
  - Fixed deposit
  - Identify the following types of shares from given scenarios/statements:
    - Ordinary shares
    - Preference shares
    - Bonus shares
    - Founders shares
- Name/Outline/Explain/Discuss types of preference shares.
- Outline/State the rights of ordinary and preference shareholders.
- Identify types of preference shares from given scenarios/statements.
- Differentiate/Distinguish between ordinary and preference shares.
- Define/Explain the meaning of debentures, dividends, capital gain, simple interest, compound interest.
- Differentiate/Distinguish between simple interest and compound interest.
- Calculate simple and compound interest from given scenarios.
- Recommend the best investment option based on the calculations.

The practice questions were drawn from the following sources

QUESTION PAPER	QUESTIONS	Content addressed
DBE NOV 2015	Q6.2	Positives/advantages and/or negatives/disadvantages) of forms of investment:
DBE May/June 2015	Q6.3	Positives/advantages and/or negatives/disadvantages) of forms of investment:
DBE Feb/March 2016	Q3.2.4	Functions of the JSE,
DBE May/June 2016	Q3.3, 3.4	Factors that should be considered when making investment decisions, types of preference shares definition of investment concepts,
DBE NOV 2016	Q6.4 Q 3.4	Various types of investment opportunities calculation of interest,
DBE Feb/March 2017	Q 3.2, 3.3, 3.5 Q6.4	Functions of the JSE, Factors that should be considered when making investment decisions, identifying investment opportunities, identifying of preference shares, calculation of interest
DBE May/June 2017	Q3.3, and 3.6	Positives/advantages and/or negatives/disadvantages) of forms of investment:, calculation of interest
DBE NOV 2017	Q3, Q6 and Q8:	Functions of the JSE, factors to be considered in investment decisions, rights of preference shares
DBE Feb/March 2018	Q 3.1, 3.2, 3.5.2, Q8	Functions of JSE, identifying types of shares, definition of investment concepts, calculation of interest
DBE May/June 2018	Q3.2, and Q6.4	Factors to be considered in investment decisions, positives/advantages and/or negatives/disadvantages) of forms of investment, types of preference shares
DBE NOV 2018	Q3.2, 3.5 and Q8	Identifying types of shares, rights of ordinary shares
DBE May/June 2019	Q3.2, 3.5 and Q8:	Functions of the JSE, factors to be considered in investment decisions, distinguishing ordinary and preference shares, calculations of interest
DBE NOV 2019	Q3.1, 3.5, and Q6.4 ,6.3,	Functions of the JSE, factors to be considered in investment decisions, types of preference of shares
DBE Exemplar P2 2020	Q4.1, Q5,	Various types of investment opportunities

- ❖ The headings numbered 1.2.1-1.2.14 relates to the elaboration of core content which learners are expected to know according to the Grade 12 Examination Guideline 2020(refer to the extract provided on Page 21)
- ❖ Each practice question provided below addresses a specific bullet outlined in the core content. There are 14 practice questions addressing 14 bullets of Investment Securities.
- ❖ The document also provides typical essay and Section A type practice questions which you also need to attempt to get exposed to all Sections covered in the Business Studies question paper.
- ❖ All questions used were derived from the DBE previous question papers and other relevant sources (refer to table above).

## PRACTICE QUESTIONS

### 1.2.1 Outline/Explain/Discuss the functions of the JSE

#### Practice question 1

- 1.1.1 Discuss the functions of the JSE. (8)  
1.1.2 Outline the functions of the Johannesburg Securities Exchange Ltd (JSE). (8)  
1.1.3 Explain the functions of the JSE where KP can sell their shares. (10)

**NB:** The answers to the questions above are the same. The allocation of marks for 1.1.1 AND 1.1.3 will also be the same (split ticks i.e. 1 mark for fact and 1 mark for explaining your fact):  
1.1.2 will be allocated 2 marks at the end. The answer must be a full meaningful fact to qualify for two marks.

### 1.2.2 Investigate a range of available business investment opportunities.

#### Practice question 2

NB: The action verb can only be addressed through a research. You will not be asked to investigate in an examination.

