

UNIVERSITY OF SWAZILAND
 FACULTY OF COMMERCE
 DEPARTMENT OF BUSINESS ADMINISTRATION
 SUPPLEMENTARY EXAMINATION PAPER

MAY 2014

TITLE OF PAPER : BUSINESS ENVIRONMENT

DEGREE : B.COMM

COURSE CODE : BA 111

TIME ALLOWED : THREE (3) HOURS

INSTRUCTIONS : 1.THIS PAPER CONSISTS OF SECTIONS (A) AND (B)
 2. THE CASE STUDY ON SECTION (A) IS COMPULSORY. TOTAL MARKS POSSIBLE: 40 MARKS
 3. ANSWER ANY THREE QUESTIONS FROM SECTION (B): TOTAL MARKS POSSIBLE: 60 MARKS

NOTE: MARKS WILL BE AWARDED FOR GOOD COMMUNICATION IN ENGLISH AND FOR ORDERLY PRESENTATION OF WORK

DO NOT OPEN THIS PAPER UNTIL THE INVIGILATOR HAS GRANTED PERMISSION

SECTION A

Dlamini, Simelane and Sons Pty Ltd is a thirty year old company that manufactures furniture started by two retired police officers with a long term vision to pass on the business to their sons. The two sons, one from each family, have already been involved in the business for a period of ten years. As the young generation, representing new blood in the business, they respect and appreciate that their parents built up the business from nothing, however, they feel that some of the business practices are out dated and the approach to business management is behind times. They are of the opinion that the company can not bury its head in the sand but has to confront and resolve or implement changes to move with the times and address contemporary issues that prevail in the business world.

A burning issue is that the company has been losing valuable and skilled carpenters due to HIV AIDS. Out of the 10 carpenters employed, 2 have passed away and another 3 are intermittently ill and spend more than 50% of the time away from work and need time off to collect medication and conduct various medical tests. Two other long serving employees are alcoholics and suspected dagga abusers who are renowned for never turning up for work on Mondays and Friday afternoons. Unfortunately, they are related by marriage to the two families.

This puts pressure on the three remaining carpenters to meet the same quantity of orders every month without adequate technical staff. Moreover, they are aggrieved that their colleagues are allowed to get away with such long periods of absence from work without repercussions. Some new employees have begun to emulate this bad behaviour.

The older generation, Dlamini senior and Simelane senior are reluctant to address the matter as the workers under discussion are long time serving loyal employees who have diligently served the company well in the past. They feel that the company should soldier on, and hopefully the situation will resolve itself in the long run. Dlamini junior and Simelane junior are very frustrated by this attitude as after attending motivational entrepreneurship courses, they were harbouring designs to expand the company and take it to a higher level, to take advantage of a boom in the demand for furniture. They feel that productivity of employees should be at full capacity all the time. They are drafting policies to address these issues to be presented to their parents.

Questions

- (a) Discuss the key components of a good HIV policy that the sons can present to their parents. (5 marks per point = 15 marks)

- (b) Identify five programs that Dlamini, Simelane and Sons Pty Ltd can implement to address the HIV and substance abuse challenge at the workplace? **(2 marks per point = 10 marks)**
- (c) What methods can they use to test for drugs in the workplace? **(2 marks per point = 10 marks)**
- (d) What are the challenges that they may face if they implement drug testing in the workplace? **(1 mark per point = 5 marks)**

SECTION B

Question 1

The world is faced with very grave challenges in relation to the changes and impact of business activity on the natural environment. Climatic changes which are caused by air pollutants generated by business activity are a good example. Explain why corporations should be concerned about the natural environment and discuss the approaches that businesses can adopt to deal with the natural environment challenges. **(20 marks)**

Question 2

Shareholders are simply the owners of a business. Discuss the rights and benefits of a shareholder. At what point can one be legally considered a shareholder and what is majority shareholding? **(20 marks)**

Question 3

Corporate Social Responsibility (CSR) is defined as an obligation over and above that required by law and economics, to pursue social objectives that are good for society. Discuss the arguments for and against CSR. **(20 marks)**

Question 4

The external environment consists of elements or components that are uncontrollable by business organizations, but which may have an impact on business activities. Using examples, discuss these components, explaining how they could have an impact on businesses. **(20 marks)**