higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

# NATIONAL CERTIFICATE

# MUSIC BUSINESS AND STYLES N4

(3030504)

**24 May 2021 (X-paper)**
**09:00–12:00**

**This question paper consists of 10 pages.**

032Q1J2124

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# DEPARTMENT OF HIGHER EDUCATION AND TRAINING
# REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE
MUSIC BUSINESS AND STYLES N4
TIME: 3 HOURS
MARKS: 300

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**INSTRUCTIONS AND INFORMATION**

1. Answer all the questions.
2. Read all the questions carefully.
3. Number the answers according to the numbering system used in this question paper.
4. Start each question on a new page.
5. Use only a black or blue pen.
6. Write neatly and legibly.

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## SECTION A

## QUESTION 1

Various options are given as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number (1.1–1.25) in the ANSWER BOOK.

1.1 A legally binding agreement between the artist and the record company.

A Distribution contract
B Management contract
C Publishing contract
D Recording contract

1.2 The role of the artist in the studio.

A Performing
B Composing
C Producing
D Writing

1.3 A professional responsible for the finances of the artist.

A Personal manager
B Lawyer
C Agent
D Business manager

1.4 Payment method often used by record companies to pay their artists.

A Commission
B Wages
C Royalties
D Fees

1.5 The process of recovering recording costs and artist advances.

A Escalation
B Recoupment
C Cross-collateralisation
D Budgeting

1.6 Payment method often used by artists to pay their managers.

A Fees
B Royalties
C Commission
D Wages

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1.7 The major role of the record company in the life of the artist.

A Management
B Booking
C Publishing
D Recording

1.8 A professional responsible for handling the artist's legal matters.

A Lawyer
B Personal manager
C Business manager
D Agent

1.9 One of the available methods to pay lawyers' fees.

A Royalties
B Value billing
C Commission
D Wages

1.10 A company that is financed by its owners.

A Major record company
B Major-affiliated independent record company
C Independent record company
D Production company

1.11 A division of the major record company dealing with talent and development.

A Promotion
B Sales
C A&R
D Finance

1.12 A professional responsible for the artist's bookings.

A Business manager
B Agent
C Lawyer
D Personal manager

1.13 A system of recovering costs of a particular album from a different one.

A Recoupment
B Escalation
C Cross-collateralisation
D Advance

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1.14 A system of increasing the artist's royalties on the basis of sales.

A Escalation
B Investment
C Savings
D Profits

1.15 Upfront payment of royalties.

A Wages
B Commission
C Bonus
D Advance

1.16 A contractual clause assuring the release of an album by record company.

A Guaranteed-recording clause
B Guaranteed-marketing clause
C Guaranteed-production clause
D Guaranteed-release clause

1.17 A clause preventing artists from making records for other record companies.

A Exclusivity clause
B Prevention clause
C Restriction clause
D Production clause

1.18 A contractual clause giving the artist freedom of artistic expression.

A Composing clause
B Performance clause
C Creative-control clause
D Production clause

1.19 One of the delivery criteria of records by artists to record companies.

A Recordings featuring other artists
B Recordings recorded live and in studio
C Technically satisfactory recordings
D Recordings previously recorded by the artist

1.20 A creative person responsible for the production of records.

A Sound engineer
B Producer
C Personal manager
D Composer

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1.21 A method of distributing physical records of music.

A Lockers
B Bundled services
C Rack jobbers
D Permanent downloads

1.22 The right to put the artist's name on T-shirts.

A Manufacturing rights
B Print rights
C Merchandising rights
D Creative rights

1.23 A contractual clause permitting the verification of the company's books.

A Accounting-rights clause
B Audit-rights clause
C Verification-rights clause
D Reporting-rights clause

1.24 An album comprising different hits from previous albums.

A Coupling album
B Compilation album
C Joint recording album
D Greatest hits album

1.25 Electronic method of distributing digital records of music.

A Licensees
B Rack jobbers
C Wholesalers
D Podcasting

(25 × 2) **[50]**

**QUESTION 2**

Indicate whether the following statements are TRUE or FALSE by writing only 'True' or 'False' next to the question number (2.1–2.25) in the ANSWER BOOK.

