



KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

BUSINESS STUDIES P1

COMMON TEST

JUNE 2023

Stanmorephysics.com

MARKS : 150

TIME : 2 Hours

This question paper consists of 9 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of THREE sections
SECTION A: COMPULSORY
SECTION B: Consists of THREE questions
Answer any TWO of the THREE questions in this section.
SECTION C: Consists of TWO questions
Answer ONE of the TWO questions in this section.
2. Read the instructions for each question carefully and take particular note of what is required.
3. Number the answers correctly according to the numbering system used in this question paper. No marks will be awarded for answers that are numbered incorrectly.
4. Except where other instructions are given, answers must be in full sentences.
5. Use the mark allocation and nature of each question to determine the length and depth of an answer.
6. Use the table below as a mark and time allocation guide when answering each question.
7. Begin the answer to EACH question on a NEW page, for example QUESTION 1 – new page, QUESTION 2 – new page, et cetera.
8. You may use a non-programmable calculator.
9. Write neatly and legibly.



SECTION A (COMPULSORY)**QUESTION 1**

1.1 Various options are provided as possible answers to the following questions. Write down the question number (1.1.1–1.1.5) and the correct letter next to it ONLY. Example: 1.1.6 A

1.1.1 The business has some control over the ... environment.

- A market
- B micro
- C macro
- D makro

1.1.2 The ... of a business is a component of the micro-environment.

- A suppliers
- B intermediaries
- C vision
- D competitors


1.1.3 The ... sector deals with converting raw materials into finished goods.

- A primary
- B tertiary
- C public
- D secondary

1.1.4 The process of ensuring that goods are produced by the same standards in terms of size, weight, or colour is known as...

- A storage
- B standardization
- C grading
- D risk bearing

1.1.5 PK Distributors apply the ...policy to get the products to the target market in the most convenient way.

- 
- A pricing
 - B product
 - C distribution
 - D communication

(5x2) [10]

1.2 Complete the following statements by using the word(s) in the list below. Write only the word(s) next to the question number (1.2.1–1.2.5) in the ANSWER BOOK.

Employment Equity; speciality ; tertiary; trade union;
psychographics; workplace forum; Occupational Health and Safety;
combination; secondary; demographics


1.2.1 The ... sector provides goods and services.

1.2.2 The ... represents the age, gender, and racial composition of the people within the country.

1.2.3 A ... is an association formed by workers to represent and protect their rights in the workplace.

1.2.4 Businesses use ... packaging when complementary products are packed together.

1.2.5 The ... Act requires that the main dangers and potential incidents of the workplace be identified and eliminated.



(5x2) (10)

- 1.3 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A – J) next to the question numbers (1.3.1 to 1.3.5) in the ANSWER BOOK, e.g. 1.3.6. K.**

COLUMN A	COLUMN B
1.3.1 Merger	A deals with the extraction of raw materials and natural resources.
1.3.2 Lock-out	B occurs when one business takes control of another business through majority ownership of its shares.
1.3.3 Primary	C involves calculating the time required to perform each activity in the manufacturing process.
1.3.4 Quality circle	D a form of industrial action used by employers to prevent workers from entering the premises.
1.3.5 Scheduling	E people responsible for overseeing all aspects of the production process, from when the raw material enters the production system to when they leave as products.
	F occurs when two companies join together—usually by agreement—to form one new business.
	G involves the process of transforming raw materials into semi-finished or finished products.
	H industrial action was embarked upon when workers refused to work.
	I group of workers who do the same or similar work, and who meet regularly to identify, analyse and solve work-related problems.
	J involves planning who will be responsible for each activity identified during the routing process.

(5x2) (10)

TOTAL SECTION A: [30]

SECTION B

Answer ANY TWO questions in this section.

NOTE: Clearly indicate the QUESTION NUMBER of each question that you choose. The answer to EACH question must start on a NEW page, for example, QUESTION 2 on a NEW page, QUESTION 3 on a NEW page, et cetera.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 Name THREE examples of contemporary socio-economic issues that pose a challenge to businesses. (6)

2.2 Read the scenario below and answer the questions that follow.

ELITE PRINTERS(EP)

Elite Printers (EP) specializes in the printing of billboard banners. The manager of EP networks widely with other printing companies in the area. This has resulted in EP being able to build new business relationships. It has also contributed to EP attracting new customers. EP is also able to control its environment and other businesses very well.

2.2.1 Elaborate on the meaning of networking. (4)

2.2.2 Quote TWO benefits of networking from the scenario above. (2)

2.2.3 Explain other benefits of networking. (4)

2.3 Discuss any TWO solutions to piracy. (6)

2.4 Explain the purpose of the Labour Relations Act (LRA). (6)

2.5 Describe the role of trade unions. (4)

2.6 Explain the relationship between the primary, secondary, and tertiary sectors. (4)

2.7 Advise businesses on the benefits of being involved in the macro environment. (4)

[40]

QUESTION 3: BUSINESS OPERATIONS

- 3.1 Outline FOUR stages / steps of product design. (4)
- 3.2 Read the scenario below and answer the questions that follow.

AFRICAN SPEAR ENTERPRISE (ASE)

African Spear Enterprise (ASE) produces products that are correctly contained within the packaging to protect them from harm. ASE packages products to attract the attention of consumers.

