



Province of the
EASTERN CAPE
EDUCATION

NATIONAL SENIOR CERTIFICATE

GRADE 10

NOVEMBER 2023

BUSINESS STUDIES P1

MARKS : 150

TIME : 2Hours

This question paper consists of 7 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 any 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 carefully 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 written 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 guide for mark and time allocation when answering each question.

	SECTION	QUESTION	MARKS	TIME (minutes)
A:	Objective-type questions COMPULSORY	1	30	20
B:	THREE direct/indirect -type questions. CHOICE: Answer any TWO	2	40	35
		3	40	35
		4	40	35
C:	TWO essay-type questions CHOICE: Answer any ONE.	5	40	30
		6	40	30
	TOTAL		150	120

7. Begin the answer to EACH question on a NEW page, for example QUESTION 1 – new page, QUESTION 2 – new page.
8. You may use a non-programmable calculator.
9. Write neatly and legibly

QUESTION 1

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question numbers (1.1.1–1.1.5) in the ANSWER BOOK, for example 1.1.6 D.

1.1.1 A statement that explains the reason for the existence of the business.

- A Vision
- B Mission
- C Goal
- D Objective

1.1.2 Cool Cat Ltd manufactures school clothes. The business operates in the ... sector

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

1.1.3 Tshepo must maintain the machinery to avoid breakages. He is therefore part of the function.

- A human resource
- B public relations
- C purchasing
- D production

1.1.4 Bonny sells false matric certificates and drivers' licences to desperate people. This is an example of (a)

- A bootlegging.
- B money laundering.
- C counterfeiting.
- D pyramid scheme

1.1.5 A method to indicate quality in agriculture products is

- A SABS mark
- B trademark.
- C a sample
- D grading.

(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 numbers (1.2.1–1.2.5) in the ANSWER BOOK.

cash; macro; financial; market; lock-out; marketing; internal; strike; external, credit

- 1.2.1 ASA regulates advertising in South Africa and is part of the ... environment.
 1.2.2 To identify customers' needs is the responsibility of the ... function.
 1.2.3 A/An ... is action by an employer in order to prevent damages during industrial action.
 1.2.4 An advantage of ... purchases is that the buyer can qualify for a discount.
 1.2.5 Creating a good public image and awareness to employees in the company, is an example of public relations.

(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 (1.3.1–1.3.5) in the ANSWER BOOK, for example 1.3.6 K.

COLUMN A	COLUMN B
1.3.1 Organisational culture	A used to make decisions
1.3.2 Term loan	B organisations that set rules for the operation of business in that industry
1.3.3 Data	C diversity in the business
1.3.4 Intermediaries	D unprocessed facts found in tables
1.3.5 Budgets	E money borrowed from a bank
	F the personality of the business
	G estimated expenses and income for a specific period
	H suppliers who allow a business to buy goods and services and pay later and the consumer
	I bridge the gap between the manufacturer and the consumer
	J used to draw up financial statements and reports

(5X2) (10)

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

QUESTION 2 : BUSINESS VENTURES

- 2.1 List THREE components of the market environment. (3)
- 2.2 Explain the purpose of the organisational culture. (6)
- 2.3 Read the scenario below and answer the questions that follow.

BANZO TRANSPORT SERVICES (BTS)
Banzo Transport Services (BTS) is based in East London. They transport big and small parcels to different locations in the Eastern Cape. BTS has proven itself as a company always willing to go the extra mile.

- 2.3.1 Name the business sector in which BTS operates. Motivate your answer by quoting from the scenario above. (3)
- 2.3.2 Explain the TWO other business sectors and give one example of each sector.

Use the table below to answer this question.

SECTORS	EXPLANATION	EXAMPLE
(a)		
(b)		
(2)	(2)	(2)

- 2.4 Define economic as one of component of the macro environment (4)
- 2.5 Discuss the impact of unproductive labour forces on business. (6)
- 2.6 Explain the negative impact of HIV/AIDS on the business. (6)
- 2.7 Advise businesses on how to promote inclusivity in the workplace. (6)

[40]

QUESTION 3 : BUSINESS OPERATIONS

- 3.1 Name FOUR types of organizational structures. (4)
- 3.2 Outline the methods of carrying out public relations (4)
- 3.3 Read the scenario below and answer the questions that follow.

OKEY FURNITURE SHOP (OFS)

Baloyi is a managing director who plan for future of furniture store with branches across the country. To be a managing director is very tough, therefore he has appointed four heads of different departments. The different departments are human resource, finance, purchasing and administration who focus on how the business will carry out the strategic decisions.