2.1 Artists are compelled to write their own music.

2.2 Artists' royalties are paid on a monthly basis.

2.3 The record company is forbidden from recouping recording costs.

2.4 Artists are employed by record companies.

2.5 Digital records are sold electronically.

2.6 The personal manager earns a commission.

2.7 The business manager negotiates contracts on behalf of the artist.

2.8 Composers can only compose for one artist from a particular record company.

2.9 Sideman performances are given an equal role in the record.

2.10 A producer is responsible for overseeing the production of records.

2.11 The guaranteed release clause is accorded to artists with significant bargaining power.

2.12 Live albums are recorded before a live audience.

2.13 A controlled composition is a song that an artist has an interest in.

2.14 A commercially satisfactory requirement of records implies that records can be bought.

2.15 The producer's royalties are paid from the artist's royalty share.

2.16 Superstars are artists who sell over 750 000 units per album.

2.17 Return-privilege clause means the artist must return the advance to the record company.

2.18 Free goods do not bear royalties for artists.

2.19 A record is any kind of delivery of music for consumer use.

2.20 A&R stands for artists and records.

2.21 Agents are sometimes involved in commercials and tour sponsorship.

2.22 Two-CD packages as multiple albums.

2.23 The reserve-limitation clause only applies to physical records.

2.24 Streaming-on-demand services are interactive.

2.25 Wholesalers sell records to the public.

(25 × 2) **[50]**

**TOTAL SECTION A: 100**

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## SECTION B

## QUESTION 3

Choose an item or word from COLUMN B that matches a description in COLUMN A. Write only the letter (A–O) next to the question number (3.1–3.15) in the ANSWER BOOK.

| COLUMN A | | COLUMN B | |
|---|---|---|---|
| 3.1 | Sound recording of music | A | recording costs |
| 3.2 | A buffer between the artist and the outside world | B | key man |
| 3.3 | A percentage-based payment method to the personal manager | C | marketing |
| 3.4 | Monies recoupable by record companies from artist's royalties | D | sunset clause |
| 3.5 | Money given to an artist to offset tour losses | E | record |
| 3.6 | Time period commencing with the recording of an album until the end its promotional activities | F | conflict of interest |
| 3.7 | A clause referring to the personal manager's earnings after the management term | G | master |
| 3.8 | A personal manager representing the artist on behalf of the company | H | personal manager |
| 3.9 | The legal right to represent someone in their absence | I | return privilege |
| 3.10 | The representation of two parties opposing each other by a single attorney | J | promotion copies |
| 3.11 | The record company's division responsible for advertising and publicity of records | K | commission |
| 3.12 | The original recording from which other copies of records are made | L | reserves |
| 3.13 | The right to sell back unsold physical records | M | album cycle |
| 3.14 | Royalties due to the artist withheld by record companies | N | power of attorney |
| 3.15 | Records given to radio stations marked not-for-sale | O | tour support |

(15 × 2) **[30]**

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## QUESTION 4

Choose the correct term from those in brackets. Write only the answer next to the question number (4.1–4.15) in the ANSWER BOOK.

4.1 A formula is a mechanism designed to automatically increase or decrease a (deal/term) based on success.

4.2 A 360 (deal/term) allows companies to receive a piece of all the artist's earnings.

4.3 (Sales/Marketing) people get artist's records into stores and onto digital sites.

4.4 Free goods do not bear (royalties/costs).

4.5 SRLP is an approximation of the price received by the (wholesalers/retailers)

4.6 Cross-collateralisation of (deals/albums) refers to the recoupment of costs from different agreements.

4.7 A (mid-level/new) artist sells than 100 000 copies or so of albums.

4.8 Record companies spend far less money in a (demo/development) deal.

4.9 A live album is (recorded/performed) at a concert with the audience.

4.10 A controlled composition limits how (often/much) the artist gets paid as a songwriter.

4.11 (Companies/Artists) usually require two or three new songs for greatest hits packages.

4.12 A (producer/composer) is a person responsible for delivering the creative product in a tangible form.

4.13 (One-stops/Licensees) buy from wholesalers and then sell to mom-and-pop stores.

4.14 (Webcasting/podcasting) is a service where people can stream records.

4.15 The exclusivity clause (allows/restricts) the artist from recording for other record companies.

(15 × 2) **[30]**

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**QUESTION 5**

| | | | |
|---|---|---|---|
| 5.1 | Name FIVE electronic transmission methods of records. | (5 × 2) | (10) |
| 5.2 | Name FIVE delivery requirements of albums. | (5 × 2) | (10) |
| 5.3 | Name FIVE roles of the personal manager. | (5 × 2) | (10) |
| 5.4 | Name FIVE restrictions associated with sidemen performances. | (5 × 2) | (10) |
| | | | **[40]** |

**TOTAL SECTION B: 100**

**SECTION C**

**QUESTION 6**

| | | |
|---|---|---|
| 6.1 | Explain the exclusivity clause in relation to re-recording restrictions and soundtracks. | (20) |
| 6.2 | Explain earnings after the term under the sunset clause in detail. | (30) |
| | | **[50]** |

**QUESTION 7**

Explain what a major record company is. Include 10 divisions of such companies in your explanation. **[50]**

**TOTAL SECTION C: 100**
**GRAND TOTAL: 300**

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