ASE try to make the packaging of their products meet the requirements of good packaging.

- 3.2.1 Quote TWO purposes of packaging demonstrated by African Spear Enterprise. (2)
- 3.2.2 Recommend THREE other purposes of packaging that ASE uses for their products. (6)
- 3.3 Discuss the importance of product development. (4)
- 3.4 Identify the marketing activities represented by the following statements:
- 3.4.1 The act of keeping the products at a facility for safekeeping / preservation after the manufacturing. (6)
- 3.4.2 The movement of products from one place to another. (6)
- 3.4.3 The process of exchanging goods/services for money. (6)
- 3.5 Discuss the requirements for a safe environment. (8)
- 3.6 Explain the advantages of production planning. (4)
- 3.7 Recommend precautionary measures that businesses should take when handling machinery. (6)

[40]

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

- 4.1 Name THREE components of the micro-environment. (3)
- 4.2 Read the scenario below and answer the questions that follow.

FALCON TRADERS(FT)

Falcon traders (FT) is a business that buys and sells goods. Falcon traders have over the years managed to maintain a good customer base. However, the latest increase in interest rates has left consumers with less money to spend on goods and services. FT has been experiencing problems with their suppliers, as stock is not delivered on time.

- 4.2.1 Identify a challenge of the macro environment from the scenario above. Motivate your answer by quoting from the scenario. (3)

Use the table below as a GUIDE to answer QUESTION 4.2.1

CHALLENGE OF MACRO ENVIRONMENT	MOTIVATION

- 4.2.2 Explain the challenge identified in QUESTION 4.2.1. (6)
- 4.3 Discuss strikes and go-slows as a challenge of the micro-environment. (4)
- 4.4 Recommend ways in which businesses can overcome competition in the market environment. (4)

BUSINESS OPERATIONS

- 4.5 Identify the pricing techniques used in EACH statement below:
 - 4.5.1 Zanex Furniture Suppliers charged lower prices for the furniture when the shop was newly opened to attract customers.
 - 4.5.2 Phoenix Cash & Carry is having a special of "Buy One Get One Free."
- 5.3 Food Lovers sells avocados and apples at R12,99 and R29,99 respectively. (6)
- 4.6 Explain the requirements of a good trademark. (6)
- 4.7 Suggest ways in which businesses can comply with the Occupational Health and Safety Act. (8)

(40)

TOTAL SECTION B: [80]

SECTION C

Answer **ONE** question in this section.

NOTE: Clearly indicate the QUESTION NUMBER of the chosen question. The answer to EACH question must start on a NEW page, for example, QUESTION 5 on a NEW page, QUESTION 6 on a NEW page, etcetera.

QUESTION 5: BUSINESS ENVIRONMENTS

Power relations can help businesses gain a competitive advantage in the market. Businesses that engage in social responsibility projects gain favourable recognition. Businesses should ensure that they directly influence the environment in which they operate.

Write an essay on how businesses can adapt to challenges in the business environments, taking the following into account:

- Elaborate on the meaning of Power relationship.
- Discuss THREE ways businesses can form Power relations.
- Explain the benefits of social responsibility projects for businesses.
- Suggest ways in which businesses can have a direct influence on the environment.

[40]

QUESTION 6: BUSINESS OPERATIONS

Businesses can use direct or indirect distribution to ensure that their products reach their customers. Intermediaries are available to businesses that do not want to use direct distribution for whatever reasons. Intermediaries play an important part in the distribution process and can assist businesses to widen their market. Personal selling has improved customer confidence as the sales representative removed all misunderstandings with the prospective customer.

Write an essay on the marketing function, taking the following into account:

- Outline different types of intermediaries.
- Explain the role of intermediaries in the distribution process.
- Discuss FOUR components of the marketing communication policy.
- Advise businesses on the effectiveness of personal selling in promoting a business product.

TOTAL SECTION C: [40]
TOTAL MARKS: [150]



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MARKING GUIDELINE

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MARKS: 150

TIME : 2 Hours

These marking guidelines consist of 30 pages.



NOTES TO MARKERS

PREAMBLE

The notes to markers are provided for quality assurance purposes to ensure the following:

- (a) Fairness, consistency and reliability in the standard of marking
- (b) Facilitate the moderation of candidates' scripts at the different levels
- (c) Streamline the marking process considering the broad spectrum of markers across the country
- (d) Implement appropriate measures in the teaching, learning and assessment of the subject at schools/institutions of learning

1. For marking and moderation purposes, the following colours are recommended:

Marker:	Red
Senior Marker:	Green
Deputy Chief Marker:	Brown
Chief Marker:	Pink
Internal Moderator:	Orange
DBE Moderator:	Turquoise

2. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
3. A comprehensive marking guideline has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:
 - Uses a different expression from that which appears in the marking guideline
 - Comes from another credible source
 - Original
 - A different approach is used

NOTE: There is only ONE correct answer in SECTION A.

4. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
5. The word 'Sub-max' is used to facilitate the allocation of marks within a question or sub-question.
6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.
7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
8. In an indirect question, the theory as well as the response must be relevant and related to the question.