### 1.2.3 Outline/State/Describe/ Explain/Discuss the following factors that should be considered when making investment decisions:

- Return of investment (ROI)
- Risk
- Investment term/period
- Inflation rate
- Taxation
- Liquidity
- Personal budget
- Investment planning factors
- Volatility/Fluctuations on investment markets

#### Practice question 3

- 3.1 State any FIVE factors that could be considered when making investment decisions. (5)
- 3.2 Explain how *liquidity and risk* may influence the decision to invest in shares. (8)
- 3.3 Discuss the following factors that should be considered when making investment decisions:
- 3.3.1 Inflation (2)
  - 3.3.2 Investment period (2)
  - 3.3.3 Return on investment (2)

**NB:**

The allocation of marks in 3.2 AND 3.3 will be the same (i.e. split ticks). 1 mark will be allocated for the fact and the other for motivating or elaborating on the fact.

- 
- 1.2.4 Explain/Discuss the various types of investments opportunities e.g. fixed property, stokvels, managed portfolio and venture capital etc.**

**Practice question 4**

- 4.1 List any SIX possible forms of investments options. (6)
- 4.2 Identify the types of business investment opportunities that were used by Prime Plumbers in EACH statement below:
- 4.2.1 Prime Plumbers invested R50 000 for six months at 12% interest with a financial institution.
- 4.2.2 Prime Plumbers received dividends for their portion of ownership in Blue Range Ltd.
- 4.2.3 Interest is guaranteed and paid out or re-invested twice a year.
- 4.2.4 A combination of different shares and securities are selected and managed by a fund manager as a balanced portfolio. (8)
- 4.3 Identify EACH type of investment described below:
- 4.3.1 A combination of different shares and securities are selected and managed by a fund manager as a balanced portfolio.
- 4.3.2 Refers to buying capital goods like a piece of land/house and buildings which is suitable as a long term investment.
- 4.3.3 Money is deposited in a bank account for a pre-determined period at a fixed interest rate.
- 4.3.4 Companies sell a portion of its ownership through the JSE.
- 4.3.5 A minimum of R1 000 is required to invest in this investment option. (10)

- 10.4 Read the scenario below and answer the questions that follow:

You are the financial advisor who must assist a client who wants to invest R5 000 000 for three years in ONE of the following investment options:

- A fixed-deposit bank account for three years at simple interest of 8,5% per year
- Shares in a well-known company listed at the JSE

- 10.4.1 Explain each investment option listed above. (8)
- 10.4.2 Describe the risk involved in each option. (8)

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**1.2.5 Explain the risk factor of each type of investment opportunity.**

**Practice question 5**

Assume you are the financial advisor to Mr Nakedi who is 40 years old and has inherited R3m from his late father. He approached you to work out a medium term portfolio for the next 3 years of how his money could be best invested.

5.1 Explain the risk factor for each of the following investment options:

- Fixed deposit
- Shares
- RSA Retail Savings bond
- Property investment

(8)

**Use the table below as a guide to your answer.**

Investment option	Risk factor
1.	
2.	
3.	
4.	

5.2 Explain the risk factor of any FOUR types of investment opportunities. (8)

**NB:**

- ❖ The allocation of marks for each answer will be the same i.e. 1 mark for fact and 1 mark for explaining/ motivating your fact.
- ❖ The content is the same but the approach to the answer is different. In question 5.1 the factors are provided and you are asked to use a table as a guide to your answer.
- ❖ In 5.2 you should provide the factors yourself and no table is provided as a guide.
- ❖ In both questions you will be marked 1 mark for fact and other 1 mark is allocated for explaining your fact.

**1.2.6 Explain/Discuss/Analyse/Evaluate(positives/advantages and/or negatives/disadvantages) of the following forms of investment:**

- Government/RSA retail savings bonds
- Unit trusts
- Shares
- Fixed deposit

**Practice question 6**

6.1 You want to invest R3 000 in RSA Retail Savings Bonds instead of unit trusts. Explain the advantages of investing in RSA Retail Savings Bonds. (8)

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 positives of investing in the type of investment referred to in QUESTION 6.2.1. (8)

6.3 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.

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

6.3.2 Explain the advantages of the type of investment identified in QUESTION 6.3.1 (6)

#### NB:

- ❖ The answers for 6.1, 6.2.2 and 6.3.2 are the same. The allocation of ticks will also be the same because of the action verb 'Explain', but check the two scenarios for key words used.
- ❖ Also note the terminology used 6.1 and 6.2.2. In 6.1 the examiner used advantages while in 6.3.2 the examiner used benefits. NB:
- ❖ The impact is always marked split ticks i.e. 1 mark for fact and another mark for explaining the fact.

