Time: 2 Hours 150 marks

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY**

1. This paper consists of 10 pages and an Answer Booklet. Please check that your question paper is complete
2. Read the questions carefully
3. All questions are compulsory.
4. Refer to the case studies when required.
5. Demonstrate insight, where applicable, when answering questions.
6. Answer each new question on a blank page.
7. Number you answers exactly as they are numbered on the question paper.
8. Candidates are advised to play particular attention to the use of language and the allocation of marks.
9. It is in your own interest to write legibly and present your work neatly.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**SECTION A**

**Answer all questions in the Answer Booklet provided.**

**QUESTION 1**

Indicate the **most correct** answer by making a cross (X) in the column over the corresponding letter for each question in the supplied **Answer Booklet.**

1.1 A Famous Brands employee that provides confidential information or trade secrets is unethically practicing \_\_\_\_\_\_\_\_\_\_\_\_.

A tax evasion

B avoidance

C price inflation

D insider trading

1.2 When people refuse to work towards a solution and the task at hand is compromised, it is referred to as \_\_\_\_\_\_\_\_\_\_ conflict.

A functional

B dysfunctional

C inclusive

D compromising

1.3 Which one of the following would be part of an internal environmental scan completed by a manager at Famous Brands?

A Loyalty towards the Famous Brands, brand by consumers.

B Cost advantages in resizing the Human Resources department.

C Legislation regarding patent rights.

D Removal of international barriers for the expansion of the franchises.

1.4 An example of Corporate Social Investment by Famous Brands would be \_\_\_\_\_\_\_\_\_\_.

A creating a meal that is a complete replica to that of its competitor.

B upgrading its ordering systems in the establishments of the franchisers

C training the community to become aware of their entrepreneurial skills.

D transferring funds into off-shore investments.

1.5 The term ‘limited liability’ means that in the event of bankruptcy the shareholders of Famous Brands \_\_\_\_\_\_\_\_\_\_\_.

A are only responsible for their personal debts within the business

B are not responsible for the debts of the business, but could lose the amount of money they have invested in the business

C are responsible for some debt of the business and could also lose the amount they paid for their shares.

D pay back the total dividends received to make money available to pay the debts of the business.

1.6 The income stream earned from a franchisee is known as \_\_\_\_\_\_\_\_

A turnover. B profit.

C royalties. D gross profit

1.7 In an attempt to resolve a dispute between an employee and an employer, the union has recommended a confidential discussion of issues in the presence of a neutral party. This describes:

A arbitration B mediation

C negotiation D conciliation

1.8 The government imposes fines on businesses that dump harmful materials in rivers and dams. This is one way in which government addresses \_\_\_\_\_issues.

A environmental B inclusivity

C human rights D gender

1.9 A \_\_\_\_\_\_\_\_\_\_\_\_\_\_ is managed and run by a board of directors appointed by the owners.

A Co-operative B Partnership

C Public Company D Sole Trader

1.10 Individuals purchase shares \_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1 to share in the profits of the company by means of dividends.

2 in the hope that share prices will fall in order to sell at a profit.

3 to share in the profits by means of debentures.

4 in the hopes that share price will increase in order to sell at a profit.

Choose the correct combination:

A 1 and 4

B 2 and 3

C 1, 3 and 4

D 3 and 4

[](http://www.famousbrands.co.za/)

**[20 marks]**

**[Total Section A: 20 marks]**

**SECTION B**

**QUESTION 2**

[](http://www.google.co.za/url?sa=i&rct=j&q=&esrc=s&frm=1&source=images&cd=&cad=rja&uact=8&ved=0CAcQjRw&url=http://www.eesc.europa.eu/?i%3Dglossaries.en.sustainable-terms.21697&ei=02RPVPGVNc7raKTvgMgO&psig=AFQjCNEwJrNv2cT7RE_3uCneKoxeT2CIgQ&ust=1414575670603728)**Answer this question in the answer book provided.**

2.1 Answer the questions that follow:

2.1.1 Briefly explain any **TWO** socio economic issues that face South Africa today. (4)

2.1.2 How could these two issues affect Famous Brands as a business? (4)

2.2 Name and Explain the **THREE** factors of Triple Bottom Line (TBL). (9)

**Wimpy, Turn and Tender, Chesa Nyama, Hungry Lion, Fish & Chip Co.**

2.3

2.3.1 Using the marketing map provided in the answer booklet, place the above restaurants owned by Famous Brands and its competitors in the relevant segments.