9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.
10. No additional credit must be given for repetition of facts. Indicate with a 'R'.
11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:

11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** *'COIDA eliminates time and costs spent√ on lengthy civil court proceedings.'*√

11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. *'COIDA eliminates time and costs spent√ on lengthy civil court proceedings√, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'*√

NOTE: 1. The above could apply to 'analyse' as well.
2. Note the placing of the tick (√) in the allocation of marks.

12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.

Cognitive verbs, such as:

12.1 Advise, name, state, outline, motivate, recommend, suggest, (*list not exhaustive*) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.

12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, justify, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.

13. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

14. **SECTION B**

14.1 If for example, FIVE facts are required, mark the candidate's FIRST FIVE responses and ignore the rest of the responses. Indicate by drawing a line across the unmarked portion or use the word 'Cancel'.

NOTE: This applies only to questions where the number of facts is specified.

14.2 If two facts are written in one sentence, award the candidate FULL credit. Point 14.1 above still applies.

14.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers.

14.4 **Use of the cognitive verbs and allocation of marks:**

14.4.1 If the number of facts are specified, questions that require candidates to 'describe/discuss/explain' may be marked as follows:

- Fact 2 marks (or as indicated in the marking guidelines)
- Explanation 1 mark (two marks will be allocated in Section C)

The 'fact' and 'explanation' are given separately in the marking guideline to facilitate mark allocation.

14.4.2 If the number of facts required is not specified, the allocation of marks must be informed by the nature of the question and the maximum mark allocated in the marking guideline.

14.5 **ONE mark may be awarded for answers that are easy to recall, requires one word answers or is quoted directly from a scenario/case study. This applies to SECTIONS B and C in particular (where applicable).**

15. **SECTION C**

15.1 The breakdown of the mark allocation for the essays is as follows:

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body, and a conclusion?	2
Analysis and interpretation	Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked? Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	2
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Option 1 :Only relevant facts: 2 marks (No '-S') Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis Option 2 : Some relevant facts: 1 mark (One '-S') Where a candidate answers less than 50% (only one sub-questions) of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum ONE (1) mark for synthesis. Option 3 : Some relevant facts: 1 mark (One '-S') Where a candidate writes FOUR sub-questions, but one/two/three sub-question with irrelevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 4 :No relevant facts : 0 marks (Two '-S') Where a candidate answers less than 50% (only one sub-question) of the question with no Relevant facts; two '-S' appear in the left margin Award a ZERO mark for synthesis	
Originality	Is there evidence of one or two examples, not older than two (2) years, that are based on recent information, current trends and developments?	2
TOTAL FOR INSIGHT:		8
TOTAL MARKS FOR FACTS:		32
TOTAL MARKS FOR ESSAY (8 + 32):		40



- NOTE:**
1. No marks will be awarded for contents repeated from the introduction and conclusion.
 2. The candidate forfeits marks for layout if the words **INTRODUCTION** and **CONCLUSION** are not stated.
 3. No marks will be awarded for layout, if the headings **INTRODUCTION** and **CONCLUSION** are not supported by an explanation.

- 15.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, -S and/or O').
- 15.4 The breakdown of marks is indicated at the end of the suggested answer/marketing guideline to each question.
- 15.5 Mark all relevant facts until the SUB MAX/MAX mark in a subsection has been attained. Write SUB MAX/MAX after maximum marks have been obtained, but continue reading for originality "O".
- 15.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows:(L – Layout, A – Analysis, S – Synthesis, O – Originality)as in the table below.

CONTENT	MARKS
Facts	32 (max.)
L	2
A	2
S	2
O	2
TOTAL	40

- 15.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)
- 15.8 If the candidate identifies/interprets the question **INCORRECTLY**, then he/she may still obtain marks for layout.
- 15.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guideline.
- 15.10
- 15.10.1 Award **TWO** marks for complete sentences. Award **ONE** mark for phrases, incomplete sentences and vague answers.



15.10.2

With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (✓) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy ✓, where businesses aim to introduce new products into existing markets.'✓

This will be informed by the nature and context of the question, as well as the cognitive verb used.

- 15.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guidelines, will not necessarily apply to each question. This would also depend on the nature of the question.



SECTION A

QUESTION 1

1.1

1.1.1 A ✓✓

1.1.2 C ✓✓

1.1.3 D ✓✓

1.1.4 B ✓✓

1.1.5 C ✓✓

(5 x 2) (10)

1.2

1.2.1 tertiary ✓✓

1.2.2 demographics ✓✓

1.2.3 trade unions ✓✓

1.2.4 combination ✓✓

1.2.5 Occupational Health and Safety ✓✓

(5 x 2) (10)

1.3

1.3.1 F ✓✓

1.3.2 D ✓✓

1.3.3 A ✓✓

1.3.4 I ✓✓

1.3.5 C ✓✓

(5 x 2) (10)

TOTAL SECTION A: [30]

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B

Mark **ONLY** the **FIRST TWO** questions answered in this Section.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 THREE examples of contemporary socio-economic issues that pose a challenge to businesses.

- Low-income levels ✓✓
- Inflation ✓✓
- Social, cultural, and demographic issues ✓✓
- Economic crime ✓✓
- Population growth ✓✓
- Illiteracy ✓✓
- Lack of skills ✓✓
- Unavailability of natural resources ✓✓
- Inefficiency in the use of resources ✓✓
- Exhaustion of natural resources ✓✓
- Dumping ✓✓
- Strikes ✓✓
- Accept any other relevant answer related to examples of contemporary socio-economic issues that pose a challenge to businesses.

