

	(NAME OF SCHOOL)
	<b>ECONOMIC AND MANAGEMENT SCIENCES</b>
	GRADE 8
	Term 3: Task 4: Project – Forms of ownership
Moderator:	Examiner:
Due date: September 2023	Marks: 50

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**INSTRUCTIONS:**

1. This project consists of TWO compulsory questions.
2. Answer ALL questions on the answer sheet provided to you.
3. Write neatly, legibly and in blue ink.
4. Do **research** to achieve the maximum marks.
5. This assessment consist of 3 pages.

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**QUESTION 1: Form of ownership #1**

**[25]**

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Study the trademark below and do research on the South African branch of this global business to answer the following questions.



- 1.1. Identify the form of ownership of Coca-Cola South Africa (Pty) Ltd. (2)
  - 1.2. What are the owners of this form of ownership called? (2)
  - 1.3. Make a list of the TWO largest owners of Coca-Cola Beverages Africa (Pty) Ltd. in South Africa. (2)
  - 1.4. Elaborate on the tax implications of this form of ownership on the owners, as well as on the business. (4)
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1.5. Evaluate this form of ownership by researching and then commenting on the following characteristics:

- a) Set-up and start-up of this form of ownership.
- b) Continuity of the business.
- c) Responsibility of business debts.
- d) Capital contribution.
- e) Legal requirements
- f) Distribution of profits

(12)

1.6. Do you think a Sole Proprietor will be a more suitable form of ownership for this business? Briefly motivate your answer. (3)

**TOTAL QUESTION 1: 25**

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**QUESTION 2: Form of ownership #2**

**[25]**

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Study the images below to answer the following questions.



- 2.1. Identify the form of ownership of Green Design. (2)
- 2.2. What are the owners of this form of ownership called? (2)
- 2.3. List any TWO examples of this form of ownership in your community. (2)
- 2.4. Comment on the distribution of profits in this form of ownership. (4)
- 2.5. Evaluate this form of ownership by researching and then commenting on the following characteristics:
  - a) Set-up and start-up of this form of ownership.
  - b) Continuity of the business.
  - c) Capital contribution.
  - d) Legal requirements
  - e) Tax implications(12)

- 2.6. Discuss TWO aspects on how this business can contribute to sustainable job creation in South Africa. (2)
- 2.7. Who would have been responsible for the debts of the business if it became insolvent? (1)

**TOTAL QUESTION 2: 25**

**TOTAL : 50**



(NAME OF SCHOOL)

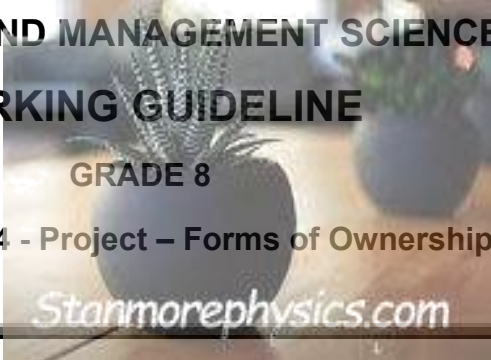

**ECONOMIC AND MANAGEMENT SCIENCES**

**MARKING GUIDELINE**

**GRADE 8**

**Term 3: Task 4 - Project – Forms of Ownership**

**Due date: September 2023** **Marks: 50**




This marking guideline consist of 5 pages

**QUESTION 1: Form of ownership #1** **[25]**

- 1.1. Identify the form of ownership of Coca-Cola South Africa (Pty) Ltd? (2)
- Private company ✓✓
- 1.2. What are the owners of this form of ownership called? (2)
- Shareholders ✓✓
- 1.3. Make a list of the TWO largest owners of Coca-Cola Beverages Africa (Pty) Ltd. in South Africa. (2)
- The Coca-Cola company ✓
  - Gutsche Family Investments ✓
  - SABMiller
- (Any TWO of the above is acceptable)*
- 1.4. Elaborate on the tax implications of this form of ownership on the owners, as well as on the business. (4)

<b>TAX IMPLICATIONS ON THE OWNERS</b>	<b>TAX IMPLICATIONS ON THE BUSINESS</b>
The owners pay income tax on their share of the profit. ✓✓	The business pays companies taxes according to the Companies Act on the net profit for the year. ✓✓