(5)

2.3.2 Indicate to which LSM grouping you believe the above businesses target their offerings, with the scale of; **lower, middle, upper** LSM.(5)

[](http://www.google.co.za/url?sa=i&source=images&cd=&ved=0CAgQjRw&url=http://www.startupmywebsite.com/how-do-i-reach-my-target-audience/&ei=QWZPVODsIuTB7AaRgIGQAw&psig=AFQjCNHjB2dNxcWl7K_CukGsYef-B6ss9w&ust=1414576065679742)2.3.3 What is connection between the market map and the LSM groupings? (3)

**[30 marks]**

**Question 3**

**Answer the question below on folio paper.**

|  |
| --- |
| South Africans’ healthy appetite for fast food feeds Famous Brands bottom line. CAPE TOWN - South Africans may not be getting any wealthier but that is not stopping them from spending what disposable income they have on fast food. The percentage of South African consumers aged 16+ who eat fast food once a month has increased from 65% in 2008 to 78% (26.5m) in 2015, according to Market research firm Analytix Consumer Analysis.  [https://encrypted-tbn0.gstatic.com/images?q=tbn:ANd9GcTHsqGVgMgSk_9XrC6g1qCNblUCZSG2oCIpxgnMVRmGGc2E4-iD](http://www.google.co.za/url?sa=i&rct=j&q=&esrc=s&frm=1&source=images&cd=&cad=rja&uact=8&ved=0CAcQjRw&url=http://lunchbusiness.co.uk/softer-fast-food-restaurant-lighting-and-music-can-cut-calorie-intake-18&ei=D2tPVLqML9LlavOLgKAB&psig=AFQjCNEUDAhR9emt7PWSzLBOP5K5wwKu6A&ust=1414577045009708)The economy is not expected to improve very fast, but the chomping will continue. By 2017 about 34.1m South Africans will eat fast food once every four weeks. This reflects a compound annual growth rate of 5.2% between 2008 and 2017.   1. This is good news for companies like Famous Brands and Taste Holdings which have ridden the recession wave and delivered consistent growth throughout it.   <http://www.moneyweb.co.za/moneyweb-south-africa/south-africans-healthy-appetite-for-fast-food> 15/04/2016 |

3.1 Define the term ‘marketing’. (2)

3.2 Famous Brands and Taste Holdings (owners of ….) are both competing for market share as a result of the increasing consumer interest in the Fast Food industry.

3.2.1 Explain any **THREE** ways in which Famous Brands can build a

stronger brand. (9)

3.2.2 Provide **TWO** benefits available to Famous Brands as a result of having a strong brand. (4)

3.2.3 Describe any **TWO** possible opportunities the case study above offers Famous Brands and the Fast Food industry? (4)

3.2.4 Suggest a strategy that Kevin Hedderwick can use to take advantage of the opportunities to increase market share. (4)

**[23 marks]**

**Question 4**

**Answer the question below on folio paper.**

|  |
| --- |
| Social Media Food Brands**Famous Brands turns up the heat in the pizza market**  **Issued by Kevin Hedderwick Group Chief Executive of Famous Brands, Parent Company of Debonairs Pizza**  **Johannesburg; Tuesday, 14 October 2014:** A lot has been written in the media over the past few weeks regarding the arrival of both Pizza Hut and Domino's Pizza in SA, with both spokespersons signalling their intention to stir things up within the pizza space in the short term, not to mention making certain comments about the existing pizza brands in South Africa concerning issues such as quality, service, delivery, innovation, etc.   Debonairs Pizza is one of those existing brands and with its 23-year history, not just a 'Johnny-come-lately pizza joint'. On the contrary we would claim that Debonairs Pizza pioneered take-home pizza as a category in South Africa as well as the concept of home delivery. |



4.1

4.1.1 Name and explain **TWO** possible threats that Debonairs could face over the next couple of years. (4)

4.1.2 Create a strategy that could help Debonairs overcome these threats in the future. (4)

4.2 Using Porters Five Force Model, look at how the above article could affect ‘the level of rivalry’ and ‘the bargaining power of consumers’ within the pizza market. (4)

4.3 With reference to the article above:

4.3.1 Which primary stakeholders will Famous Brands now need to be responsible towards, that are new to the industry? (2)

4.3.2 Give **TWO** ways in which Famous Brands can ensure they remain socially responsible towards the above stakeholder. (4)

4.4 Explain which **THREE** management competencies the owners of Pizza Hut and Dominos Pizza would need when bringing the franchise to South Africa.

(6)

4.5 What kind of leader did Kevin Hedderwick have to be in order to ensure that he keeps his employees happy and maintains a competitive advantage over the competitors? Give a reason for your answer. (3)



**[27 marks]**

**[Total Section B: 80 marks]**

**Section C**

**Question 5**

**Study the diagram and table below then answer the question that follows:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **PESTLE Factor** | **Understanding of these factors.** | **Potential impact of the factor** | **Implication and importance** | | |
| Listing the different PESTLE factors and the elements below each one. | How these factors and elements if not dealt with correctly could have an impact on your business/ part of your business | High  Medium  Low  Unaffected. | **Type of effect:**  P- Positive  N- Negative  U- Unknown | **Impact:**  Increasing  Decreasing  Unchanging | **Relative importance:**  Critical  Important  Unimportant  Unknown |

***(This table is a guide only, please do not re-draw this table)***

**Required:**

You have been asked to write to the functional managers of Famous Brands. You need to critically assess the influence that each element of PESTLE could have on each other, and how this influence could affect the success or failure of Famous Brands.

Also motivate how the management tasks and leadership styles could be used to assist the business in taking advantage of **or** over-coming the influence that each element has on the other.

**[50 marks]**

**[Total Section C: 50 marks]**

**[Total Examination: 150 marks]**

**End**