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basic education

Department:
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REPUBLIC OF SOUTH AFRICA

SENIOR CERTIFICATE EXAMINATIONS/ NATIONAL SENIOR CERTIFICATE EXAMINATIONS

BUSINESS STUDIES P1

MAY/JUNE 2026

MARKS: 150

TIME: 2 hours

This question paper consists of 10 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of THREE sections and covers TWO main topics.

   SECTION A: COMPULSORY
   SECTION B: Consists of THREE questions.
   Answer any TWO of the three questions in this section.
   SECTION C: Consists of TWO questions.
   Answer any ONE of the two questions in this section.

2. Read the instructions for each question carefully and take note of what is required.

   Note that ONLY the answers to the first TWO questions selected in SECTION B and the answer to the FIRST question selected in SECTION C will be marked.

3. Number the answers correctly according to the numbering system used in this question paper. NO marks will be awarded for answers that are numbered incorrectly.

4. Except where other instructions are given, answers must be written in full sentences.

5. Use the mark allocation and nature of each question to determine the length and depth of an answer.

6. Use the table below as a guide for mark and time allocation when answering each question.

SECTION	QUESTION	MARKS	TIME (minutes)
A: Objective-type questions COMPULSORY	**1**	**30**	**20**
B: THREE direct/indirect-type questions CHOICE: Answer any TWO.	**2**	**40**	**70**
	3	**40**	
	4	**40**	
C: TWO essay-type questions CHOICE: Answer any ONE.	**5**	**40**	**30**
	6	**40**	
TOTAL		**150**	**120**

7. Begin the answer to EACH question on a NEW page, e.g. QUESTION 1 – new page, QUESTION 2 – new page.

8. You may use a non-programmable calculator.

9. Write neatly and legibly.

SECTION A (COMPULSORY)

QUESTION 1

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question numbers (1.1.1 to 1.1.5) in the ANSWER BOOK, e.g. 1.1.6 D.

1.1.1 This Act outlines the minimum requirements of employment contracts for employees:

A Skills Development Act (SDA), 1998 (Act 97 of 1998)
B Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003)
C Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997)
D Employment Equity Act (EEA), 1998 (Act 55 of 1998)

1.1.2 The role of SETAs in supporting the Skills Development Act (SDA), 1998 (Act 97 of 1998), includes …

A overseeing training in different sectors of the economy.
B providing job opportunities for skilled employees.
C training employees to improve productivity in the workplace.
D engaging employees in skills development initiatives.

1.1.3 Themba Coffee Shop added a milkshake station to attract new customers. This type of diversification strategy is known as …

A conglomerate.
B concentric.
C vertical.
D horizontal.

1.1.4 The role of the interviewee during the interview is to …

A record responses for future reference.
B avoid asking questions that are controversial.
C ask clarity-seeking questions about the job.
D explain the purpose of the interview.

1.1.5 Sweets Factory applied quality … when they introduced new techniques to improve the quality of their products.

A management systems
B performance
C circles
D management (5 x 2) (10)

1.2 Complete the following statements by using the word(s) 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.

selection; strength; skills; administration; job specification; socio-economic; job description; opportunity; placement; financial

1.2.1 Golden Technologies provided free internet service to disadvantaged communities when they applied … development as a pillar of Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003).

1.2.2 Smith Bakery has skilled employees who produce high-quality goods. This is classified as a/an … in the SWOT analysis.

1.2.3 The … indicates the minimum personal qualities and qualifications required for a position.

1.2.4 Businesses should outline the specific expectations of the new position during the … procedure.

1.2.5 Paint Solutions implemented debt collecting policies to monitor their cash flow as a quality indicator of the ... function. (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 Human resources development strategy	A focuses on selling existing products in new markets
1.3.2 Annual leave	B ensures that products have the ability to satisfy customers' needs
1.3.3 Market penetration	C increases employee participation in lifelong learning
1.3.4 Time-related	D allows workers to take six weeks paid leave in a period of 36 months
1.3.5 Total quality management	E workers are paid according to the number of hours worked
	F focuses on selling existing products in existing markets
	G increases access to training programmes
	H workers are paid according to the number of items produced
	I allows workers to take 21 consecutive days paid leave per year
	J ensures full involvement of all employees to satisfy customers' needs

(5 x 2) (10)

TOTAL SECTION A: 30

SECTION B

Answer ANY TWO questions in this section.

NOTE: Clearly indicate the QUESTION NUMBER of each question that you choose. The answer to EACH question must start on a NEW page, e.g. QUESTION 2 on a NEW page, QUESTION 3 on a NEW page.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 Name any FOUR forces of Porter's Five Forces model. (4)

2.2 Outline the steps in strategy evaluation. (6)

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

MANDAKHE WHOLESALERS (MW)
Mandakhe Wholesalers distribute garage doors to hardware stores. MW encourage employees to participate in learnerships and logistic training programmes to ensure compliance with legislation.

2.3.1 Name the Act that MW complied with in the scenario above. (2)

2.3.2 Explain other ways in which MW can comply with the Act named in QUESTION 2.3.1. (4)

2.4 Discuss any TWO rights of consumers in terms of the Consumer Protection Act (CPA), 2008 (Act 68 of 2008). (6)

2.5 Read the scenario below and answer the question that follows.

PRESTIGE SUPPLIERS (PS)
Prestige Suppliers are experiencing a decline in profit due to a decrease in the demand for their products. PS sold some of their assets that are no longer productive to pay off debts. They terminated the employment contracts of a few employees to reduce costs.