3.3.1 Identify TWO levels of management applicable to OFS. Motivate your answer by quoting from the scenario above

Use the table below to answer QUESTION 3.3.1

LEVEL OF MANAGEMENT	MOTIVATIONS

3.3.2 Differentiate between management and leadership (6)
(4)

3.4 Outline the factors that influence the organisational structure. (6)

3.5 Identify the sources of financing applicable to each of the given statement:

3.5.1 The business arranges with the bank to withdraw more money than is available in its bank account. (2)

3.5.2 The money must be paid back over a fixed term which may not exceed five years. (2)

3.5.3 Money provided by government to small businesses that are developing. (2)

3.6 Distinguish between quality control and quality assurance. (4)

3.7 Suggest nature/purpose of the National Consumer Protection Act. (6)

[40]

QUESTION 4

BUSINESS ENVIRONMENTS

4.1 Identify the components of the Macro environment in EACH statement below.

4.1.1 Paper and Co experienced a decrease in sales because of the low levels of income. (2)

4.1.2 The annual inflation rate in South Africa increased to 4.3% in August. (2)

4.1.3 Fizzy Car wash is struggling to survive in the drought. (2)

4.1.4 Online shopping decreases the demand for some goods from local businesses. (2)

4.2 Briefly explain why the macro environment can be a challenge to a business. (6)

4.3 Explain the relationship between the micro, market and macro environments. (6)

BUSINESS OPERATIONS

4.4 List FOUR remedies of the National Credit Act (4)

4.5 Suggest quality indicators for the financial function. (4)

- 4.6 Explain the implications of the Consumer Protection Act on the marketing function. (6)
- 4.7 Discuss the importance of stock control. (6)
- [40]

TOTAL SECTION B: 80

SECTION C

Answer ANY ONE question on this section.

NOTE: Clearly indicate the QUESTION NUMBER of the chosen question. The answer to the question must start on a NEW page, e.g. QUESTION % on a NEW page.

QUESTION 5 : BUSINESS ENVIRONMENTS

Woolworths donates surplus clothing to the Clothing Bank which is an informal sector enterprise and aims to create jobs for the unemployed. Finances of Woolworths are well managed by the financial manager.

Write an essay which include the following aspects:

- Outline the purpose of financial function
- Explain the following types of capital
 - Own capital
 - Borrowed capital
- Distinguish between fixed and working capital.
- Suggest the importance of informal sector.

[40]

QUESTION 6: BUSINESS OPERATIONS

The importance of management can never be underestimated or ignored as it is a proven fact that the success of a company entirely depends on how well it is managed. Different levels of management have responsibilities attached to each.

Write an essay on the following aspects:

- Outline FOUR management tasks
- Describe the responsibilities of the THREE levels of management
- Explain the importance of quality for the business
- Advise businesses on the correlation between management and the success of the business.

[40]

GRAND TOTAL

150



GRADE 10

NOVEMBER 2023

**BUSINESS STUDIES P1
MARKING GUIDELINE**

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MARKS
: 150

TIME: 2 HOURS

This marking guideline consists of _____ pages.



This Marking Guideline consists of 29 pages.

NOTES TO MARKERS

1. A comprehensive memorandum 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 memorandum
 - Comes from another source
 - Original
 - A different approach is used

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

2. Candidates' responses must be in full sentences for SECTION B and C. However, this would depend on the nature of the question.
3. 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.)
4. The word 'sub-max' is used to facilitate the allocation of marks within a question or sub-question.
5. 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.
6. 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 guideline. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
7. In an indirect question, the theory as well as the response must be relevant and related to the question.
8. Incorrect numbering of questions or sub-questions in SECTIONS A and B will be severely penalised. Therefore, correct numbering is strongly recommended in all sections.
9. No additional credit must be given for repetition of facts. Indicate with an R.
10. Note that no marks will be awarded for indicating Yes/No in evaluation type questions requiring substantiation or motivation. (Applicable to SECTIONS B and C).
11. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guidelines and the context of each question.

Cognitive verbs, such as:

- 11.1 Advise, name, state, mention, 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.

- 11.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, justify, devise, 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.
12. Mark only the FIRST answer where candidates offer more than one answer for SECTION B questions that require only one answer.

13. **SECTION B**

- 13.1 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 only applies to questions where the number of facts is specified

- 13.2 If two facts are written in one sentence, award the candidate FULL credit. Point 13.1 above still applies.
- 13.3 If candidates are required to provide their own examples/views, brainstorm this to finalise alternative answers.

13.4 **Use of the cognitive verb and allocation of marks:**

If the number of facts is specified questions that require candidates to 'explain/discuss/ describe' will be marked as follows:

- Fact 2 marks (or as indicated in the marking guideline)
- Explanation 1 mark

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

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 marks allocated in the marking guideline.

