


GRADE 10	TERM 1	BUSINESS STUDIES - TEST	
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**This paper consists of 3 sections:**

- Section A: answer all of the questions** (20 marks)  
**Section B: there are two questions; you must answer one question only** (40 marks)  
**Section C: there are two questions; you must answer one question only** (40 marks)

**SECTION A: Answer all questions in Section A****Question 1**

Choose the correct option – you need only write the question number and the correct letter on your answer sheet.

- 1.1 Choose the correct term to complete the statement below:  
The \_\_\_\_\_ describes the purpose and the daily activities of business:
- A. mission statement
  - B. vision
  - C. objectives
  - D. goals
- 1.2 Stock control is NOT used for this purpose:
- A. To determine the quantity of available stock.
  - B. To make sure there is enough stock.
  - C. To determine the overall value of the stock.
  - D. To make sure the quality of the stock meets the business's standards and surpasses the quality of competing products.
- 1.3 Which of the following is not an example of a long-term investment:
- A. debentures
  - B. money market accounts
  - C. property
  - D. government bonds
- 1.4 The National Consumer Protection Act was implemented in:
- A. June 2007
  - B. September 2008
  - C. August 2010
  - D. April 2011
- 1.5 Intermediaries:
- A. add value to a product
  - B. add time value to a product
  - C. make ownership possible
  - D. all of the above
- 5 x 2 (10)

GRADE 10	TERM 1	BUSINESS STUDIES - TEST	
----------	--------	-------------------------	---

**Question 2**

Give one word/term for each of the following:

- 2.1 The \_\_\_\_\_ of the business provides direction to meet the goals of the business.
- 2.2 The \_\_\_\_\_ is a diagram which indicates the organisational structure in a business.
- 2.3 The \_\_\_\_\_ function is directly responsible for transferring raw materials into goods and services.
- 2.4 Profit that is divided between all the owners of a business is known as \_\_\_\_\_.
- 2.5 The \_\_\_\_\_ acts as an informal court by listening to consumers' complaints about credit agreements or credit providers. 5 x 2 (10)

**SECTION B: One question must be answered****Question 3****(40 marks)**

Queen Bey is a cosmetics company that uses direct marketing as their strategy to sell. They do not sell their products in shops, but rely on networks of people to sell. This provides many opportunities in communities.

They have created a strong organisational culture that supports the empowerment of women. Their sales teams continually receive training and are encouraged to sell to their networks of family and friends. Their products are of a superior quality and adapted to the needs of the different cultures and religious groups of various countries.

Read the information about Queen Bey and answer the following questions:

- 3.1 Which business function is responsible for creating the organisational culture? (2)
- 3.2 Give a definition for the term organisational culture. (2)
- 3.3 Do you think Queen Bey employs more males or females? Give a reason for your answer. (4)
- 3.4 Which business function is responsible for the training of the employees? (2)
- 3.5 One of the eight functions of the business is responsible for creating a good name and positive image in the public eye. List the four methods used by this function. (4 x 2 = 8)
- 3.6 Explain the difference between advertising and publicity. (2 x 2 = 4)

GRADE 10	TERM 1	BUSINESS STUDIES - TEST	
----------	--------	-------------------------	---

- 3.7 Consumers and customers is a component of which environment? (2)
- 3.8 Cultural factors differ from country to country. The cultural group, subcultures and social class to which consumers belong can influence their buying behaviour. Name the other three (3) factors which influence consumer behaviour. (2 x 3 = 6)

Founder of Queen Bey, Ms Knowles, was recently interviewed by The Financial Mail. In this interview she discussed the challenges the business has faced through changing times

- 3.9 Loans and own capital fall under which group of organisational resources? (2)
- 3.10 Differentiate between the terms fixed capital and working capital. For each, give an example of what the type of capital is used for to substantiate your answer. (6)
- 3.11 Fill in the missing word: Banks and shareholders are regarded as \_\_\_\_\_ of capital. (2)


#### Question 4

(40 marks)

Mr Shawn Carter has a tiling business called Tile this Town. They tile kitchens, bathrooms and floor areas. He has twenty workers working for him. Mr Carter recently gave his workers an increase of five percent. However, they are not happy with the increase and feel that it should be more. His competitors have only given their workers four percent. Mr Carter has also increased his prices as suppliers have put up their prices. Mr Carter has recently signed a contract with a building firm, Empire Holdings, which has agreed to use his team for all of their tiling jobs. Mr Carter does not like dealing with customers, so he is pleased to have someone else doing that.