Note: Mark the first **THREE** examples only.

Max (6)

2.2.1 Meaning of Networking

- Networking refers to a coordinated activity where people who have similar objectives meet and exchange information and ideas. ✓✓
- During a networking session, entrepreneurs can meet new people and build alliances with others. ✓✓
- The goal of networking is to reach as many people as possible and to make every connection count. ✓✓
- Businesses could become a member of the Chamber of Commerce and Industry, professional business club, and informal social groupings to meet new contacts. ✓✓
- Networking assists in acquiring new business leads. ✓✓
- Networking benefits the business by helping to identify best practices. ✓✓
- Networking can help the business identify new business trends. ✓✓
- Accept any other relevant answer related to the meaning of networking. ✓✓

Max (4)**2.2.2 TWO benefits of networking**

- This has resulted in EP being able to build new business relationships. ✓
- It has also contributed to EP attracting new customers. ✓
- EP is also able to control its environment and other businesses very well. ✓

Note: Mark the first TWO only.**Max (2)****2.2.3 Other Benefits of Networking**

- Can result in increased ✓ market share and profitability. ✓
- Networking can be an excellent source of new perspectives ✓ and business ideas. ✓
- Allows managers to generate ✓ new business opportunities. ✓
- Plays a role in the marketing ✓ and expansion of a business. ✓
- Assists businesses ✓ in making future business decisions. ✓
- Businesses can gain support ✓ when representation to various authorities is planned ✓
- Any other relevant answer related to the benefits of networking.

Max (4)**2.3 TWO Solutions to Piracy****Copyright ✓✓**

- Copyright refers to an exclusive legal right assigned to the author, artist or producer of artistic work to print, publish, perform or record the work. ✓
- Laws relating to copyright protect authors and allow them to sell their works to make profit. ✓
- Exclusive rights are given to an author or artist when their product is copyrighted and only they can then give permission for replication. ✓
- Copyright holders of intellectual property (IP) are allowed to take legal action against anyone who reproduces their work. ✓
- Accept any other relevant answer related to copyright.

- **Heading (2)**
- **Explanation (1)**
- **Sub max (3)**

Patent ✓✓

- A patent gives the creator of the product the right to prohibit other people from making or using their invention. ✓
- This right is granted by government for a limited period of up to twenty years for the exclusive right to an invention. ✓

- If any person or business uses the invention without permission, the creator may take legal action against them. ✓
- Accept any other relevant answer related to patent.

Heading (2)**Explanation (1)****Sub max (3)****Trademark** ✓✓

- A trademark refers to a sign, character or word that is protected by law to represent a product or company. ✓
- These are used by businesses so that their products or the business itself is easily identifiable. ✓
- Trademarks that are registered are protected forever, on condition that they are renewed every ten years by paying a renewal fee. ✓
- Damages may be claimed from individuals who make use of the trademark illegally. ✓
- Accept any other relevant answer related trademark.

Heading (2)**Explanation (1)****Sub max (3)****Max (6)****Note: Mark the first TWO only.****2.4 Purpose of the Labour Relations Act (LRA)**

- The act provides the structure for governing the relations ✓ between an employer and their employees. ✓
- It encourages collective bargaining processes ✓ to take place in the workplace. ✓
- It also encourages the establishment of workplace forums ✓ to support employees in decision-making. ✓
- The act further encourages fair labor practices ✓ between the employer and its employees ✓
- It makes provision for the establishment of the Labour and Labour Appeal Courts ✓ and allows for the establishment of the Commission for Conciliation, Mediation, and Arbitration (CCMA) for dispute resolutions. ✓
- The transfer of employment contracts ✓ between the existing and new employers is explained. ✓

- Provides a framework where the employees, trade unions, and employers work together to discuss matters relating to employment, e.g. wages, and conditions of employment. ✓
- Promotes orderly negotiations and employee participation in decision-making in the workplace. ✓
- Promotes resolution of labour disputes. ✓
- Provides simple procedures for the registration of trade unions and employers' organizations. ✓
- Regulates the rights of trade unions and facilitates collective bargaining. ✓
- Regulates the effectiveness of bargaining councils and statutory councils. ✓
- Establishes workplace forums to promote the interest of all employees in the workplace whether they belong to the trade union or not. ✓
- Endorses the right to strike against retrenchments, and facilitates labour disputes. ✓
- Clarifies the transfer of contracts of employment procedures. ✓
- Accept any other relevant answer related to the purpose of the Labour Relations Act (LRA).

Max (6)

2.5 Role of trade unions

- The main role of trade unions is to represent staff members in the workplace. ✓
- Trade unions advocate that the economy should support the working class and the poor. ✓
- Hold discussions on poverty reduction programs, reasonable income levels, and job creation strategies with employers. ✓
- Trade unions ensure that poverty levels in the country are kept low through fights against reckless retrenchment processes by employers. ✓
- They highlight the need for job creation in the country. ✓
- Serves as a mechanism through which employees have a collective voice in the workplace. ✓
- Unions communicate to the company's management the members' grievances such as unfair dismissal, low wages, and conditions of service. ✓
- They ensure that employers include employees in the decision-making process. ✓
- They ensure that employees are treated fairly and respected.