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

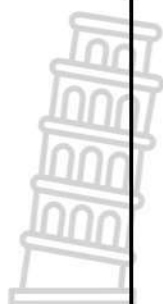
14. **SECTION C**

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

14.2 Insight consists of the following components:

Layout/ Structure	Is there an introduction, body, proper paragraphs and a conclusion?	2
Analysis and interpretation	Is the candidate able to breakdown the question into headings/sub-headings/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? Marks to be allocated using this guide: No relevant facts: 0 (Two '-S') Some relevant facts: 1 (One '-S') Only relevant facts: 2 (Zero/No '-S') Option 1: Where a candidate answers 50% or more of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis.	2



	<p>Option 2: Where a candidate answers less than 50% of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.</p> <p>Option 3: Where a candidate answers less than 50% of the question with no relevant facts; two 'S' appear in the left margin. Award ZERO mark for synthesis.</p>	
Originality	Is there evidence of examples, recent of information, current trends and developments?	2
TOTAL FOR INSIGHT:		8
TOTAL MARKS FOR FACTS:		32
TOTAL MARKS FOR ESS AY (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 allocated for layout, if the headings 'Introduction, Conclusion,' etc. in 'Insight' are not supported by an explanation.
 4. With effect from November 2017 a candidate will be awarded a maximum of ONE (1) mark for headings/sub-headings and ONE (1) mark for interpretation (16 or more out of 32 marks). This applies specifically to the analysis and interpretation part of insight.

14.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, S and/or O').

14.4 The breakdown of marks is indicated at the end of the suggested answer / marking guideline for each question.

14.5 Mark all the relevant facts until the SUB MAX/MAX mark in a subsection has been attained. Write SUB MAX/MAX after maximum marks have been obtained.

14.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follow: (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

14.7 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 sub-headings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought.

(See MARK BREAKDOWN at the end of each question.)

14.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.

14.9 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.

14.10 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.

With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks ($\checkmark\checkmark$) 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.

14.11 With the effect from November 2017, the maximum of TWO (2) marks for facts shown as heading in the memo, will not necessarily apply to each question.

This would also depend on the nature of the question.

**SECTION A
QUESTION 1**

COMPULSORY

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

(5X2) (10)

- 1.2
- 1.2.1 Advertising Standards Authority of Southern Africa (ASA) ✓✓
- 1.2.2 Capital ✓✓
- 1.2.3 National Credit Act ✓✓
- 1.2.4 Fixed capital ✓✓
- 1.2.5 Inclusivity ✓✓

(5X2)

(10)

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- 1.3
- 1.3.1 D ✓✓
- 1.3.2 G ✓✓
- 1.3.3 A ✓✓
- 1.3.4 H ✓✓
- 1.3.5 B ✓✓

(5X2)

(10)

TOTAL SECTION A: 30

1.1	10
1.2	10
1.3	10

SECTION B

Mark the **FIRST TWO** questions **ONLY**.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 THREE components of the market environment

- The market/consumers/customers ✓
- Suppliers ✓
- Intermediaries ✓
- Competitors ✓
- Other organisations/civil society ✓
- Opportunities and threats faced by the business ✓

NOTE: Mark the first THREE (3) only.

(3)

2.2 Purpose of the organisational culture

- Refers to the personality ✓ of the organisation/business ✓
- Organisational culture is made up of different beliefs/values/expectations ✓ of everyone who works in the business ✓
- Influences the way people in the organisation interact with one another ✓ and with stakeholders ✓
- It influences people's actions ✓ and attitudes ✓
- Any other relevant answer related to the purpose of organisational culture

Max. (4)

2.3 Business sectors

2.3.1 Tertiary sector ✓✓

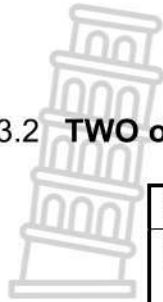
Motivation: Bubu Transport Services (BTS) is based in Mthatha

./They transport big and small parcels to different locations in the Eastern Cape. ✓

Identification marks 2

Motivation 1 mark (3)

NOTE: Do not award the mark for the motivation if the identification of the sector is incorrect.



