

**UNIVERSITY OF SWAZILAND  
FACULTY OF COMMERCE**

**DEPARTMENT OF BUSINESS ADMINISTRATION**

**FIRST SEMESTER EXAMINATION 2014**

**FULL-TIME AND I.D.E.**

**TITLE OF PAPER : BUSINESS ENVIRONMENT**

**COURSE : BA111**

**DEGREE AND YEAR : BCOM1**

**TIME ALLOWED : THREE (3) HOURS**

**INSTRUCTIONS:**

- 1. THIS PAPER CONSISTS OF SECTIONS (A) AND (B)**
- 2. SECTION (A) IS COMPULSORY**
- 3. ANSWER ANY THREE (3) QUESTIONS FROM SECTION B**

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

**THIS EXAMINATION PAPER SHOULD NOT BE OPENED UNTIL  
INVIGILATOR HAS GRANTED PERMISSION**



**SECTION A [COMPULSORY]****READ THE FOLLOWING CASE AND ANSWER THE QUESTIONS BELOW****SANTAM : DOING BUSINESS FOR NEARLY A 100 YEARS**

On 1 May 1918 Santam opened its doors in Burg Street, Cape Town. Today this company is known as a leading South African short term insurer with assets totalling more than E17 billion, a world class contact centre infrastructure, a thriving intermediary network and more than 650 000 policy holders.

This company ascribes its ability to adapt to financial and non- financial change for almost a century to the fact that they understand what it takes to do business sustainably.

Santam's board of directors also affirmed their commitment to the highest principles of effective corporate governance and publically declared that they strive for the highest standards of integrity and ethics in all the company's undertakings.

'Santam has a responsibility to conduct its affairs with prudence and to safeguard the interest of all its stakeholders.

The company's commitment to good governance and to ensure best practice in company conduct are formalised in its charters and policies.

Employee conduct is furthermore governed by Santam's code of ethics. This code prescribes that all employees must comply strictly with all relevant legal requirements and company regulations that apply to their area of work. Stakeholder engagement is also a strategic priority for this company

Santam believes that insurance is something that should add value, not questions or uncertainty. It should provide peace of mind, not parameters or excuses. Considering this company's conduct, it could be said that this company earned its share of more than 22% of the short term insurance market

**QUESTION 1**

- a) "Santam's board of directors also affirmed their commitment to the highest principles of effective corporate governance...." Explain what is meant by principles of corporate governance. **(20 MARKS)**
- b) Discuss other methods Santam can use to encourage ethical behaviour in the organisation. **(20 MARKS)**

## **SECTION B**

**ANSWER ANY THREE (3) QUESTIONS FROM THIS SECTION**

### **QUESTION 2**

One of the elements of the internal environment is organizational culture. Discuss the different types of organizational culture and how they influence an organization's competitive advantage. **(20 MARKS)**

### **QUESTION 3**

Explain what an economic system is and then discuss with examples, the different types of economic systems. **(20 MARKS)**

### **QUESTION 4**

Describe the main forces in the macro environment and how they impact organizations **(20 MARKS)**

### **QUESTION 5**

Discuss the concept of environment and sustainable development and its implication on businesses. **(20 MARKS)**