- Unions are involved with a social dialogue \checkmark regarding poverty alleviation, job creation, and wealth distribution. \checkmark
- Accept any other relevant answer related to the role of trade unions.

Max (4)

2.6 Relationship between the primary, secondary, and tertiary sectors

- The primary sector depends on the secondary sector \checkmark for manufactured goods such as machinery/equipment/fertilisers \checkmark e.g. a farmer requires seed from another farmer. \checkmark
- The primary sector is dependent on the tertiary sector \checkmark for its customer needs. \checkmark
- The secondary sector processes the raw material \checkmark obtained from the primary sector into more useful products. \checkmark
- The secondary sector depends on the primary sector \checkmark for raw materials and products. \checkmark
- The secondary sector needs the tertiary sector \checkmark to sell their processed or manufactured goods \checkmark and also for services such as banks, insurance, transport, and communication. \checkmark
- The tertiary sector depends on the primary sector \checkmark for raw materials that do not need processing by the secondary sector. \checkmark
- The tertiary sector depends on the secondary sector \checkmark for manufactured goods such as office machines/office furniture/stationery etc. \checkmark
- Accept any other relevant answer related to the relationship between the primary, secondary, and tertiary sectors.

Max (4)

2.7 Benefits of being involved in the macro environment.

- They will gain good publicity and so attract and retain loyal customers. $\checkmark\checkmark$
- They will attract and retain skilful employees in their communities. $\checkmark\checkmark$
- Government tenders and contracts are normally given to businesses that are involved in the macro environment. $\checkmark\checkmark$
- Businesses that support their communities normally get some tax rebates. $\checkmark\checkmark$

- Businesses that get involved in the macro environment can anticipate likely challenges and devise strategies to turn them into opportunities. √√
- Top investors are attracted to businesses that are involved in the macro environment. √√
- It prevents environmental damage by decreasing the business' carbon footprint. √√
- Knowing people's age, gender, customs, traditions, and preferences will make it easier for businesses to appeal to customers. √√
- The business can more accurately predict future events, threats, and opportunities that may arise. √√
- The business can contribute to a healthier, more skilled, and productive workforce. √√
- It can protect natural resources and meet consumer needs in a sustainable way. √√
- The business can contribute to wealthier consumers. √√
- Reduced industrial conflict and increase productivity. √√
- The business can accurately promote a cause that is a concern to society. √√
- The business can contribute its expertise and resources that can influence public opinion. This is called advocacy. √√
- Accept any other relevant answer related to the benefits of being involved in the macro environment.

Max (4)
[40]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1.	6
2.2.1	4
2.2.2	2
2.2.3	4
2.3	6
2.4	6
2.5	4
2.6	4
2.7	4
TOTAL	40

QUESTION 3: BUSINESS OPERATIONS**3.1 Steps/Stages of product design**

- Idea generation/ Design and development of product ideas. ✓
- Selecting and sifting of product ideas/ Idea screening. ✓
- Concept development and testing/Design and testing of the product concept which should happen before a product is developed. ✓
- Analysis of the profitability of the product concept/Business analysis. ✓
- Consumer responses must be tested using a small sample of the product. ✓
- Technical implementation/Systems and processes are put in the production planning and control process. ✓
- Commercialisation/The product is launch and marketing/advertising campaigns implemented. ✓
- New product pricing/The product is priced and forecasts worked out. ✓

Note: Mark the first FOUR answers only.

Max (4)

3.2**3.2.1**

- African Spear Enterprise (ASE) produces products that are correctly contained within the packaging to protect them from harm. ✓
- ASE packages products to attract the attention of consumers. ✓

(2)

3.2.2 Other purposes of packaging

- Packaging is needed to contain the item or product. ✓✓
- Promotes the product by indicating the brand and trademark of the company and product. ✓✓
- Prevent tampering or theft of a product. ✓✓
- Improves convenience in use or storage of a product. ✓✓
- Contains information about the product, including uses, any harmful warnings or dosage requirements. ✓✓



- Make product easier to identify. ✓✓
- Differentiates the product from other competing products. ✓✓
- Attracts attention to show value of the product as a marketing tool. ✓✓
- Links the product to the promotion strategy used to promote the product. ✓✓
- Reduces storage costs by minimising breakage. ✓✓

Max (6)**3.3 Importance of product development**

- Product design needs to be designed ✓ to suit the needs of the customers. ✓
- If the product design does not suit the target market, ✓ there will be very little demand for the product. ✓
- Business need to develop new products ✓ in order to replace older products in stage 4 when the sale declines. ✓
- Businesses are able to remain competitive ✓ because they are always on a lookout for ways to improve their products. ✓
- Products become different ✓ from those of the competitors. ✓

Max (4)**3.4**

3.4.1 Storage ✓✓

3.4.2 Transport ✓✓

3.4.3 Buying and selling ✓✓

(6)**3.5 Requirements for a safe environment**

- All businesses should draw up their own safety policy ✓ and enforce necessary control measures. ✓
- Safety warnings and signs ✓ should be visible. ✓
- Every business should have an up-to-date first-aid kit ✓ in an easily accessible place. ✓
- At least one employee trained in first-aid ✓ should be on site. ✓