2.3.2 **TWO** other business sectors

Sectors	Explanation
(a) Primary sector ✓	Harvest/collect/ extract raw materials from the natural environment ✓✓
(b) Secondary sector ✓	Process raw materials into final goods ✓✓
Sub-max. 2	Sub-max. 4

NOTE: Mark the first **TWO (2)** only.
Do not accept tertiary sector in **QUESTION 2.3.2.**

2.4 **Leadership and management**



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Leadership	Management
- Influences ✓ human behaviour. ✓ - Communicates by means ✓ of vision/values/charisma. ✓	- Guides ✓ human behaviour. ✓ - Communicates through ✓ management functions, e.g. line function. ✓
- People ✓ orientated. ✓	- Task ✓ orientated. ✓
- Inspires staff ✓ to trust and support each other. ✓	- Controls systems and procedures ✓ to get the job done. ✓
- Focuses on what ✓ and why. ✓ - Does the right ✓ things. ✓	- Focuses on how ✓ and when. ✓ - Does things ✓ right. ✓
- Leaders are born ✓ with natural leadership skills. ✓	- A person becomes a manager because he/she is appointed ✓ in the position. ✓
- Lead ✓ by example. ✓	- Manage by ✓ planning, organising, leading and control. ✓
- Any other relevant answer related to leadership.	- Any other relevant answer related to management.
Sub-max. (2)	Sub-max. (2)

- NOTE: 1. The answer does not have to be in tabular format.**
2. The difference does not have to link but it must be clear.
3. Award a maximum of TWO (2) marks if the difference is not clear.

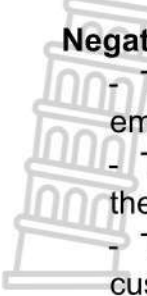
**Max.
(4)**

2.5 Impact of crime on businesses

- Loss of profits ✓ due to stolen goods/damage to property. ✓
- Security/Insurance cost increases ✓ as the business tries to protect itself. ✓
- Smaller businesses often cannot afford insurance ✓ and have to replace the stolen goods themselves at greater loss. ✓
- Lower profits affect the decision to expand ✓ and employ more people/pay higher wages. ✓
- Business loses skilled employees ✓ resulting in a decline in productivity. ✓
- Crime causes increase in health costs of employees ✓ due to injuries or stress. ✓
- Discourages foreign investment ✓ and reduces tourism. ✓
- Crime brings about unfair competition ✓ from stolen goods resold at a lower price. ✓
- Crime disrupts business activities ✓ and productivity. ✓
- Loss of essential equipment ✓ causing temporary closure of the business. ✓
- Any other relevant answer related to impact of crime on businesses.

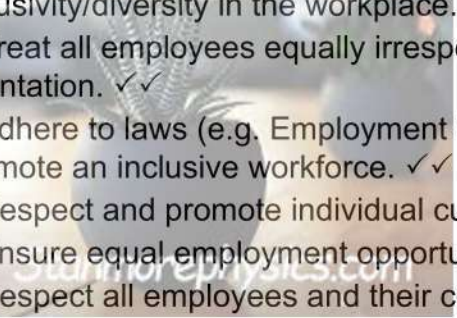
Max. (6)

2.6 **Negative impact of HIV/Aids on the business**

- 
- This disease leads to a decline in the productivity ✓ of the affected employees. ✓
 - Trained and experienced workers die ✓ from the disease before they grow old, increasing staff turnover in the business. ✓
 - There is a decrease in demand ✓ owing to a decrease in customers. ✓
 - There can be prejudice in the work place ✓ against employees that are affected with HIV/Aids. ✓
 - The pool of available skilled workers is getting smaller ✓ due to the high rate of HIV infection. ✓
 - Cost such as medical aids ✓ are higher as a result of HIV/Aids. ✓
 - Workers can have a low morale ✓ as they are concerned about their health/family member. ✓
 - People who are infected with HIV generally become weaker ✓ as the disease develops in full-blown Aids and leads to absenteeism. ✓
 - Any other relevant answer related to the negative impact of HIV/Aids on the business.

**Max.
(6)**

2.7 **How to promote inclusivity in the workplace**

- 
- Develop employment policies that seek to promote inclusivity/diversity in the workplace. ✓✓
 - Treat all employees equally irrespective of gender/race/age/sexual orientation. ✓✓
 - Adhere to laws (e.g. Employment Equity Act) and regulations that promote an inclusive workforce. ✓✓
 - Respect and promote individual cultures in the workplace. ✓✓
 - Ensure equal employment opportunities for all groups. ✓✓
 - Respect all employees and their contributions in the workplace. ✓✓
 - The workforce must represent the demographics of the country. ✓✓
 - Ensure that the physical environment accommodates people with disabilities. ✓✓
 - Include women in leadership positions and decision making. ✓✓
 - Any other relevant answer related to on how to promote inclusivity in the workplace.

