

SECTION A

QUESTION 1

Select the correct option and tick its corresponding box .

1.1 ... is the process where a pizza shop looks at its method of preparing pizzas and compares it to the method used by the leader in the industry.

- A Benchmarking
- B Corporate Social Investment
- C Grading
- D Subrogation

1.2 An investor who would like a favourable return with minimal risk, should invest in ...

- A equities.
- B a fixed deposit.
- C an entrepreneurial venture.
- D offshore accounts.

1.3 A/An ... is needed if Famous Brands Ltd is to introduce new employees to the code of conduct of the business.

- A succession plan
- B decline strategy
- C induction programme
- D disciplinary procedure

1.4 A manager of a fast-food franchise who asks why, when, how, where and who will assign waiters to tables, is engaging in (a) ... management task(s).

- A planning
- B organising
- C co-ordinating
- D All of the above

1.5 ... is a situation where an employee reports unethical behaviour of management to an anonymous hotline.

- A Tax evasion
- B Whistle-blowing
- C Insider trading
- D Forward integration

1.6 A customer complains to a McDonald's manager about the cleanliness of their franchise. The most appropriate way to handle this conflict situation would be for the manager to ...

- A provide assurances that the complaint will be prioritised.
- B ignore the complaint, as most McDonald's franchises are cleaned daily.
- C force a monetary deduction on the cleaning staff's salary.
- D compromise on the cleanliness and give the customer a free meal.

1.7 Which one of the following would **not** be part of the **distribution** policy in marketing?

- A Choosing of the right supplier to deliver goods on time.
- B Ensuring that middlemen give expert advice.
- C Franchising as a means of assuring the quality of goods being delivered.
- D The strategy used in the design and packaging of the product.

1.8 An advantage of environmental scanning is that ...

- A short- and long-term strategies can be effectively formulated.
- B requirements of the BEE scorecard can be diminished.
- C staff performance appraisals are no longer required.
- D the repo rate increases.

1.9 The "apply or explain" approach to the King Code means that ...

- A the board of directors have to motivate why they are not implementing the King Report's recommendations.
- B stakeholders can take actions on what they believe is in the best interest of the company.
- C if CSR projects are not sustainable, legal penalties will be imposed.
- D affirmative action cannot be used in recruitment adverts.

1.10 A negative implication of the Employment Equity Act is that ...

- A enforcement procedures are complicated to monitor.
- B a more diverse workforce is in place in the fast-food industry.
- C equal and fair opportunities are created.
- D the Act encourages picketing during wage negotiations.

[20]



[Source: <<http://www.spurcorporation.com/media-centre/logo-library/>>]

QUESTION 2

Choose the terms from the table below that best match the statements that follow.

Write only the **correct term** in the space provided after each statement. There is only one correct answer to each statement.

proximate cause	synergy	code of conduct
diversification	solvency	equities
recruitment	arbitration	pension fund
liquidation	trademark	value chain analysis
situational	brand stretching	trade mark

2.1 Spreading your investment risk between various asset classes.

2.2 A strategy/tool used to analyse the cost components of a product, with the goal of reducing costs by outsourcing any activity that does not add value to the functioning of the business.

2.3 Regulates the expected behaviour of staff for proper business practice.

2.4 When a fast-food business decides to start selling branded clothing.

2.5 When an insurance company makes sure that the loss suffered was as a result of an event that was insured and not a secondary event.

2.6 A logo or design that is used to identify the goods of KFC from the competition.

2.7 Attracting job applicants with the necessary skills and the motivation in order to cover job shortages in the organisation.

2.8 A way of saving for retirement.

2.9 When a company compares its total assets to its total liabilities.

2.10 The interaction of two or more forces, so that their combined effect is greater than the sum of the individual forces.

[20]

QUESTION 3

Choose the correct term in brackets in each question. Tick ONLY the block corresponding with your choice.

3.1 When a fast-food franchise can prove that they stand to lose financially if the franchise is damaged by fire, it shows the franchise has **(A. accountability/ B. insurable interest)**.

A B

3.2 **(A. Excess/B. Subrogation)** is the rand amount of a loss/claim specified by the policy that is the responsibility of the insured to pay.

A B

3.3 When a franchisee takes out insurance to protect the business against financial losses caused by dishonest employees, it is referred to as **(A. fidelity/B. personal liability)** insurance.

A B

3.4 The **(A. iron safe/B. proximate)** clause requires the franchisee to keep records of stock on hand in a fireproof safe.

A B

3.5 The Road Accident Fund is financed through the sale of **(A. electricity/ B. fuel)**.

A B

[10]

50 marks

SECTION B

Use the mark allocation as a guide to the length of your answers.

