

**KZN – DEPT. OF EDUCATION
GREENBURY SECONDARY SCHOOL
THIRD CONTROL TEST – 2016
BUSINESS STUDIES - GRADE 11**

EXAMINER : R NAIDOO
MODERATOR : R GOVENDER
NAME : _____

MARKS : 100
DURATION : 1 hr
DATE : 28/09/2016

INSTRUCTIONS AND INFORMATION

1. This paper consists of 4 printed pages.
2. There are 3 sections :
 - **SECTION A** : COMPULSORY
 - **SECTION B** : Consists of THREE questions. **CHOOSE ANY TWO QUESTIONS.**
 - **SECTION C** : **ESSAY** question. Consists of TWO questions. **CHOOSE ANY ONE.**
3. Use the SPECIAL ANSWER SHEET for Section A.
4. Start each question on a new page.

SECTION A

QUESTION ONE : (20 marks)

1.1 MATCHING

**CHOOSE A DESCRIPTION FROM COLUMN B THAT MATCHES A TERM IN COLUMN A.
WRITE DOWN THE CORRECT ALPHABET ONLY**

| COLUMN A | COLUMN B |
|---------------------------|---|
| 1.1.1 INFORMAL SECTOR | A) Creating awareness of a product or brand to a target market. |
| 1.1.2 SABS | B) Techniques and mechanisms used to determine the pricing of a product. |
| 1.1.3 MARKET SEGMENTATION | C) Jobs and markets that are not registered to pay taxes. |
| 1.1.4 PRICING POLICY | D) Controls the process of making sure that all products in SA meet certain standards and criteria. |
| 1.1.5 PROMOTION | E) The division of customers into age, gender, income, education, etc. |
| | F) Part of production planning and control processes. |

[5 x 2 = 10]

1.2 TRUE OR FALSE

STATE WHETHER THE FOLLOWING STATEMENTS ARE TRUE OR FALSE. IF FALSE, CORRECT THE UNDERLINED PART OF THE STATEMENT, SO AS TO MAKE IT TRUE

- 1.2.1 Convenience goods are goods that are not known to the customer and are purchased with great effort.
- 1.2.2 Reusable packaging is packaging that can be used again for example a plastic container.
- 1.2.3 Product concept development is the stage in product design whereby products are made available to customers.
- 1.2.4 Goods are tangible and services are intangible.
- 1.2.5 TQM is when business compare and measure the quality of their products against those of their competitors.

[5 x 2 = 10]
P.T.O/....SECTION B

SECTION B

CHOOSE ANY **TWO** QUESTIONS FROM THIS SECTION

QUESTION TWO : BUSINESS VENTURES/ ROLES (20 marks)

2.1 READ THE FOLLOWING CASE STUDY AND ANSWER THE QUESTIONS THAT FOLLOW:

Jasmin is a young entrepreneur, who has a successful business in the catering industry. When asked what her secret to running a successful business was, she stated that hard work, confidence and perserverance was her secret. She went on to state that the will power to overcome obstacles had taken her to great heights in her business as well. She also stated that upcoming entrepreneurs should not be afraid to take risks, have a passion for what they are doing and maintain a high degree of commitment to their business venture.

- 2.1.1 According to the case study, identify THREE(3) secrets of Jasmin's in running a successful business. (3)
- 2.1.2 Explain the following entrepreneurial qualities that Jasmin recommended to upcoming entrepreneurs : (2)
- 2.1.2.1 Taking risks (2)
- 2.1.2.2 Passion (2)
- 2.1.3 Identify any THREE(3) areas for improvement that Jasmin can work on to keep her business sustainable. (3)
- 2.2 List FIVE(5) benefits of social investment for companies (10)

QUESTION THREE : BUSINESS OPERATIONS (20 marks)