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 below. (2)

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

1.2.7 Identify the following types of shares from given scenarios/statements:

- Ordinary shares
- Preference shares
- Bonus shares
- Founders shares

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### **Practice question 7**

- 7.1 Identify the type of shares represented by EACH statement below.
- 7.2.1 Shares are issued to existing shareholders as compensation for loss of dividends.
- 7.2.2 Shareholders receive their dividends before others can be paid out.
- 7.2.3 These shares are issued to shareholders who started the company.
- 7.2.4 These shareholders may receive higher dividends when the company has made large profits. (8)
- 7.2 Describe any TWO types of shares (12)

**1.2.8 Name/Outline/Explain/Discuss types of preference shares.**

### **Practice question 8**

- 8.1 Name any FOUR types of preference shares. (4)
- 8.2 Discuss TWO types of preference shares. (6)
- 8.3 Identify the type of preference share represented by EACH of the statements below.
- 8.3.2 Shareholders are entitled to share in any surplus profits. (2)
- 8.3.2 Shareholders are compensated for past dividends that were not paid out when profits were too low to declare dividends. (2)
- 8.3.3 Name THREE other types of preference shares. (6)

NB: In 8.2 you will be marked 2 marks for the heading and 1 mark for the discussion.

**1.2.9 Outline/State the rights of ordinary and preference shareholders.**

### **Practice question 9**

- 9.1 Outline FOUR rights of preference shareholders. (8)
- 9.2 Outline TWO rights of ordinary shareholders. (4)

**1.2.10 Identify types of preference shares from given scenarios/statements.**

### **Practice question 10**

- 10.1 Identify the type of preference shares explained in the following statements:
- 10.1.1 Shares may be converted to ordinary shares after a fixed period.
- 10.1.2 Shareholders will share in a second dividend in a year when surplus profit remains
- 10.1.3 Shareholders are not paid for past dividends.
- 10.1.4 The company may buy back these shares after a specified period. (8)

**1.2.11 Differentiate/Distinguish between ordinary and preference shares.**

**Practice question 11**

11.1 Differentiate between ordinary and preference shares. (8)

**1.2.12 Define/Explain the meaning of debentures, dividends, capital gain, simple interest, compound Interest.**

**Practice question 12**

12.1 Explain the meaning of the following concepts:

- (a) Compound interest.
- (b) Dividends
- (c) Capital gain
- (d) Debentures

12.2 Define simple interest. (2)

**1.2.13 Differentiate/Distinguish between simple interest and compound interest.**

**Practice question 13**

13.1 Distinguish between compound and simple interest. (8)

**1.2.14 Calculate simple and compound interest from given scenarios.  
Recommend the best investment option based on the calculations.**

**Tips:**

- ❖ Do all four questions (14.1-14.2) in this section. Calculations need more than one activity to master them.
- ❖ Do not provide the final answer only. Always write the correct Business Studies formula and show all calculations.
- ❖ If you can master all four then you can proceed to the next topic.

**Practice question 14**

14.1 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.

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

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

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

- 14.2 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.

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

- 14.2.2 **Explain the differences** between the methods used to calculate the interest identified in QUESTION 14.2.1 (8)

- 14.3 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.

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

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

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

- 14.4 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 at Ithuba Bank. The bank offered her an interest of 12% compounded annually over a period of three years.

- 14.4.1 Define compound interest. (2)

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

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

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## TYPICAL ESSAY TYPE QUESTIONS

### PRACTICE ESSAY 1

#### 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]

### PRACTICE ESSAY 1

#### 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 advantages of unit trusts. [40]

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### PRACTICE ESSAY 3

#### QUESTION 8: BUSINESS VENTURES (INVESTMENTS AND FORMS OF OWNERSHIP) DBE/NOV 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 below 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]

### PRACTICE ESSAY 4

#### QUESTION 8: BUSINESS VENTURES (INVESTMENT AND PRESENTATION) 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]

## **INVESTMENT INSURANCE**

The following is an extract from the Grade 12 Examination Guideline 2020(Refer to pages 22-23)