- The workplace should be free of hazardous substances that cause damage,√ disease or injury to employees or visitors.√
- Employees should be informed of any dangers√ in the workplace.√
- Information, instructions and training√ should be provided to all employees.√
- All workers should be informed √of the potential safety and health hazards.√

Max (8)

3.6 Advantages of production planning

- Planning allows an entrepreneur to ensure that every machine and worker√ is used to their full capacity and not left with nothing to do.√
- The company can ensure that it has the correct amount of supplies and stock√ at a given time.√
- This reduces wastage √and unnecessary storage costs.√
- Planning will prevent time being wasted √and increase the number of final products.√
- Planning process involves quality checks √and ensures that the correct quality is reached in the shortened possible time.√

Max (4)

3.7 Precautionary measure that businesses should take when handling machinery

- Familiarise employees with safety procedures.√√
- Develop a culture of safety in the workplace.√√
- All machinery and equipment must be correctly installed and safe to use.√√
- Workers must be properly trained on how to use machinery and must be informed about the risks when using the machinery.√√
- Regular safety checks must be carried out and machinery should be maintained and serviced regularly.√√
- Workers need to wear protective clothing/gear such as overalls/ hard hats/ safety helmets/masks/heavy-duty safety boots/welding goggles when working with machinery and equipment.√√
- Hard hats should be worn on construction sites at all times.√√

Max (6)

BREAKDOWN OF MARK ALLOCATION

3.1	4
3.2.1	2
3.2.2	6
3.3.3	4
3.4	6
3.5	8
3.6	4
3.7	6
TOTAL	40

QUESTION 4: MISCELLANEOUS**BUSINESS ENVIRONMENTS****4.1 THREE components of the micro-environment**

- Vision, mission statement, goals, and objectives✓
- Organisational structure✓
- Organisational resources✓
- Organisational culture✓
- Management and leadership✓
- Eight business functions✓
- Accept any other relevant answer related to components of the micro-environment.



Note: Mark the first THREE components only.

Max (3)

4.2.1

CHALLENGE OF MACRO ENVIRONMENT	MOTIVATION
<ul style="list-style-type: none"> Changes in income levels ✓✓ 	However, the latest increase in interest rates has left consumers with less money to spend on goods and services. ✓
Sub max (2)	Sub max (1)
Note: Do not award marks for the motivation, if the challenge is incorrect.	

Max (3)

4.2.2 Changes in income levels

- The number of goods/services that consumers can purchase ✓ is determined by their net incomes. ✓
- Net income ✓ is the gross income minus all deductions. ✓
- When consumers' net income decreases ✓, they are only able to buy goods and services that are necessary ✓, and so the profitability and productivity of the business will decrease. ✓
- Unemployment, high-interest rates, high inflation rates, or an increase in taxes ✓, leaving consumers with less money to spend on goods and services. ✓
- Reduced spending ✓ will lower profits for businesses. ✓
- Accept any other relevant answer related to changes in income levels.

Max (6)

4.3 Strikes and go-slows as a challenge of the micro-environment

- Strikes and go-slows are examples of industrial actions ✓ that may be organised by a trade union and have a negative impact on business operations. ✓
- When managers and employees cannot sort out their differences ✓, employees may engage in a strike or a go-slow. ✓
- A strike means employees refuse to go to work ✓ or they do not work until their complaints have been addressed by the business. ✓
- The business loses many hours of production time ✓ for the period of a strike. ✓
- A go-slow means that employees report for duty ✓ as normal but deliberately work at a slower pace. ✓

- The business will not meet its targets ✓ and profitability may decrease. ✓
- Accept any other relevant answer related to strikes and go-slows as a challenge of the micro-environment.

Max (4)

4.4 Ways in which businesses can overcome competition in the market environment

- Businesses must ensure that they produce unique/ differentiated goods or services for the target market. ✓✓
- Businesses need to provide more personalised services by being responsive to their customer's needs/wants. ✓✓
- Goods/services must be priced lower than competitor's goods/services in the market. ✓✓
- Businesses must produce high-quality goods/services that the customers might be interested in. ✓✓
- Create a positive image/publicity through regular engagements in community development projects. ✓✓
- Businesses must improve on customer services and keep customers happy. ✓✓
- Businesses must create a positive outlook by regularly renovating their premises and improving their systems. ✓✓
- Businesses must undertake good marketing campaigns that will draw the attention of the target market. ✓✓
- Businesses must offer low-cost extras such as improved credit terms/loyalty schemes, and so on. ✓✓
- Businesses must ensure that they have well-trained and dedicated employees that create a better working atmosphere. ✓✓
- Accept any other relevant answer related to ways in which businesses can overcome competition in the market environment.