- 3.1 The following costs were calculated by the owner of the business making dresses :
- SELLING PRICE PER UNIT = R500
 - VARIABLE COSTS PER UNIT = R250
 - FIXED COSTS PER MONTH = R20 000
- 3.1.1 Tabulate the difference between FIXED COSTS and VARIABLE COSTS. (4)
- 3.1.2 How many units must be sold in order for the business to break-even?(**Show all calculations**) (5)
- 3.1.3 Calculate the total sales for the month if 200 dresses were made (3)
- 3.2 Explain the following examples of COST-BASED PRICING : (2)
- 3.2.1 Cost-plus pricing (2)
- 3.2.2 Break-even analysis (2)
- 3.2.3 Demand-based pricing (2)
- 3.3 CHOOSE THE CORRECT TERM
- 3.3.1 A/An (**MONOPOLY/OLIGOPOLY**) is when a few large businesses dominate the market by selling the same product at similar prices. (2)

P.T.O/....QUESTION FOUR

QUESTION FOUR : MISCELLANEOUS (20 marks)

- 4.1 Identify the types of packaging that would be best suited for the following products :
- 4.1.1 Cooldrink can
 - 4.1.2 Coffee tin
 - 4.1.3 Perfume
 - 4.1.4 Tie and shirt (4)
- 4.2 List the FOUR(4) factors that influence foreign marketing. (4)
- 4.3 Explain any THREE(3) advantages of a proper quality control system (6)
- 4.4 Identify any THREE(3) safety regulations that are compulsory for factories? (3)
- 4.5 State THREE(3) reasons for the existence of Non-governmental organisations(NGO's) (3)
-

SECTION C

CHOOSE ANY **ONE** QUESTION FROM THIS SECTION

QUESTION FIVE : BUSINESS VENTURES (40 marks)

"Some entrepreneurial characteristics are critical in determining the success or failure of a business. The failure rate of many businesses is proof that it is not easy to guarantee that a business will succeed."

Discuss how the following entrepreneurial qualities and key success factors will influence a business :

Entrepreneurial qualities :

- Confidence
- Recognise opportunities
- Perseverance
- Creativity
- Product and customer focus

Key Success Factors :

- Sustainability
 - Profitability
 - Customer base
 - Corporate Social Investment
-

P.T.O/....QUESTION SIX

QUESTION SIX : BUSINESS OPERATIONS (40 marks)

"Many people believe that marketing activities implies buying, selling and advertising of goods. While this is partly true, activities are by no means restricted to buying, selling and advertising."

In a well structured essay, discuss the following aspects under marketing :

- The following Marketing Activities:
 - ✓ Locating the consumer
 - ✓ Transport
 - ✓ Storage
 - ✓ Grading
 - ✓ Standardisation
 - ✓ Finance
 - ✓ Risk bearing

- Identify the 7 P's in the Marketing mix and briefly explain each one.

**TOTAL = 100
ALL THE BEST!!!!!!!!!!!!**



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GREENBURY SECONDARY SCHOOL
 THIRD CONTROL TEST - 2016
 SPECIAL ANSWER SHEET
 BUSINESS STUDIES - GRADE 11

100

NAME/SURNAME : MEMO / SUGGESTED ANSWERS
 GR./DIV :

FOR THE EDUCATOR'S USE ONLY

| QUESTION | (✓) QUESTION CHOSEN | MARK | LEARNER'S MARK |
|----------|---------------------|------|----------------|
| ONE | | 20 | |
| TWO | | 20 | |
| THREE | | 20 | |
| FOUR | | 20 | |
| FIVE | | 40 | |
| SIX | | 40 | |
| | | | |

GREENBURY SECONDARY SCHOOL



DEPARTMENT OF COMMERCE
 H.O.D. MISS C MAHARAJ

[Signature]

SECTION A
QUESTION ONE

| | |
|---------|----|
| 1.1 | |
| 1.1.1 C | ✓✓ |
| 1.1.2 D | ✓✓ |
| 1.1.3 E | ✓✓ |
| 1.1.4 B | ✓✓ |
| 1.1.5 A | ✓✓ |

10

| | |
|---------------------------------|--|
| 1.2 | |
| 1.2.1 False. ✓ Shopping goods ✓ | |
| 1.2.2 True ✓✓ | |
| 1.2.3 True ✓✓ | |
| 1.2.4 True ✓✓ | |
| 1.2.5 False. ✓ Benchmarking ✓ | |