Read the information and answer these questions:

- 4.1 The internal factors of this business, Tile this Town, form part of which environment? (2)
- 4.2 The term \_\_\_\_\_ refers to a situation where a third party performs a business function that is normally done within a business, as seen with the contract between Tile this Town and Empire Holdings. (2)
- 4.3 Tile this Town will need to purchase various goods and materials for the daily operations of the business. Step 3 of the purchasing process will require the best supplier to be chosen, taking into account price, quality and delivery as well as after-sales service. An order can be placed once the supplier has been chosen. List the remaining four (4) steps of the purchasing process. They must be stated in the correct sequential order for marks to be awarded. (2 x 4 = 8)

GRADE 10	TERM 1	BUSINESS STUDIES - TEST	
----------	--------	-------------------------	---

- 4.4 Identify two (2) ways in which Tile this Town can maintain a good relationship with its suppliers. (4)
- 4.5 Give the full name of the act that regulates credit transactions. (2)
- 4.6 According to this act, name three (3) actions which credit providers are prohibited from doing. (2 x 3 = 6)
- 4.7 Who could Mr Carter's workers go to if they are not happy with their wage increase? Give an example of one of these bodies in South Africa. You must write out the full name in order to be awarded the marks. (2)
- 4.8 By utilising a saving account, Tile this Town will be able to earn interest on the money saved. Provide two (2) other types of short-term investments that Mr Carter can consider for his business' needs. (2 x 2 = 4)
- 4.9 Which short-term investment would you recommend to Mr Carter if he is looking to earn the highest interest possible? (2)

4.10 Refer to the Nando's advertisement alongside in order to answer the questions that follow.

This advertisement was banned after consumer complaints were issued to The Advertising Standards Authority of South Africa (ASASA) regarding its offence nature. The South African Bureau of Standards (SABS) is another example of a regulator in South Africa.



- 4.10.1 Name and briefly discuss the remaining two (2) regulators which help to oversee the operations of particular parts of civil society. (2 x 3 = 6)
- 4.10.2 Civil society is a component of which environment? (2)

### SECTION C: One question must be answered

#### Note:

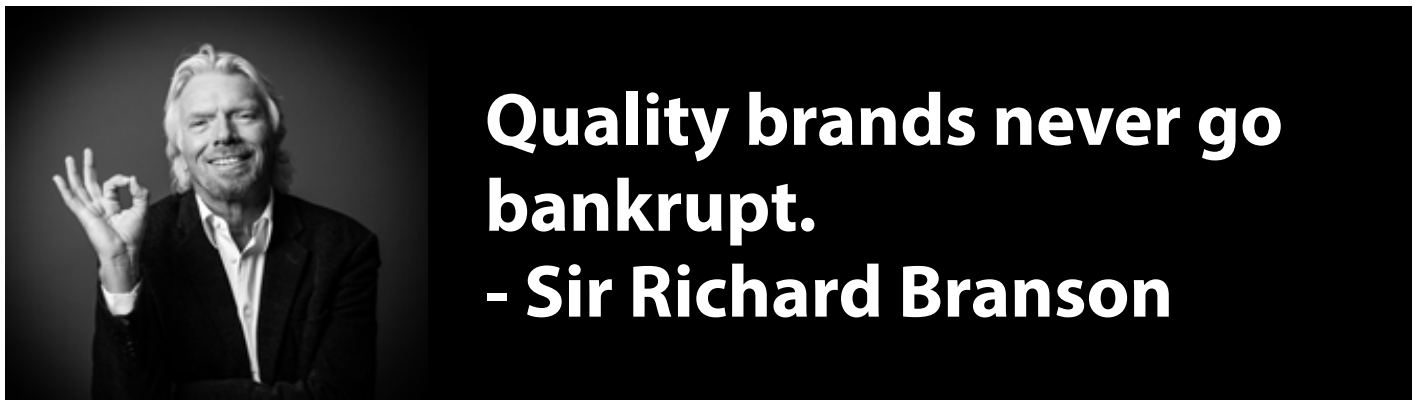
1. Indicate clearly on your answer sheet which essays you have chosen.
2. Essays are written in paragraph form and not in bullet point form.
3. Make sure that you use make use of sub-headings.

GRADE 10	TERM 1	BUSINESS STUDIES - TEST	
----------	--------	-------------------------	---

**Question 5****(40 marks)**

How do managers help a business to achieve its objectives? Describe the three levels into which management is usually divided, and for each level give an example of a position that someone doing general management typically holds. What must each level of management focus on, and what kinds of decisions must managers at this level make? Regarding the tasks of management, explain which management level is most concerned with organising, which is most concerned with controlling, and which is most concerned with planning.


Discuss the four management task any good manager will need to fulfil.

**Question 6****(40 marks)**

Endorse the validity of this statement by systematically analysing the concept of quality in the micro environment of the business.

**OR**

With reference to the above quote, systematically analyse the concept of quality in a business.