1.5. Evaluate this form of ownership by researching and then commenting on the following characteristics: (12)

Characteristic	Explanation
Set-up and start-up of this form of ownership.  ANY ONE FOR TWO MARKS	Number of shareholders is limited to the number of shares available. ✓✓  Can't transfer their shares to any member of the public.  It's expensive and time-consuming to set up.  There are many legal obligations and legal requirements to manage a private company.
Continuity of the business.  ANY ONE FOR TWO MARKS	The private company has unlimited continuity. ✓✓
Responsibility of business debts.  ANY ONE FOR TWO MARKS	The shareholders have limited liability for debt of the company. ✓✓  Private companies have legal personality.
Capital contribution.  ANY ONE FOR TWO MARKS	Private companies are suitable for entrepreneurs who have initiative but limited capital. ✓✓  Easier to get Capital.
Legal requirements  ANY ONE FOR TWO MARKS	Number of shareholders is limited to the number of shares available. ✓✓  Shareholders do not have to hold annual meetings.  Can't transfer their shares to any member of the public.
Distribution of profits  ANY ONE FOR TWO MARKS	The net profit is shared amongst the shareholders ✓✓  This is called dividends  Shareholders receive dividends according to the amounts of shares owned.

Kindly make provision for any other relevant and correct answer.

1.6. Do you think a Sole Proprietor will be a more suitable form of ownership for this business? Motivate your answer. (3)



- No ✓
- Because large quantities of capital is required to start a business of this size and to finance future expansions. ✓✓
- More owners can contribute more capital.
- Any other relevant answer.

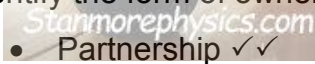
TOTAL QUESTION 1: 25

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**QUESTION 2: Form of ownership #2**

**[25]**

2.1. Identify the form of ownership of Green Design. (2)



- Partnership ✓✓

2.2. What are the owners of this form of ownership called? (2)

- Partners ✓✓

2.3. List any TWO examples of this form of ownership in your community. (2)

The learner must name two business that will represent a typical partnership. ✓✓

*(Any TWO correct examples are acceptable)*

2.4. Comment on the distribution of profits in this form of ownership. (4)

- The net profit is shared amongst the partners ✓✓
- This is called a profit ✓✓
- Partners receive profit according to the partnership agreement.
- According to the profit share percentages stipulated in the partnership agreement.
- *Any other relevant answer.*



2.5. Evaluate this form of ownership by researching and then commenting on the following characteristics: (12)

Characteristic	Explanation
Set-up and start-up of this form of ownership. <i>ANY TWO FOR TWO MARKS EACH</i>	It's not expensive and time-consuming to set up. ✓✓ Partners set up a Partner's Agreement. ✓✓
Continuity of the business. <i>ANY ONE FOR TWO MARKS.</i>	The partnership has limited continuity. ✓✓ The partnership has a limited life: if one partner dies, the partnership agreement is dissolved.
Capital contribution. <i>ANY ONE FOR TWO MARKS.</i>	It suitable for entrepreneurs who have initiative but limited capital. ✓✓ Partners share the contribution of time, work and skills to the business.
Legal requirements <i>ANY ONE FOR TWO MARKS.</i>	There are no legal obligations and legal requirements to manage a partnership. ✓✓ Partnerships have no legal personality.
Tax implications <i>ANY ONE FOR TWO MARKS.</i>	The partners pay income tax on their share of the profit. ✓✓ The business does not pay taxes on the profit made.

*Kindly make provision for any other relevant and correct answer.*

2.6. Discuss TWO aspects on how this business can contribute to sustainable job creation in South Africa. (2)

- Businesses can train workers in different skills so that they can be better utilised in changing businesses. ✓
- More people can be employed in temporary positions, as opposed to full-time staff employed. ✓

- Businesses can contribute to education by awarding bursaries to qualifying students to study or do research in their industry.
- They can donate money to underfunded schools to ensure quality education.
- New products usually give rise to business growth and job creation.
- The key to sustainable job creation in South Africa is strong (Small, Medium and Micro Enterprises) SMME development and competitive larger businesses.
- Bigger businesses that are competitive, especially on an international level, help bring business to South Africa.
- The more business South Africa gets, the more work is created.
- *Any other relevant answer.*
- *ANY TWO ANSWERS are marked.*

- 2.7. Who would have been responsible for the debts of the business if it became insolvent? (1)
- The partners ✓

**TOTAL QUESTION 2: 25**

**TOTAL: 50 MARKS**