QUESTION 4

4.1 Complete the missing information in the following table.

Challenge facing Mugg & Bean	Environment in which challenge originates	Strategy to deal with challenge	Stakeholder that could benefit from implementation of the strategy	Explain how the stakeholder would benefit from the strategy
4.1.1 Waiters at the franchise continuously arrive late for their shifts.	(1 mark)	(2 marks)	Waiter	(3 marks)
4.1.2 Market research shows an increasing shift to vegetarian meals by Mugg & Bean's target market.	(1 mark)	(2 marks)	Franchisee	(3 marks)

(12)

4.2.3 Describe FOUR pillars of the BBBEE legislation.

(12)

4.3 Discuss the investment option using the criteria given in the second column.
Complete the information in the given table.

Investment Option	Criteria	Discussion of criteria	
Unit Trusts	Risk	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> (4)	
		Return	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> (4)

4.4 **Corporate governance at Famous Brands Limited.**

4.4.1 Describe what is meant by the concept **integrated reporting** when analysing corporate governance at Famous Brands Limited.

(3)

4.4.2 Explain the concept **discipline** as a characteristic of good governance in a corporate environment. Use examples to illustrate your answer.

(6)
[50]

QUESTION 5

5.1 5.1.1 Explain the difference between an intrapreneur and entrepreneur.

(3)

5.1.2 Explain the interdependence of the general management function with other business functions in a fast-food franchise. Use an example to illustrate your answer.

(4)

5.1.3 Describe with the aid of an example how the following **managerial competencies** could lead to a Wimpy franchise having a competitive advantage in the market.

(a) Strategic action

(6)

(b) Customer service orientation

(6)

5.1.4 Explain the democratic leadership style and use an example to show how it would be appropriate for a fast-food franchise like Wimpy to use this leadership style.

(5)

5.1.5 Discuss why it is important for a fast-food franchise to motivate its employees.

(5)

5.2 Suggest strategies on how a franchisee could overcome the threat of competition in the fast-food industry.

(6)

5.3 Describe the impact of The Compensation for Occupational Injuries and Diseases Act (COIDA) on employers and employees of a fast-food franchise.

(5)

5.4 Discuss the implications for the business when a fast-food franchise undertakes corporate social responsibility (CSR).

(10)
[50]

QUESTION 6

6.1 Refer to the following extract where applicable when answering the questions that follow:

KFC team fired after massive food loss

Durban – The concept of "team misconduct" has been thrown into the spotlight with a Durban Labour Court finding that it was lawful to fire 11 people working on the same shift at a local KFC outlet because of "astonishing" stock losses.

Their dismissal followed the loss of 245 pieces of chicken and 63 kg of chips in just three days. Management tried to curtail this by locking the freezers, storerooms, the interlinking door at the drive-through section and the walk-in coolers.

A disciplinary inquiry was held; they were all dismissed and the problem with the stock was immediately resolved. With the support of the trade union (COSATU), the employees went to the CCMA where a commissioner ruled their dismissal to be unfair, saying the company had not proved they were responsible for the theft, or knew who was.

[Adapted from: <<https://www.iol.co.za/news/south-africa/kwazulu-natal/kfc-team-fired-after-massive-food-loss->> Downloaded: Dec. 2017]

6.1.1 List, according to the article, TWO strategies that the management of the KFC implemented once they became aware of the theft.

(2)

6.1.2 Explain what is meant by **dismissal on the grounds of misconduct**.

(2)

6.1.3 Describe the process that KFC has to follow to ensure the dismissal for misconduct is procedurally fair.

(10)

6.1.4 Describe the process that the CCMA follows when a dispute between the employer and employee is brought to their attention.

(9)

6.2 Refer to the following extract where applicable when answering the questions that follow:

Famous Brands Limited

According to Darren Hele, Famous Brands' chief executive officer, the Group reported a very strong set of results for the past year. This was because they have good quality management in place and because they are focused on risk assessment, particularly in the area of information technology.

Famous Brands Ltd includes brands like Wimpy, Debonairs, Fishaways and Steers. The different brands appeal to a wide range of consumers across the income and demographic spectrum and across meal preferences.

[Adapted from: <www.famousbrands.co.za> Downloaded: Dec. 2017]

6.2.1 Explain why it is important for Famous Brands Limited to measure the quality of performance of the business.

(6)

6.2.2 Explain how developments in information technology can impact the quality of performance of a fast-food franchise that you have studied.

(4)

6.2.3 Evaluate how the marketing department of a fast-food franchise of your choice can improve the quality of performance of its brand by referring to the following elements:

(a) People

(4)

(b) Process

(4)

(c) Physical evidence

(4)

6.3

Many fast-food restaurant owners are not skilled in the methods of problem-solving. If a small problem is not addressed, it could potentially become a crisis.

[Adapted from: <http://www.bizmove.com/skills/m8d.htm>> Downloaded: Dec. 2017

Use any problem-solving technique to solve the problem of poor financial performance in the business.

(5)
[50]

150 marks

Total: 200 marks



[Source: <http://www.brandsoftheworld.com/logo/wimpy-3>>; <https://www.designweek.co.uk/issues/18-24-january-2016/nandos-global-rebrand-looks-to-re-connect-with-south-african-roots/>>; <https://www.thinklocal.co.za/biz/steers-bethlehem-free-state>>]