### **1.3**

**Learners should be able to:**

- Define/Elaborate on the meaning of insurance

## **NON-COMPULSORY INSURANCE**

- Explain/Elaborate on the meaning of non-compulsory insurance
- Explain/Elaborate on the meaning of the following insurance concepts:
  - Over-insurance
  - Under-insurance
  - Average clause
  - Reinstatement
- Explain the differences between over and under insurance. Name/State/Explain/Discuss the following principles of insurance:
  - Indemnification/Indemnity
  - Security/Certainty
  - Utmost good faith
  - Insurable interest
- Apply the average clause to calculate the compensation in the case of under-insurance.
- Discuss/Explain the advantages/importance of insurance.
- Explain the meaning of insurable and non-insurable risks.
- Outline/State/Give examples of insurable and non-insurable risks.
- **COMPULSORY INSURANCE**
- Explain/Elaborate on the meaning of compulsory insurance.
- Discuss/Explain types of compulsory insurance e.g. Unemployment Insurance Fund (UIF), Road Accident Fund (RAF)/Road Accident Benefit Scheme (RABS)/Compensation for Occupational Injuries and Diseases Fund (COIDA).
- Explain the types of benefits paid out by the UIF.
- Identify types of compulsory insurance from given scenarios/statements.
- Explain/Differentiate/Distinguish between compulsory and non- compulsory insurance and give examples.
- Keep abreast of the changes in legislation from time to time e.g. the RAF is currently changing to the RABS (Road Accident Beneficiary Scheme).
- Differentiate/Distinguish between insurance and assurance. Give examples.
- Name/Give examples of short term and long-term insurance.

The practice questions were drawn from the following sources

QUESTION PAPER	QUESTIONS	Content addressed
DBE Nov 2015	Q3.1.3	Definition of the term insurance
DBE Feb/March2016	Q3.3, and Q8	Application of average clause, importance of insurance
DBE May/June 2016	Q3.5 , Q6.3 & 6.4 and Q8	Application of the average clause, compulsory and non-compulsory insurance, insurable and non-insurable risks,
DBE Nov 2016	Q3.1	Definition of the term insurance
DBE Feb/March2017	Q8	Importance of insurance, compulsory and non-compulsory insurance, principles of insurance
DBE May/June 2017	Q3.1	Long-term insurance
DBE Nov 2017	Q8	Definition of insurance concepts
DBE Feb/March2018	Q3.5, 3.6, Q6.4, and Q8,	Application of the average clause, compulsory and non-compulsory insurance, long term and short-term insurance
DBE May/June 2018	Q6.5	Compulsory and non-compulsory insurance
DBE Nov 2018	Q3.1, 3.4 & 3.6	Application of the average clause, principles of insurance
DBE May/June 2019	Q 3.1, 3.3,	Differences between insurance and assurance, insurable and non-insurable risks
NW Prep Exam & GP Prep 2020	Q8	Differences between over and under-insurance
DBE Nov 2019	Q3.6, , 3.4,	Application of the average clause, importance of insurance,
DBE Exemplar 2020	Q2.2	Principles of insurance

- ❖ The headings numbered 1.3.1-1.3.14 relates to the elaboration of core content which learners are expected to know according to the Grade 12 Examination Guideline 2020(refer to the extract provided on Page 32)
- ❖ Each practice question provided below addresses a specific bullet outlined in the core content. There are 14 practice questions addressing 14 bullets of Investment Insurance.
- ❖ The document also provides typical essay and Section A type practice questions which you also need to attempt to get exposed to all Sections covered in the Business Studies question paper.
- ❖ All questions used were derived from the DBE previous question papers and other relevant sources (refer to table above)..