Max. (6)

[40]

QUESTION 3: BUSINESS OPERATIONS

3.1 TWO types of organisational structures

- Line ✓
- Line and staff ✓
- Functional ✓
- Project ✓
- Matrix organisation ✓

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

3.2 Consumer rights according to the NCA

Consumers have a right to:

- Apply for credit. ✓✓
- Information in one's official language. ✓✓
- Be protected against unfair discrimination in granting credit. ✓✓
- Be given reasons why an application for credit is refused. ✓✓
- Be informed about the interest rate and any other costs of the proposed credit transaction. ✓✓
- Receive a copy of a credit contract and a replacement copy when the consumer asks for one. ✓✓
- Apply for debt counselling if a customer has too much debt. ✓✓
- Any other relevant answer related to consumer rights according to the NCA.

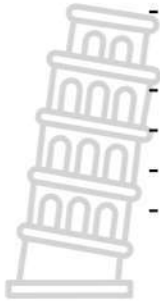
Max. (6)

3.3 BUSINESS FUNCTIONS

3.3.1 - Public relations ✓✓ (2)

3.3.2 Other methods of Public Relations

- **Direct contact** ✓✓
- Information about the business is passed on to the members of the public who have dealt with the business previously. ✓
- Direct contact with employees or telephonic communication is a popular form of public relations. ✓
- **Brochures** ✓✓
- Excellent way of distributing information in a cost-effective way. ✓
- **Exhibitions** ✓✓
- The business is introduced to the public and meets existing customers in shopping centres ✓
- **Social responsibility** ✓✓



- The business uplifts the community as the community supports the business by buying their products. ✓
- **Transit advertising** ✓✓
- Advertising on vehicles such as taxis, busses, vans etc. ✓
- **Use of the telephone** ✓✓
- A potential customer phones the business to enquire about something; the person answering the phone is perceived as the business. ✓

- If the potential customer is pleased with the information that was required, then that person can become an important customer. ✓
- Any other relevant answer related to ways to carry out public relations.

**NOTE: Do NOT accept social media as an answer.
Mark the first TWO only.**

Max. (6)

3.4 Interrelatedness of the business functions

- The eight business functions depend on each other ✓ and are interrelated. ✓
- These functions work together as a team ✓ for the business to be successful. ✓
- The general management is directly linked ✓ to all seven business functions. ✓
- The financial and administration functions are responsible for gathering/storing/processing information ✓ and financial records. ✓
- The purchasing, production and marketing functions ✓ are responsible for the delivery of goods. ✓
- The purchasing function buys raw material for the production function ✓ to process raw material into finished goods. ✓
- The marketing function sells the product ✓ which the production function has produced. ✓
- The marketing function promotes the product ✓ while the public relations function promotes the business and ensures that there is a good relationship between the business and the public. ✓
- All the staff with the right skills and qualifications are appointed ✓ by the human resources function. ✓
- Any other relevant answer related to the interrelatedness of the business functions.

Max. (6)

3.5 TWO reasons why a business may need finance



- Start-up ✓✓
- Borrowing money in order to start a business. ✓
- Cash flow ✓✓
- Money to cover the running costs of a business while waiting for outstanding payments. ✓
- Replacement ✓✓
- Money to replace computers, machinery and equipment. ✓
- Expansion ✓✓
- Money to grow a successful business. ✓
- Any other relevant answer related to why a business needs finance.

(6)

NOTE: Mark only the first TWO reasons.

3.6 Differentiate between Fixed capital and Working capital

FIXED CAPITAL	WORKING CAPITAL
- Money to buy fixed assets, ✓ e.g. land and buildings etc. ✓	- Money used for day-to-day activity, ✓ e.g. trading stock, raw materials, etc. ✓
- Finance long term capital needs ✓ of the business. ✓	- Finance the short-term capital ✓ of the business. ✓
- Examples: capital market, selling shares, mortgage bonds etc. ✓	- Examples: money market, credit allowed by suppliers, short terms loans etc. ✓
- Any other relevant answer related to fixed capital.	- Any other relevant answer related to working capital
Sub-max. (2)	Sub-max. (2)

NOTE: 1. The answer does not have to be in tabular format.

2. The differences do not have to link but it must be clear
3. Award a maximum of TWO (2) marks if the difference is not clear.

Max. (4)

3.7 Impact of the CPA on businesses.

Advantages for businesses

- Enables businesses to resolve disputes fairly through the Consumer Court. ✓✓

- Businesses may build a good image if they ensure that they do not violate consumers' rights. ✓✓
- Businesses may gain consumer loyalty, if they comply with CPA. ✓✓
- Businesses are less likely to have court cases against them for consumer rights' violations. ✓✓
- Businesses may be protected if they are regarded as consumers. ✓✓
- They may be safeguarded against dishonest competitors. ✓✓
- Prevents larger businesses from undermining smaller ones. ✓✓
- Any other relevant answer related to the advantages of the CPA for businesses.