GRADE 10	TERM 1	BUSINESS STUDIES - TEST MEMORANDUM	
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**This paper consists of 3 sections:**

**Section A: answer all of the questions** (20 marks)

**Section B: there are two questions; you must answer one question only** (40 marks)

**Section C: there are two questions; you must answer one question only** (40 marks)

**SECTION A: Answer all questions in Section A**

**Question 1** (5 X 2 = 10 marks)

- 1.1 A ✓✓  
 1.2 D ✓✓  
 1.3 B ✓✓  
 1.4 D ✓✓  
 1.5 D ✓✓

**Question 2** (5 X 2 = 10 marks)

- 2.1 Goals  
 2.2 Organogram  
 2.3 Production  
 2.4 Dividends  
 2.5 National Consumer Tribunal

**TOTAL SECTION A: 20 marks**

**SECTION B: One question must be answered**

**Question 3** (40 marks)

- 3.1 General Management
- 3.2 The organisational culture is the 'personality' of the business. **(2 marks)** The culture is made up of the different beliefs, values, norms and expectations of everyone who works in the business. **(2 marks)**
- 3.3 Females **(2 marks)**  
 Reason: It is stated that the business is concerned with female empowerment.
- 3.4 Human Resources **(2 marks)**
- 3.5 Four methods used by public relations: **(2 x 4 = 8 marks)**
- The media
  - Direct contact and communication
  - Shows and exhibitions
  - Brochures and pamphlets
- 3.6 Advertising **(2 marks)**  
 If the business pays for news through media, it is called advertising. **(2 marks)** The news is always positive.  
 Publicity **(2 marks)**  
 Publicity is free media news and the business does not pay for it. It can be positive or negative.

GRADE 10	TERM 1	BUSINESS STUDIES - TEST MEMORANDUM	
----------	--------	------------------------------------	---

3.7 Financial Resources **(2 marks)**

3.8 Fixed capital: pays for fixed assets such as land and buildings, vehicles and certain types of equipment. **(1 mark)** These items usually require large amounts of money and they are used in the business to produce goods or services. **(1 mark)** We also call it long-term capital.

For example: land and buildings, vehicles and equipment to be purchased. **(1 mark)**  
**(MAX 3 marks, 1 of the 3 is allocated for a relevant example)**

Working capital: is the money needed to run a business from day to day. **(1 mark)** We sometimes call it short-term capital or current capital because it changes daily. **(1 mark)**

For example: used to purchase stock, pays for trading stock, raw materials, salaries and wages, rent. **(1 mark)**

**(MAX 3 marks, 1 of the 3 is allocated for a relevant example)**

3.9 Loans and own capital fall under which group of organisational resources?

Financial

(2)

3.10 Differentiate between the terms fixed capital and working capital.

For each, give an example of what the type of capital is used for to substantiate your answer.

Fixed Capital: pays for fixed assets such as land and buildings, vehicles, and certain types of equipment. **(1 mark)** These items are used in the business to produce goods or services. **(1 mark)**. This capital stays in the business for a long period of time. **(1 mark)**

Working Capital: This is the money needed to run a business from day to day. **(1 mark)**

It pays for trading stock, raw materials, salaries, rent and so forth. **(1 mark)** This capital changes daily. **(1 mark)**

(6)

3.11 Fill in the missing word: Banks and shareholders are regarded as

***Investors of capital.***

#### Question 4

**(40 marks)**

4.1 A Micro environment

(2)

4.2 Outsourcing

(2)

4.3 Remaining 4 steps of the purchasing process

Step 5: Follow-up

(2)

Step 6: Receive stock ordered

(2)

Step 7: Distribution of goods

(2)

Step 8: Pay supplier and file documents

(2)

4.4 Do not delay payment when payment is due

(2)

Do not return good unnecessarily

(2)

4.5 The National Credit Act (NCA) 34 OF 2005

(2)

4.6 The NCA states that credit providers may not:

- Make use of misleading or deceptive advertising.

- Harass customers to apply for credit.

- Increase a customer's credit limit without his or her permission.

- Charge customers more than the specified fees and charges required to be paid, or

GRADE 10	TERM 1	BUSINESS STUDIES - TEST MEMORANDUM	
----------	--------	------------------------------------	---

charge customers more than the maximum interest rates stipulated.