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## PRACTICE QUESTIONS

1.3.1 Define/Elaborate on the meaning of insurance

**Practice question 1**

1.1 Define the term insurance.

(2)

**NON-COMPULSORY INSURANCE**

1.3.2 Explain/Elaborate on the meaning of non- compulsory insurance

**Practice question 2**

2.1 Elaborate on the meaning of non-compulsory insurance.

(4)

1.3.3 Explain/Elaborate on the meaning of the following insurance concepts:

- Over-insurance
- Under-insurance
- Average clause
- Reinstatement

**Practice question 3**

3.1 Elaborate on the meaning of the following insurance concepts:

(a) Average clause

(2)

(b) Reinstatement

(2)

1.3.4 Explain the differences between over and under insurance.

**Practice question 4**

4.1 Explain the differences between over and underinsurance.

(8)

1.3.5 Differentiate/Distinguish between insurance and assurance. Give examples.

**Practice question 5**

4.1 Distinguish between insurance and assurance.

(8)

1.3.6 Name/Give examples of short term and long-term insurance.

**Practice question 6**

6.1 Give FIVE examples of long-term insurance.

(5)

1.3.7 Name/State/Explain/Discuss the following principles of insurance:

- Indemnification/Indemnity
- Security/Certainty
- Utmost good faith
- Insurable interest

### **Practice question 7**

- 7.1 State FOUR principles of insurance. (4)
- 7.2 Discuss THREE principles of insurance. (9)

#### **1.3.8 Apply the average clause to calculate the compensation in the case of under-insurance.**

##### **Tips:**

- ❖ Do all four questions (8.1-8.5) in this section. Calculations need more than one activity to master them.
- ❖ Do not provide the final answer only. Always write the correct Business Studies formula and show all calculations.
- ❖ If you can master all four then you can proceed to the next topic.

### **Practice question 8.1**

- 8.1 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.

- 8.1.1 Calculate the amount that Pro-cover insurers will pay to Mahlori cover damages. Show ALL calculations. (4)
- 8.1.2 Briefly explain why Mahlori did not qualify for the full amount of damages sustained. (4)

### **Practice question 8.2**

- 8.2 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.

- 8.2.1 Identify the insurance clause that applies to Sarie's situation in the scenario above. (1)
- 8.2.2 Calculate the amount that the insurer will pay Sarie. (5)

### **Practice question 8.3**

- 8.3 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.

- 8.3.1 Identify the insurance clause that will be applied to KBB's claim for damages. (2)
- 8.3.2 Calculate the amount that the insurer will pay KBB for damages incurred. (4)

#### **Practice question 8.4**

- 8.4 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.

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

- 8.4.2 Elaborate on the meaning of the insurance clause identified in QUESTION 8.4.1. (4)

#### **Practice question 8.5**

- 8.5 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.

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

- 8.5.2 Calculate the amount that Top Traders will receive as compensation from the insurer. Show ALL calculations. (4)

#### **1.3.9 Discuss/Explain the advantages/importance of insurance.**

#### **Practice question 9**

- 9.1 Explain the importance of insurance on businesses. (8)

- 9.2 Discuss the importance of insurance for businesses. (8)

##### **NB:**

The answers to the questions above are the same. The allocation of marks for 9.1 AND 9.2 will also be the same (split ticks i.e. 1 mark for fact and 1 mark for explaining your fact):

#### **1.3.10 Explain the meaning of insurable and non-insurable risks.**

**Outline/State/Give examples of insurable and non- insurable risks.**

#### **Practice question 10**

- 10.1 Give THREE examples of insurable risks. (3)

- 10.2 Jack wants to insure his business against various risks. Give FOUR examples non-insurable risks. (4)

- 10.3 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.

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

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

**NB:**

Quotes must be direct from the scenario and are awarded only 1 mark. **So just rewrite.**  
Do not try to rephrase as you may forfeit marks if the answer loses the essence of the scenario.

## COMPULSORY INSURANCE

- 1.3.11 Explain/Elaborate on the meaning of compulsory insurance.

Discuss/Explain types of compulsory insurance e.g.Unemployment Insurance Fund (UIF), Road Accident Fund (RAF)/Road Accident Benefit Scheme (RABS)/Compensation for Occupational Injuries and Diseases Fund (COIDA).

**Practice question 11**

- 11.1 Name THREE types of compulsory insurance. (3)

- 11.2 Elaborate on the meaning on compulsory insurance. (4)

- 11.3 Discuss the THREE types of compulsory insurance. (12)

- 1.3.12 Explain the types of benefits paid out by the UIF.

**Practice question 12**

- 12.1 Explain THREE types of benefits covered by Unemployment Insurance Fund (UIF) (9)

- 1.3.13 Identify types of compulsory insurance from given scenarios/statements.