AND/OR

Disadvantages for businesses

- Faulty items may be replaced/repaired/money refunded if the fault occurs within six months after purchase. ✓✓
- Consumers can take advantage of businesses and return goods when it is not necessary to do so. ✓✓
- Processes and procedures required of businesses can be expensive and time consuming. ✓✓
- Some businesses feel unnecessarily burdened by the required processes. ✓✓
- Penalties for non-compliance may be very high. ✓✓

- Businesses need to train staff and consult legal experts, which can be expensive for smaller businesses. ✓✓
- Provisions in the Act increase the risks for unforeseen claims and lawsuits. ✓✓
- Administration costs increase as legal contracts need to be worded in plain language. ✓✓
- Any other relevant answer related to the disadvantages of the CPA for businesses.

Max. (8)
[40]

QUESTION 4: MISCELLANEOUS

BUSINESS ENVIRONMENTS

4.1 Components of the macro environment

4.1.1 Social ✓✓

4.1.2 Economic ✓✓

4.1.3 Environmental/Physical ✓✓

4.1.4 Technological ✓✓ (8)

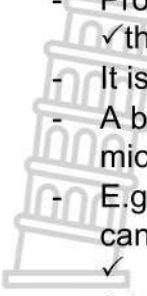
4.2 Macro environment can be a challenge to the business

- Businesses do not have control over macro environmental factors ✓ yet they are bound to affect them. ✓
- The macro environment can also greatly affect consumers directly, ✓ affecting their ability and willingness to spend. ✓
- The external and uncontrollable factors influence an organisation's decision making ✓ and affect its performance and strategies. ✓
- The macro environment is always changing ✓ and businesses must implement new strategies to keep afloat. ✓
- The components can increase or decrease the need ✓ for your product or create entirely new needs. ✓
- Any other relevant answer related to why the macro environment can be a challenge to the business.

Max. (6)

4.3 Relationship between micro, market and macro environments

- Business enterprises are in constant interaction ✓ with elements present in all three business environments. ✓
- An entrepreneur uses the factors of production ✓ to produce a product or service. ✓
- An entrepreneur aims to satisfy the needs of the consumer ✓ in order to make a profit. ✓
- During this process, the entrepreneur is subjected to challenges ✓ coming from amongst others, competitors, as well as the government. ✓
- Entrepreneurs must deal with labour crises, ✓ demands such as BEE and affirmative action. ✓

- 
- Providing products and services is therefore not a simple process ✓ that can take place in isolation. ✓
 - It is a complicated process ✓ where many influences are present. ✓
 - A business exercises control ✓ over most of the elements in the micro- environments. ✓
 - E.g. a business cannot force consumers to buy their products, ✓ but it can influence consumers through competitive prices and advertising. ✓
 - A business can neither influence/exercise control ✓ over the elements of the macro-environment. ✓
 - A business must adapt to the challenges from the macro-environment ✓ and formulate strategies to cope with these challenges. ✓
 - The three business environments are interrelated. ✓
 - Any other relevant answer related to the interrelatedness of the environments.

Max. (6)

4.4 TWO remedies of the NCA

- The Consumer Tribunal ✓
- National Consumer Commission ✓
- Consumer Court ✓
- Ombudsman ✓

NOTE: Mark only the first TWO answers.

(2)

4.5 Distinguish between quality control and quality assurance

QUALITY CONTROL	QUALITY ASSURANCE
- Inspection of the final product ✓ to ensure that it meets the required standards. ✓	- Carried out during and after the production process ✓ to ensure required standards have been met at every stage of the process. ✓
- Includes setting targets/ measuring performance ✓ and taking corrective measures. ✓	- Ensure that every process is aimed at getting the product right first time ✓ and prevent mistakes from happening again. ✓
- Any other relevant answer related to quality control.	- Any other relevant answer related to quality assurance.

Sub-max. (2)	Sub-max. (2)
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NOTE: 1. The answer does not have to be in tabular format.

2. **The difference does not have to link but it must be clear**
3. **Award a maximum of TWO (2) marks if the difference is not clear.**

Max. (4)

4.6 **Quality indicators for the financial function**

- Ensuring a healthy cash flow by ensuring payments are made on time. ✓✓
- Effective management of cash-by-cash budgeting. ✓✓
- Financial records to be kept up to date. ✓✓
- Accountability through tight financial processes. ✓✓
- Negotiate better interest rates in order to keep financial cost down. ✓✓
- Draw up accurate financial statements timeously/regularly. ✓✓
- Invest surplus funds to create sources of passive income. ✓✓
- Ensuring a healthy cash flow through ensuring payments are made on time. ✓✓
- Any other relevant answer related to quality indicators in the financial function.