10

| |
|----|
| 20 |
| 20 |

SECTION B

QUESTION TWO

2.1.1

- Hardwork ✓
- Confidence ✓
- Perverserance ✓

3

2.1.2

- TAKING RISKS - Entrepreneurs must be willing accept risks and in return be rewarded. ✓✓

2

- PASSION - Can be illustrated when an entrepreneur finds it difficult to simply walk away from failure or setbacks. ✓✓

2

2.1.3 AREAS FOR IMPROVEMENT

- Debt collection ✓
- Stock control ✓
- Marketing ✓
- Human resources
- Procurement

ANY 3 x 1 = 3

2.2 BENEFITS OF SOCIAL INVESTMENT FOR COMPANIES

- Upliftment programmes can alleviate poverty. ✓✓
- Establishment of a social network in communities ✓✓
- Gaining of the trust of investors ✓✓
- Increasing of the appeal as an employer ✓✓
- Promotion of the communities in which they are active. ✓✓
- Gains customer loyalty
- Gains a favourable image

5 x 2 = 10

TOTAL = 20

QUESTION THREE

3.1

3.1.1

| <u>FIXED COSTS</u> | <u>VARIABLE COSTS</u> |
|--|--|
| Costs that do not change irrespective of the number of goods made ✓✓ | Costs that vary depending on how many units are produced. ✓✓ |

4

3.1.2

$$\text{BREAKEVEN} = \frac{\text{Fixed costs}}{\text{SPu} - \text{Vcu}} \quad \checkmark$$

$$= \frac{20\,000 \quad \checkmark}{500 - 250 \quad \checkmark}$$

$$= \underline{80 \text{ units}} \quad \checkmark\checkmark$$

5

$$\begin{aligned} 3.1.3 \quad & R500 \quad \checkmark \times 200 \quad \checkmark \\ & = \underline{R100\,000} \quad \checkmark \end{aligned}$$

3

3.2 EXAMPLES OF COST-BASED PRICING

3.2.1 COST-PLUS PRICING

- Calculates the total cost and adds a predetermined percentage as a mark-up to arrive at the selling price. ✓✓

2

3.2.2 BREAK-EVEN ANALYSIS

- The calculation of the point at which a number of units are sold where no profit or loss is made. ✓✓

2

3.2.3 DEMAND-BASED PRICING

- Calculation is based on the price that consumers are prepared to pay ✓✓

2

3.3

3.3.1 OLIGOPOLY. ✓✓

2

TOTAL = 20

QUESTION FOUR

4.1

- 4.1.1 Kaleidoscopic packaging ✓
- 4.1.2 Reusable packaging ✓
- 4.1.3 Speciality packaging ✓
- 4.1.4 Multiple packaging ✓ / COMBINATION PACKAGING

4

4.2 FACTORS INFLUENCING FOREIGN MARKETING

- Payment ✓
- Paperwork ✓
- Practices ✓
- Partnerships ✓
- Protection

ANY 4x1 = 4

4.3 ADVANTAGES OF A PROPER QUALITY CONTROL SYSTEM

- Better use of people's skills, abilities and time ✓✓
- Better use of materials ✓✓
- Better use of equipment ✓✓
- Plan and control more efficiently

ANY 3x2 = 6

4.4 SAFETY REGULATIONS

- Wear protective clothing ✓
- Sufficient lightning and ventilation ✓
- Fire protection ✓
- Structural safety of building
- Fire drills

ANY 3x1 = 3

4.5 REASONS FOR THE EXISTENCE OF NGO's

- Govt. alone cannot deliver high quality public services ✓
- Help people to organise themselves and develop themselves ✓
- Help communities to make the best use of existing human, financial and natural resources. ✓

3

TOTAL = 20

QUESTION FIVE

INTRODUCTION

- Entrepreneur influence the success of a business. They look for gaps in the market where they can make money. They are positive. ✓✓