**Practice question 13.1**

- 13.1 Identify the type of insurance applicable to EACH statement below:

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

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

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### **Practice question 13.2**

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

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

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

**NB:** Check the underlined concepts and answer relevantly. .

**1.3.14 Explain/Differentiate/Distinguish between compulsory and non- compulsory insurance and give examples.**

### **Practice question 14**

14.1 Differentiate between compulsory and non-compulsory insurance and give TWO examples for each. (8)

## **TYPICAL ESSAY TYPE QUESTIONS**

### **ESSAY PRACTICE 1**

#### **QUESTION 8**

**DBE FEB/MARCH2016**

Businesses operate in dynamic and risky environments. Insurance will always play a vital role in ensuring that they are sustainable.

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.

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## ESSAY PRACTICE 2

### QUESTION 8

DBE FEB/MARCH2017

#### 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]

## ESSAY PRACTICE 3

### QUESTION 8

DBE NOV 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]

## PRESENTATION OF BUSINESS INFORMATION AND DATA RESPONSE

The following is an extract from the Grade 12 Examination Guideline 2020(Refer to pages 20-22)

### 1.5 Learners should develop the following skills:

#### PRESENTATION

- Outline/Explain/Discuss factors that must be considered when preparing for a presentation. (**Before the presentation**)
- Outline/Explain factors that must be considered by the presenter while presenting, e.g. maintain eye contact/use visual aids effectively/move/do not speak fast/use pauses effectively, etc. (**During the presentation**)
- Identify factors that must be considered when preparing for a presentation and during the presentation from given scenarios/case studies.
- Explain how to respond to questions about work and presentations/handle feedback after a presentation in a non-aggressive and professional manner. (**After the presentation**)
- Explain/Suggest/Recommend areas of improvement in the next presentation.

#### DATA RESPONSE

- Discuss/Explain how to design a multimedia presentation, e.g. start with the text/content, select the background and /choose relevant images/create graphs.
- Give examples of non-verbal presentations, e.g. written reports, scenarios, types of graphs (e.g. line, pie and bar charts) as well as other non-verbal types of information such as pictures and photographs.
- Explain/Discuss /Evaluate the impact (positives/advantages and/or negatives/disadvantages) of each visual aid.
- Analyse the effectiveness (positives/advantages and/or negatives/disadvantages) of EACH visual aid.
- Identify visual aids from given scenarios/statements.

The practice questions were drawn from the following sources

QUESTION PAPER	QUESTIONS	Content addressed
DBE Exemplar 2014	Q3.1	Identify visual aids from given scenarios/statements
DBE Nov 2015	Q8	Factors before, evaluating impact of visual aids
DBE Feb/March 2016	Q6.3	The impact (positives/advantages and/or negatives/disadvantages) of each visual aid
DBE Nov 2016	Q3.5,	Identify visual aids from given scenarios/statements
DBE Feb/March2017	Q6.3	Examples of non-verbal presentations
DBE May/June 2017	Q8	Factors that must be considered by the presenter while presenting, how to respond to questions about work and presentations/handle feedback after a presentation, how to design a multimedia presentation
DBE Nov 2017	Q3.6.1	Factors before, evaluating impact of visual aids
DBE Feb/March2018	Q3.1	Identify visual aids from given scenarios/statements
DBE Nov 2018	Q3.7	How to respond to handle feedback after a presentation
DBE May/June 2019	Q3.7	The effectiveness (positives/advantages and/or negatives/disadvantages) of EACH visual aid
DBE Nov 2019	Q8	Factors during a presentation, the impact (positives/advantages and/or negatives/disadvantages) of each visual aid, areas of improvement in the next presentation,

DBE Exemplar 2020	Q3.1	The impact (positives/advantages and/or negatives/disadvantages) of each visual aid
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- ❖ The headings numbered 1.5.1-1.5.10 relates to the elaboration of core content which learners are expected to know according to the Grade 12 Examination Guideline 2020(refer to the extract provided on **Page 40**)
- ❖ Each practice question provided below addresses a specific bullet outlined in the core content. There are 10 practice questions addressing 10 bullets of Presentation and Data Response.
- ❖ The document also provides typical essay and Section A type practice questions which you also need to attempt to get exposed to all Sections covered in the Business Studies question paper.
- ❖ All questions used were derived from the DBE previous question papers and other relevant sources (refer to table above).

