

Grade 12 Business Studies: Business Operations & Ethics Study Guide

Grade 12 | Business Studies | Study Guide | 2024

Free Study Resources for South African Matric Learners

1. Forms of Ownership

- Sole trader: one owner; unlimited liability; easy to form; owner keeps all profit
- Partnership: 2-20 partners; shared liability; governed by Partnership Act
- Close Corporation (CC): max 10 members; limited liability; member's interests
- Private Company (Pty) Ltd: max 50 shareholders; limited liability; cannot list on stock exchange
- Public Company (Ltd): unlimited shareholders; can list on JSE; audited financial statements
- Cooperative: members own and run; democratic; profits shared among members
- Franchise: franchise agreement; use franchisor brand; pay fees/royalties

2. Business Ethics & Social Responsibility

Ethics in Business

- Ethics: set of moral principles guiding behaviour
- Code of ethics: written document outlining expected behaviour
- Ethical issues: bribery, corruption, insider trading, false advertising, environmental harm

Corporate Social Responsibility (CSR)

Business taking responsibility for its impact on society and environment.

BBBEE: Broad-Based Black Economic Empowerment; 5 pillars:

- Ownership, Management control, Skills development, Enterprise development, Socio-economic development

3. Total Quality Management (TQM)

- Continuous improvement (Kaizen): constant small improvements
- Customer focus: all processes aimed at satisfying customer
- Employee involvement: all staff responsible for quality
- ISO 9001: international quality management standard

4. Business Strategies

- Cost leadership: being lowest-cost producer; compete on price
- Differentiation: unique product/service; charge premium price
- Focus/Niche: serving a narrow market segment extremely well
- Growth strategies: market penetration, market development, product development, diversification
- SWOT: assess internal strengths/weaknesses and external opportunities/threats

TIP BBBEE scorecard: know all 5 pillars and be able to explain how each contributes to transformation. Enterprise development supports small black-owned businesses; skills development focuses on training.