BODY

ENTREPRENEURIAL QUALITIES

1. CONFIDENCE

- Entrepreneurs believe in themselves and believe that they can achieve their goals. ✓✓
- They are positive and focus on things that could go right instead of focusing on things that could go wrong. ✓✓

2. RECOGNISE OPPORTUNITIES

- Entrepreneurs need to identify viable opportunities that are not always easy to spot. ✓✓
- An entrepreneur needs a good business sense to make it happen ✓✓

3. PERSEVERANCE

- Entrepreneurs face obstacles and need to persist. ✓✓
- Successful entrepreneurs have a positive attitude towards failure and believe that difficulties are merely opportunities. ✓✓

4. CREATIVITY

- Creativity in business implies coming up new innovative ideas. ✓✓
- It means coming up with new ideas, new ways of doing things or using the same product but satisfying different needs. ✓✓

5. PRODUCT AND CUSTOMER FOCUS

- Developing products or services that make people's lives easier is a characteristic of entrepreneurs. ✓✓
- Most businesses find this very rewarding. ✓✓

KEY SUCCESS FACTORS

1. SUSTAINABILITY

- Means ensuring that the income from sales increases, customer base expands and quality of service improves. ✓✓

2. PROFITABILITY

- The business is profitable when all expenses have been subtracted from the sales and a surplus results. ✓✓

3. CUSTOMER BASE

- The number of customers in the database is large and there are many opportunities to attract new customers. ✓✓

4. CORPORATE SOCIAL INVESTMENT

- Assisting and supporting the communities within which we operate. ✓✓

CONCLUSION

- Entrepreneurial qualities and key success factors are variables that gives a business a competitive edge over other similar businesses in a particular industry. ✓✓

| | |
|-------------|----|
| FACTS | 32 |
| LAYOUT | 2 |
| ANALYSIS | 2 |
| SYNTHESIS | 2 |
| ORIGINALITY | 2 |
| TOTAL | 40 |

QUESTION SIX

INTRODUCTION

Marketing aims to link the business products and services with the customer needs and wants in order to get the right product or service to the right customer at the right place at the right time. ✓✓

BODY

1. MARKETING ACTIVITIES

1.1 LOCATING THE CONSUMER

- Must determine the needs of the consumer through careful research.
- Selling activities require the business to find buyers and set prices that will attract buyers. ✓✓

1.2 TRANSPORT

- Ensures that products are moved from the producer to the consumer. ✓✓

1.3 STORAGE

- Goods are often stored in warehouses until they are needed. ✓✓
- When goods are stored they must be insured against fire, damage, etc.

1.4 GRADING

- Refers to the quality categories that appear on some products, such as fresh meat. ✓✓

1.5 STANDARDISATION

- Ensures that all products are of the same standard in terms of quantity, quality and packaging. ✓✓

1.6 FINANCE

- Is concerned mainly with the raising and usage of funds. ✓✓
- Costs must be carefully planned and controlled.

1.7 RISK-BEARING

- Marketing activities have a big risk factor, since a business can never be sure that its products will be sold. ✓✓
- There is a possibility that the products might be damaged, stolen or that become outdated which will result in financial losses.

3. SEVEN MARKETING POLICY INSTRUMENTS

| | | | |
|-------------------|---|--|---|
| Product | ✓ | what product will be produced | ✓ |
| Pricing | ✓ | what specific price will be chosen | ✓ |
| Place | ✓ | how the product will be distributed | ✓ |
| Promotion | ✓ | how the product will be brought to the attention of the customer | ✓ |
| People | ✓ | All the people involved in the production process | ✓ |
| Process | ✓ | The activities involved in the production and sale of products | ✓ |
| Physical evidence | ✓ | Making sure that customers know what they are buying and following up. | ✓ |

CONCLUSION

Businesses need accurate and current information to make marketing decisions. ✓✓

| | |
|-------------|----|
| FACTS | 32 |
| LAYOUT | 2 |
| ANALYSIS | 2 |
| SYNTHESIS | 2 |
| ORIGINALITY | 2 |
| TOTAL | 40 |