Max (4)

BUSINESS OPERATIONS

4.5

- 4.5.1 Penetration pricing ✓✓
- 4.5.2 Promotional pricing ✓✓
- 4.5.3 Psychological pricing ✓✓

(6)

4.6 The requirements of a good trademark

- A trademark must be attractive✓ for the consumer. ✓
- It is important that it suits✓ the product. ✓
- The trademark must be suitably designed✓ for the target market.✓
- It must be different✓ from its competitors.✓
- It must also promote the image ✓of the enterprise.✓
- Enterprises use it for display✓ and therefore it must be suitable for display purpose.✓
- It must be possible to link the product✓ to its promotion strategy. ✓
- It must indicate the name and contact details ✓of the manufacturer.✓

Max (6)

4.7 Ways in which businesses can comply with the Occupational Health and Safety Act.

- Workers must be provided with protective gear to protect themselves against potential dangerous situations.✓✓
- First aid boxes must be readily available at the workplace and in the factory. ✓✓
- Fire extinguishers must be readily available at the workplace and in the factory. ✓✓
- Machinery must be maintained at regular intervals and repaired promptly. ✓✓
- Ensure health and safety of persons at work and during the use of plants and machinery. ✓✓

Max (8)

[40]



BREAKDOWN OF MARK ALLOCATION

4.1	3
4.2.1	3
4.2.2	6
4.3	4
4.4	4
4.5	6
4.6	6
4.7	8
TOTAL	40



SECTION C**QUESTION 5: BUSINESS ENVIRONMENTS****5.1 Introduction**

- Power relationships help a business to be sustainable on the market, as they are able to secure funding easily. ✓
- Strategic alliances that are formed with other businesses will help sustain a business on the market. ✓
- Businesses can embark on an environmentally friendly campaign such as recycling that will benefit both businesses. ✓
- Business products should be upgraded continuously so that they are able to directly influence the environment in which they operate. ✓
- Any other relevant introduction related to the meaning of power relationships, ways businesses can form power relations, benefits of social responsibility programs for businesses, and ways in which the business can have a direct influence on the environment.

Any (2 x 1) (2)**5.2 Meaning of power relationships**

- Power relations can be described as a measure of a business's ability to control its environment and the behaviour of other businesses. ✓✓
- Power relations exist in all relationships in society. ✓✓
- When two or more businesses negotiate a transaction, one of them may be in a stronger position than the others. ✓✓
- The power that the business has on the environment determines the status it holds within its industry. ✓✓
- A business can form relationships with its environment and markets. ✓✓
- Any other relevant answer related to the meaning of power relationships.

Max (8)

5.3 THREE ways businesses can form power relations

5.3.1 Strategic Alliance/Partnership Agreements ✓✓

- Businesses form partnership agreements in order to benefit each other's involvement. ✓
- These partnership alliances help parties involved to benefit in infrastructure development and scarce skills. ✓
- These alliances are designed to build on the expertise of each partner and on the way and on the way in which they complement each other ✓
- Any other relevant answer related to strategic alliance/partnership agreements.

Heading (2)

Explanation (2)

Sub max (4)

5.3.2 Persuasion of large investors

- If a business has a powerful investor, the business can often benefit from the relationship so that it can gain credit more easily and better deals from suppliers. ✓
- Businesses invite powerful influential people to sit on their board of directors in order to get advice from those people. ✓
- Having such powerful people as part of the business may have a positive influence on the reputation and image of the business. ✓
- If a business has a large/powerful investor, the business can gain credit more easy/get better deals from suppliers. ✓
- Any other relevant answer related to persuasion of large investors.

Heading (2)

Explanation (2)

Sub max (4)

5.3.3 Company Representatives' Influence

- This representative fulfils an important function in trying to persuade investors to invest in a particular business practice. ✓
- People will make decisions based on the company's image, personality, communication style and power of persuasion. ✓
- Businesses must invest time and energy to recruit the right person for this job ✓
- Any other relevant answer related to company representatives' influence.

Heading (2)

Explanation (2)

Sub max (4)

Max (12)

5.4 Benefits of social responsibility projects for Businesses

- Increases employees' morale and job satisfaction√ when they are involved in social responsibility programs. √
- Businesses can use CSR/CSI projects as a marketing strategy√ to promote their products.√
- CSI helps to attract investors√ because of increased profits/income. √
- Promotes customer loyalty√ resulting in more sales. √
- May attract experienced employees√/increase the pool of skilled labour, which could increase productivity. √
- Positive/improved image as the business looks after employees√/responsibly conducts itself. √
- A business may have a competitive advantage√, resulting in good publicity/an improved reputation. √
- The business enjoys the goodwill/support√ of the community. √
- Accept any other relevant answer related to the benefits of social responsibility projects for businesses.

Max (14)

5.5 Ways in which the business can have a direct influence on the Environment

- Businesses need to be flexible by getting involved in research/development so that they can continue to operate. √√
- They can influence their suppliers by signing long-term contracts for their raw materials at fixed prices. √√
- They can also influence their customer base by creating new uses of a product, taking customers away from competitors, finding new customers, and convincing them that they need the new product. √√
- They can influence regulators through lobbying and bargaining. √√
- Influence their owners using information contained in annual reports. √√
- Initiate bargaining sessions between management and unions. √√
- Negotiate strategic alliance agreements through contractual processes. √√
- Accept any other relevant answers related to ways in which the business can have a direct influence on the environment.

Max (12)

5.6 Conclusion

- Businesses should encourage employees to network with other employees from other businesses, has this will allow for the business to gain new and better improved ideas.√
- Businesses should train their company representatives so that they are able to positively influence investors and increase their profitability.√
- Businesses should embark on social responsibility projects, has this will allow businesses to sustain and secure their customer base in the future.√
- Businesses should participate in bargaining sessions and lobbying as this will assist them in influencing decisions that will impact on business operations.√
- Any other relevant conclusion related to the meaning of power relationships, ways businesses can form power relations, benefits of social responsibility programs for businesses, and ways in which the business can have a direct influence on the environment.