## PRACTICE QUESTIONS

**1.5.1 Outline/Explain/Discuss factors that must be considered when preparing for a presentation.  
(Before the presentation)**

**Practice question 1**

- 1.1 Thabo has to prepare a business presentation to management.
  - 1.1.1 Discuss the factors that Thabo should consider before doing his presentation. (8)
- 1.2 Outline TWO factors that should be considered when preparing for a presentation. (4)

**1.5.2 Outline/Explain factors that must be considered by the presenter while presenting, e.g. maintain eye contact/use visual aids effectively/move/do not speak fast/use pauses effectively, etc.  
(During the presentation)**

**Practice question 2**

- 2.1 Outline the factors that presenter should consider during his presentation. (8)
- 2.2 Explain the factors that he should keep in mind during his presentation. (8)

**1.5.3 Identify factors that must be considered when preparing for a presentation and during the presentation from given scenarios/case studies.**

**Practice question 3**

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

**ALITA'S PRESENTATION**

Alita is asked to present her sales figures to management and various stakeholders. Before her presentation she rehearsed to ensure that she is confident. She also prepared a rough draft of the presentation with a logical structure with an introduction, body and conclusion.

- 3.1.1 Quote TWO factors from the scenario in which Alita considered before her presentation. (2)
- 3.1.2 Explain to Alita on other factors she must consider before a presentation. (6)

- 
- 1.5.4 Explain how to respond to questions about work and presentations/handle feedback after a presentation in a non-aggressive and professional manner. (After the presentation)**

**Practice question 4**

4.1 Explain how the presenter should respond to questions in a non-aggressive and professional manner. (8)

- 1.5.5 Explain/Suggest/Recommend areas of improvement in the next presentation.**

**Practice question 5**

5.1 Suggest to Caleb ways on how he can improve in his next presentation. (8)

**DATA RESPONSE**

- 1.5.6 Discuss/Explain how to design a multimedia presentation, e.g. start with the text/content, select**

**Practice question 6**

6.1 Explain the aspects that the presenter should consider when designing a multimedia presentation. (8)

- 1.5.7 Give examples of non-verbal presentations, e.g. written reports, scenarios, types of graphs (e.g. line, pie and bar charts) as well as other non-verbal types of information such as pictures and photographs.**

**Practice question 7**

7.1 Give FIVE examples of non-verbal presentation methods. (5)

- 1.5.8 Explain/Discuss /Evaluate the impact (positives/advantages and/or negatives/disadvantages) of each visual aid.**

- 1.5.9 Analyse the effectiveness (positives/advantages and/or negatives/disadvantages) of EACH visual aid.**

- 15.10 Identify visual aids from given scenarios/statements.**

**Practice question 8**

8.1 Explain the advantages of using visual aids in any presentation. (8)

**Practice question 9**

9.1 Analyse the effectiveness of interactive smart boards/whiteboards as a visual aid. (8)

## Practice question 10

- 10.1 Read the scenario below and answer the questions that follow.

### HOPE'S PRESENTATION

Hope, a financial manager, has to present her financial report at the next management meeting. She intends to use electronic slides and will provide printed copies of the financial report.

- 10.1.1 Identify TWO visual aids in the scenario above. (2)  
10.1.2 Choose ONE of the visual aids identified in QUESTION 10.1.1 and explain why it is effective. (8)

- 10.3 Identify the type of visual aid presented in EACH case below:

- 10.3.1 The financial manager is using slides to present financial reports to stakeholders.  
10.3.2 The sales manager listed figures for NOV, December and January in columns to indicate sales turnover.  
10.3.3 PSP Auditors are using web cameras on laptops and tables to conduct meetings with stakeholders at distant locations. (3x2) (6)

- 10.4 Read the scenario below and answer the questions that follow.

### JAVAS SHOE MANUFACTURER (JSM)

Sipho, the marketing manager of JSM, explained his future plans to increase sales to various stakeholders. Hard copies of his plans were distributed for future reference.

- 10.4.1 Identify the type of visual aid that Sipho used. Motivate your answer by quoting from the scenario above. (3)  
10.4.2 Evaluate the impact of the visual aid identified in QUESTION 10.4.1. (8)

- 10.5 Read the scenario below and answer the questions that follow:

### CALEB'S PRESENTATION

Caleb, a successful entrepreneur was invited to address the management and employees of Kaydon International to improve the employee morale. Caleb prepared a PowerPoint presentation and copies of hand-outs.