Max. (4)


4.7 **Implication of the CPA on the marketing function**

- Bundling of goods/services should benefit consumers, ✓ e.g. offering a cellphone and a tablet at a special price. ✓
- Comply with the requirements ✓ regarding promotional competitions. ✓
- Businesses should not discriminate when marketing ✓ their products and services in different areas/places. ✓
- Any other relevant answer related to the implications of the CPA on the marketing function.

Max. (4)

4.8 **Importance of public relations**

- Businesses get publicity for promotional events and information ✓ through media. ✓
- News conferences may be called to release information ✓ which will ensure the survival of the business. ✓
- Employees may volunteer to spend time with people in need at orphanage/hospitals/schools, etc. ✓
- Businesses can sponsor ✓ community events. ✓

- 
- Produce annual reports that review business ✓ activities and achievements. ✓
 - Brochures can be used to ✓ distribute information. ✓
 - Clients/customers can have direct contact ✓ with employees or they can communicate telephonically. ✓
 - Any other relevant answer related to importance of public relations.

Max (6)

[40]

TOTAL SECTION B: 80

SECTION C

Mark ONE question in this section.

QUESTION 5: BUSINESS ENVIRONMENTS (BUSINESS SECTORS AND SOCIO-ECONOMIC ISSUES)

5.1 Introduction

- Businesses can be divided into the formal sector and the informal sector depending on the level of compliance with government's business laws. ✓
- Developing countries tend to have a larger informal sector than developed countries. ✓
- Piracy is the deliberate illegal copying or reproduction of somebody's product without their permission. ✓✓
- Any other relevant introduction related to the business sectors and piracy. (2 x 1) (2)

5.2 Advantages/Importance of the informal sector

- Provides jobs and income to communities thereby alleviating poverty. ✓✓
- People working in the informal sector gain work experience to be used in the formal sector. ✓✓
- Encourages entrepreneurship as self-employment.
- Provides opportunity for the marginalised/disadvantaged by encouraging street trade. ✓✓
- Serves as buffer between employment and unemployment. ✓✓
- Any other relevant answer related to the importance of the informal sector.

Max. (10)

5.3 Comparison of the formal sector and informal sector

FORMAL SECTOR	INFORMAL SECTOR
Contribute towards the GDP of the country ✓ because they are legally registered. ✓	Contribute little towards the GDP ✓ and fall outside the mainstream economic activities. ✓
Made up of highly skilled, semiskilled ✓ and unskilled labour. ✓	Made up of a large number of poor people ✓ within the rural and urban areas. ✓

Not easy to enter this sector ✓ as businesses have to be legally registered. ✓	Easy to enter ✓ this sector. ✓
Small, medium ✓ and large size operations. ✓	Small scale ✓ operations. ✓
Could be capital, technological ✓ and labour intensive depending on type of industry. ✓	Labour intensive ✓ with adaptable technology. ✓
Comply with the relevant laws ✓ such as Labour Laws and Occupation and Health Act. ✓	Unregulated in a legal ✓ and social environment. ✓
Pay tax. ✓✓	Do not pay tax ✓ as they are not registered. ✓
Any other relevant answer related to the formal sector.	Any other relevant answer related to the informal sector.
Sub-max. 8	Sub-max. 8

(16)

NOTE: • Answer does not have to be in tabular format

• Differences must be clear otherwise only award 8 marks.

5.4 Impact of piracy on the business.

- The businesses producing the original goods ✓ have their profits reduced if piracy occurs. ✓
- Piracy also deprives the original artist ✓ of his/her income. ✓
- People who buy pirated copies ✓ contribute to the problem. ✓
- The copying of trademarks ✓ confuses consumers. ✓
 - The market is flooded with copies of the article ✓ so the price is pushed down. ✓
- Any other relevant answer related to the impact of piracy on the business.

Max. (8)

5.5 TWO solutions

-Copyright ✓✓



- Copyright is the right given to the creator of an original work ✓ so that it cannot be copied without his/her permission. ✓
- The owner of intellectual property has the right to produce ✓ and copy the intellectual property. ✓
- Includes literary works/musical works/artistic works, etc. ✓

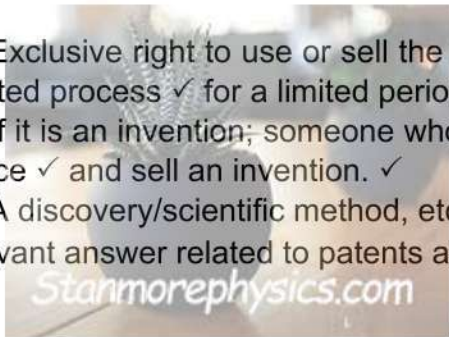
-Any other relevant answer related to copyright as a solution to piracy.