Identify TWO types of defensive strategies applied by PS. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 2.5.

TYPES OF DEFENSIVE STRATEGIES	MOTIVATIONS
1.	
2.	

(6)

2.6 Discuss the impact of the Employment Equity Act (EEA), 1998 (Act 55 of 1998) on businesses. (6)

2.7 Advise businesses on actions regarded as non-compliance with the Labour Relations Act (LRA), 1995 (Act 66 of 1995). (6)

[40]

QUESTION 3: BUSINESS OPERATIONS

3.1 State any FOUR aspects that should be included in an induction programme. (4)

3.2 Outline the selection procedure as a human resources activity. (6)

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

BOTHA ATTORNEYS (BA)

Joe, the human resources manager at Botha Attorneys, prepared for the interviews of shortlisted candidates. He informed them of the date and place of the interview. Joe developed a set of questions based on the skills required to perform the job. He also matched information provided by the candidates with the requirements of the job.

3.3.1 Quote TWO roles of Joe, the interviewer, before the interview from the scenario above. (2)

3.3.2 Explain other roles of the interviewer before the interview. (4)

3.4 Advise businesses on the legal requirements of an employment contract. (4)

3.5 Outline the benefits of a good quality management system. (4)

3.6 Read the scenario below and answer the question that follows.

RAMAN MANUFACTURERS (RM)

Raman Manufacturers produce quality tracking devices for vehicles. They check raw materials and machinery to maintain high standards. RM inspects the tracking devices during and after the production process.

Identify TWO quality concepts applied by RM. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 3.6.

QUALITY CONCEPTS	MOTIVATIONS
1.	
2.	

(6)

3.7 Discuss the advantages of monitoring and evaluation of quality processes as a total quality management (TQM) element for large businesses. (6)

3.8 Advise businesses on the impact of total quality management (TQM) if poorly implemented. (4)

[40]

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 Name any TWO types of business sectors. (2)

4.2 Outline the advantages of the National Credit Act (NCA), 2005 (Act 34 of 2005) for businesses. (6)

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

KAGISO RECORDINGS (KR)

Kagiso Recordings develop and promote local artists. KR borrowed money from Regent Bank at a high interest rate as the economic conditions were unstable. Some of KR's artists have decided to enter into contracts with Mandla Records as they offer a reduced joining fee.

4.3.1 Quote TWO challenges for KR from the scenario above. (2)

4.3.2 Classify KR's challenges according to the business environments. (2)

4.3.3 State the extent of control KR has over EACH business environment classified in QUESTION 4.3.2. (2)

Use the table below as a GUIDE to answer QUESTIONS 4.3.1 to 4.3.3.

CHALLENGES (4.3.1)	BUSINESS ENVIRONMENTS (4.3.2)	EXTENT OF CONTROL (4.3.3)
1.		
2.		

4.4 Advise businesses on the penalties for non-compliance with the Compensation for Occupational Injuries and Diseases Amendment Act (COIDA), 1997 (Act 61 of 1997). (6)

BUSINESS OPERATIONS

4.5 Give any FOUR examples of fringe benefits. (4)

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

BLUEPRINT TRADERS (BT)

Blueprint Traders have a vacancy for a financial manager. BT advertised the vacancy in the business newsletter to attract suitable candidates. They are aware that this method of recruitment will impact on their business.

4.6.1 Name the method of recruitment used by BT in the scenario above. (2)

4.6.2 Discuss the impact of the method of recruitment named in QUESTION 4.6.1 on businesses. (4)

4.7 Explain how quality of performance of the marketing function can contribute to the success of the business. (6)

4.8 Advise businesses on the role of quality circles as part of continuous improvement to processes and systems. (4)
[40]

TOTAL SECTION B: 80

SECTION C

Answer ANY ONE question in this section.

NOTE: Clearly indicate the QUESTION NUMBER of the chosen question. The answer to the question must start on a NEW page, e.g. QUESTION 5 on a NEW page OR QUESTION 6 on a NEW page.

QUESTION 5: BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)

The strategic management process enables businesses to overcome challenges posed by the business environment. Businesses can use integration strategies or apply the PESTLE factors to find ways to deal with these challenges. Some businesses choose to implement diversification strategies as it has many advantages.

Write an essay on business strategies in which you include the following aspects:

- Outline the strategic management process.
- Discuss THREE types of integration strategies.
- Explain ways in which businesses can deal with the challenges posed by the following PESTLE factors:
  - Technological
  - Legal
- Advise businesses on the advantages of diversification strategies. **[40]**

QUESTION 6: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)

Businesses ensure that the general management function enhances their business performance. They apply the PDCA model in order to improve the quality of their products. Some businesses use total client/customer satisfaction and adequate financing and capacity as total quality management (TQM) elements in their business operations. They also investigate ways in which TQM can reduce the cost of quality.

Write an essay on quality of performance in which you include the following aspects:

- Outline the quality indicators of the general management function.
- Explain how businesses can apply the PDCA model/steps to improve the quality of their products.
- Discuss the impact of the following total quality management (TQM) elements on large businesses:
  - Total client/customer satisfaction
  - Adequate financing and capacity
- Recommend ways in which total quality management (TQM) can reduce the cost of quality. **[40]**

TOTAL SECTION C: 40
GRAND TOTAL: 150