- 10.5.1 Identify TWO forms of visual aids mentioned in the scenario above. (2)  
10.5.2 List THREE other forms of visual aids. (3)  
10.5.3 Discuss the advantages of ONE of the visual aids identified in QUESTION 10.5.1 in enhancing a presentation. (4)

- 10.6 Identify the type of presentation described in each statement below:
- 10.6.1 Printed copies of financial statements to support an electronic presentation on this year's financial results
  - 10.6.2 Production figures for 2013 and 2014 on a histogram
  - 10.6.3 A short video explaining the steps to complete an application form
  - 10.6.4 Drawings and pictures in the user manual of a fax machine
  - 10.6.5 A flow chart explaining the steps in the production process

(10)

### TYPICAL ESSAY TYPE QUESTIONS

#### ESSAY NO 1

##### QUESTION 8: BUSINESS VENTURES (PRESENTATION)

DBE SCE 2017

##### WISE FINANCIAL SERVICES (WFS)

Wiseman, a financial advisor, wants to present his business plan to various investors using a PowerPoint slide show, an overhead projector and hand-outs to enhance the quality of his presentation. He is not sure whether his presentation will be effective as he has never done one before. He also lacks confidence in answering questions posed by the audience.

Provide Wiseman with detailed information on the following:

- Outline the aspects that Wiseman should consider when designing a multimedia presentation.
- Discuss the advantages of PowerPoint slides, an overhead projector and hand-outs as types of visual aids.
- Explain the factors that he should keep in mind during his presentation.
- Elaborate on the aspects that he should consider when responding to questions in a professional and non-aggressive manner.

[40]

#### ESSAY NO 2

##### QUESTION 8: BUSINESS VENTURES (PRESENTATION AND INSURANCE)

Mr Meyer, a sales representative, planned to make a presentation on the principles of insurance. He decided to use a PowerPoint slideshow to enhance his presentation. However, the presentation was unsuccessful due to his inability to handle feedback in a professional manner.

Keeping the above scenario in mind, write an essay on presentation in which you include the following aspects:

- Outline the factors that Mr Meyer should consider during his presentation.
- Discuss any THREE principles of insurance.
- Evaluate the impact of a PowerPoint presentation.
- Advise Mr Meyer on how he can improve on his next presentation.

[40]

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#### **Essay 4**

<b>INZINC LTD (IZ)</b>
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Tolyn is a jewellery designer and wants to sell her new range of costume jewellery to teenagers and students. In Zinc Ltd targets the teenage clothing market.

Tolyn has to make a sales presentation to the directors of IZ Ltd. They agreed to give her the opportunity to present her plan at their next board meeting. She decided that a verbal presentation supported by visual aids would be most suitable.

As an expert, assist Tolyn to prepare a successful presentation so that she will get the contract to supply IZ Ltd. Your advice must include the following:

- Discuss the factors that Tolyn should consider when preparing for the presentation.
- Explain ways in which Tolyn may respond to feedback in a professional manner.
- Evaluate any FOUR suitable types of visual aids that may support her presentation.
- Advise Tolyn on how she can improve her next presentation.

**[40]**

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**TYPICAL SECTION A QUESTIONS (INVESTMENT SECURITIES, INVESTMENT INSURANCE AND PRESENTATION AND DATA RESPONSE)**

**PRACTICE QUESTION 1**

**QUESTION 1**

1.2 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 verbal presentations.

1.1.2 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

1.1.3 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.

---

1.1.4 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

1.1.5 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

(5X2) (10)

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 avoiding unnecessary arguments/debates with the person asking the question
- 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 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.
- 1.1.4 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
- 1.1.5 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

1.1.6 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 (6 x 2) (12)

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: 32**

### 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 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

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1.1.2 Thrum's 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

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

- A Excess
- B Premium
- C Book value
- D Interest

1.1.4 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

1.1.5 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

(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: 30**

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## PRACTICE QUESTION 4

### 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 An example of a non-verbal presentation is information in the form of a/an ...

- A Slide shows
- B data projector
- C video conferencing
- D oral report.

1.1.3 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

(3x2) (6)

- 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.

COLUMN A	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 company do not extend to the personal belongings 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:** 26