(ANY 2, MAX 6 marks)

- 4.7 The Commission for Conciliation, Mediation and Arbitration (CCMA) (2)  
OR Trade Unions such as NUM, COSATU. (2)
- 4.8 Short-term investments (2)  
Notice Account (2)  
Money Market Account (2)
- 4.9 Money Market Account (2)

4.10.1 **The South African Civil Aviation Authority (SACAA) (2 marks)** regulates all civil aviation in South Africa. The SACAA tests pilots and other aviation personnel regularly to check that they do their jobs properly. The SACAA also allocates runway time slots for aeroplanes to take off and land. No airline may operate in South African airspace without the permission of the SACAA. **(1 mark)**  
**(2 marks for correctly naming the regulator, 1 mark for a brief explanation)**

**The Liquor Board of South Africa (2 marks)** decides where and to whom to issue a licence to sell liquor. It is illegal to sell liquor without a liquor licence. The Liquor Board also regulates the times at which alcohol may be sold by each outlet. For example, a restaurant or supermarket may not serve or sell any alcoholic drinks if it does not have a liquor licence. In most places, alcohol may not be sold on Sundays, although legislation could change soon. **(1 mark)**  
**(2 marks for correctly naming the regulator, 1 mark for a brief explanation)**

4.10.2 Market **(2 marks)**

**TOTAL SECTION B: 40 marks**

## **SECTION C: One question must be answered**

### **Question 5**

**(40 marks)**

#### Introduction

Managers help a business to achieve maximum output for minimum input/higher profits/its goals and objectives. (2)

#### Body

Management is usually divided into lower-level management/first-line management **(2 marks)** (such as supervisors), **(2 marks)** middle-level management **(2 marks)** (such as departmental heads), **(2 marks)** and top-level/senior-level management **(2 marks)** (such as directors). **(2 marks)**

Lower-level managers must focus on seeing that instructions are carried out, **(2 marks)** which requires some knowledge of the technical processes involved. For example, for a supervisor to solve the problem of a queue at her supermarket's tills, she could bring the old cash-only till into operation at rush hours and direct cash customers to queue separately in front of this till. Lower-level managers make operational decisions/routine decisions. **(2 marks)**



GRADE 10	TERM 1	BUSINESS STUDIES - TEST MEMORANDUM	
----------	--------	------------------------------------	---

Middle-level managers must focus on developing work plans, **(2 marks)** which requires a general understanding of how things are done. They must make tactical decisions. **(2 marks)**

Top-level managers must focus on setting business goals and objectives, **(2 marks)** which requires them to have a realistic vision. They must make strategic decisions. **(2 marks)**

Regarding the tasks of management, lower-level managers are most concerned with controlling, **(2 marks)** middle-level managers are most concerned with organising, **(2 marks)** and top-level management is most concerned with planning. **(2 marks)**

#### Conclusion

Despite the recent emphasis on self-management for all employees, the division of management into three levels helps a business to run efficiently.

**LASO: 8**

**CONTENT: 28 (max)**

**INTRO: 2**

**CONCLUSION: 2**

### **Question 6**

**(40 marks)**

#### Introduction

Quality is the level of excellence that a business achieves. It is about knowing what to do and how to do it. Quality includes learning from mistakes and continuously trying to improve all aspects of the business.

(2)

(OR any 2 valid sentences)

#### Body

Quality in the human resources function

Employees must have the knowledge and skills to do jobs well. A good working relationship between the employer and employee as well as good working conditions, proper discipline, motivation and rewards will contribute to quality performance.

(2)

#### Quality products

(2)

Businesses use different methods to indicate the quality of their products:

Trademarks **(1 mark)** – these are special signs, marks or names used by manufacturers to tell their products apart from similar products. **(1 mark)**

Samples **(1 mark)** – are small portions of products given to customers to test quality. **(1 mark)**

Agricultural products are often graded to show the quality **(2 marks)**

Commercial standards **(1 mark)** – the SABS approved mark is an example of a commercial standard. **(1 mark)**

**(MAX 8)**

#### Quality administration processes (2 marks)

The administration function must have effective systems in place to help the business run smoothly and efficiently. Quality information must be correct, complete, available at the right time and understandable for the users.

**(MAX 2)**

GRADE 10	TERM 1	BUSINESS STUDIES - TEST MEMORANDUM	
----------	--------	------------------------------------	---

**Quality in the financial function (2 marks)**

This will be achieved if the financial function ensures that they plan, supply and control funds of the business.

**Quality management (2 marks)**

Management is responsible for maximising (1 mark) profits by producing high quality (1 mark) goods and services.

**Quality promotion of business image (2 marks)**

The public relations function promotes the image of the business. A good image will result in increased sales and profits, business growth and prospective investor interest. (1 mark)

Employees can contribute to a good image of the business. (1 mark)

**(MAX 2)**

Conclusion

Quality will ensure business success and everyone working in a business is responsible for quality control. This function can't be ignored and all eight functions need to ensure quality is achieved in their department. (2 marks)

(OR any 2 valid sentences)

**LASO: 8**

**CONTENT: 28 (MAX)**

**INTRO: 2**

**CONCLUSION: 2**

**TOTAL SECTION C: 40 marks**