Any (2x1) (2)

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Elaborate on the meaning of power relationships	8	
Ways business can form power relations	12	
Benefits of social responsibility programs for businesses	14	
Ways in which the business can have a direct influence on the environment	12	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

QUESTION 6: BUSINESS VENTURES

6.1 Introduction

- Distribution is the channels that the product follows from manufacturing to the consumer. ✓
 - Businesses can also use intermediaries/ middlemen to assist with the distribution of their products. ✓
 - Marketing communication policy is also referred to as the promotion part of a business. ✓
 - Personal selling can be very effective for a newly established businesses to ensure sales and build customer relationships. ✓
 - Any other relevant introduction related to different types of intermediaries/ role of intermediaries/components of marketing communication policy/effectiveness of personal selling.
- (Any 2 x 1) (2)**

6.2 Types of intermediaries

- Wholesalers primarily sell goods to retailers. ✓✓
- Retailers market directly to the final consumer. ✓✓
- Agents sell products on behalf of manufactures for a commission. ✓✓
- Broker is a person who buys and sells goods for others. ✓✓

Max (8)

6.3 The role of intermediaries in the distribution process.

- Finding and locating buyers ✓ on behalf of the producer. ✓
- Intermediaries help ✓ in promoting the product.
- Intermediaries are specialists in selling, ✓ so the producer may be able to reach a wider audience. ✓
- Producers can achieve greater sales ✓ by using intermediaries. ✓
- The producer may not have the expertise or resources ✓ necessary to sell directly to the public. ✓
- The intermediary may be able to provide more efficient distribution logistics, ✓ for e.g. transporting the product to various points of sale. ✓
- Overall distribution costs may be lower using an intermediary than if the business undertook distribution itself, ✓ even when the intermediary's commission is taken into account. ✓

Max (10)**6.4 Components of the marketing communication policy****6.4.1 Sales promotion ✓✓**

- Sales promotion is usually a short-term tactic to boost sales. ✓
- It can be used to complement other promotion methods. ✓

Heading (2)
Explanation (2)
Sub max. (4)

6.4.2 Advertising ✓✓

- Advertising is used to inform, persuade and remind the consumer about the product or service. ✓
- Advertising is a paid and non-personal marketing communication tool. ✓
- It involves communication with many consumers at the same time. ✓

Heading (2)
Explanation (2)
Sub max. (4)

6.4.3 Publicity ✓✓

- Publicity is a free non-personal form of communication that the business and its product can receive through mass media e.g. newspaper and television. ✓
- Publicity is unpaid communication in the mass media about a business enterprise, its employees, its goods or services. ✓
- The business has no control of what is said about them. ✓



- It can take form of a news story in a newspaper, a press release or a media statement. ✓
- Endorsements by famous people draw attention to a company’s brand and products. ✓
- Some companies hand out gifts and samples with company branding on them. ✓
- It is information about a business published by an independent third party such as a newspapers or television station. ✓
- Ensures that the public know about the business, its social programmes, community involvement and fair labour practices etc. ✓
- Publicity can be positive or negative as it is not paid for by the business. ✓

Heading (2)
Explanation (2)
Sub max. (4)

6.4.4 Personal selling

- Personal selling involves face-to-face communication between sales people and customers or potential customers to promote the product. ✓
- The business uses sales people who have direct contact with customers. ✓
- Sales people have specialised knowledge to the product and can advise customers on how to use the product. ✓
- The sales person is ready to answer all the questions asked by the consumer. ✓
- Sales people promote the product through their attitude and appearance. ✓
- The message can be individualised to suit the needs of the consumer. ✓

Heading (2)
Explanation (2)
Sub max. (4)
Max (16)

6.6 The effectiveness of personal selling in promoting a business product

- Personal selling can be made telephonically but are usually face to face and offer the most flexible means of delivering a promotional message. ✓✓
- Done by experienced salespeople who develop charisma and become skilled in getting people to pay attention to them. ✓✓
 - It is very effective, especially in the case of expensive industrial goods such as machinery and shopping goods e.g. stoves/fridges/cell phones, etc. ✓✓
 - Involves a very personal touch with specific attention given to customers’ needs and requirements. ✓✓



- Most effective way to build relationships between the salesperson and the customer. ✓✓
- It is also a very good way of maintaining good relationships and ensuring ongoing business and sales. ✓✓
- The salesperson can adjust his/her message to be more attractive to the person listening. ✓✓

Max (12)

6.6 Conclusion

The type of product that is manufactured by a business will determine the type of intermediary used by the business. ✓

Marketing communication policy creates awareness of available goods and services and also inform customers about the benefits of their products. ✓

Any other relevant conclusion related to different types of intermediaries/ role of intermediaries/components of marketing communication policy/effectiveness of personal selling.

(Any 1x2) (2)

BREAKDOWN OF MARKS

Details	Maximum	Total
Introduction	2	Max 32
Types of intermediaries	8	
Role of intermediaries	10	
Components of the marketing communication policy	16	
Effectiveness of personal selling in promoting communication policy	12	
Conclusion	2	
INSIGHT		
Layout	2	Max 8
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.