Heading	2
Description	4
Sub-max.	6

-Patents ✓✓

- Exclusive right to use or sell the invention or a product made from an invented process ✓ for a limited period of time. ✓
- If it is an invention; someone who holds a patent has the sole right to produce ✓ and sell an invention. ✓
- A discovery/scientific method, etc. ✓

-Any other relevant answer related to patents as a solution to piracy.



Heading	2
Description	4
Sub-max.	6

- Trademark ✓✓

- A unique mark that represents a business enterprise ✓ and which belongs to the business enterprise. ✓
 - Includes words/slogans/signs, etc. ✓
 - Registration of the use of a brand name/slogan/symbol or a combination ✓ to make a product or services recognisable and known. ✓
- Any other relevant answer related to trademarks as a solution to piracy.

Heading	2
Description	4
Submax.	6
Max.	12

Mark only the first TWO (2) solutions to piracy.

5.6 Conclusion

- There are strict laws that protect property rights and the punishment for transgressions is severe. ✓✓
- It is difficult for people from the informal sector to do business with government departments or big businesses. ✓✓
- Any other relevant conclusion related to the informal sector and piracy.

(1 x 2) (2)



QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Importance of informal sector	10	
Differences between formal and informal sector	16	
Impact of piracy	8	
TWO solutions to piracy	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 OPERATIONS (PURCHASING FUNCTION)

6.1 Introduction

- The purchasing function is the act of buying the goods and services that a company needs to operate and manufacture products. ✓
- It plays an important role in buying quality raw materials and services for the business. ✓
- Businesses should follow the correct purchasing procedure in order to buy the correct raw materials. ✓
- The purchasing department should properly manage and distribute raw materials to the production departments. ✓
- Any other relevant answer related to the introduction to the purpose of the purchasing function/activities of the purchasing function/steps of a purchasing procedure/ importance of stock control. **Any (2 × 1) (2)**

6.2 Purpose of the purchasing function

- Manage stock to ensure sufficient levels of stock to carry out business operations. ✓✓
- Continuously looking for the best/reputable suppliers. ✓✓
- Regular make contact with other business departments to determine their needs. ✓✓
- Send damaged goods back to the supplier and see to it that it is replaced. ✓✓
- Receive confirmation that all goods meet the required specifications and the price invoiced is in line with the quoted price. ✓✓
- Negotiate the best possible terms for payment with suppliers. ✓✓
- Any other relevant answer related to the purpose of the purchasing function.

Max (10)

6.3 Activities of the purchasing function

- The purchasers should have expert knowledge of the product✓ they need to buy and about the market in which they operate. ✓
- The purchasing manager should find out the needs ✓ of other business departments. ✓
- They look for suitable, ✓ new and better suppliers. ✓
- They ensure that there is enough stock available ✓for continuous production and sales. ✓
- They ensure that orders placed with suppliers ✓are followed up. ✓
- Ensure that ordered products are delivered✓ on time. ✓
- They should keep the correct levels of stock✓ on hand. ✓
- Record the cost prices and selling prices ✓of stock. ✓

- Any other relevant answer related to the activities of the purchasing function.

Max (12)

6.4 Steps of a purchasing procedure

Determine the need for the product/requisition✓✓

- Liaise with the financial department to establish the budget✓ for the purchasing of goods and services. ✓
- Determine the product/material/ resource needs✓ of the businesses. ✓
- Find the right quality/quantity of goods and services at the right price ✓ and at the right time. ✓
- Any other relevant answer related to determine the need for the product/requisition as a step in purchasing procedure.

Purchasing procedure	2
Explanation	2
Submax	4

Determine the price of the product✓✓

- Find the best price by obtaining quotes/tenders ✓ or making enquiries. ✓
- Any other relevant answer related to determining the price of the product as a step in purchasing procedure.

Purchasing procedure	2
Explanation	2
Submax	4

Select/Choose a suitable supplier✓✓

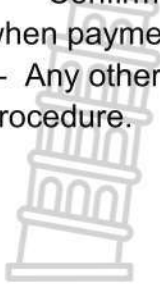
- The purchasing department should choose reliable suppliers ✓ for its raw materials/products. ✓
- Evaluation criteria based on quality of raw material/prices/delivery time, ✓ should be used to select the best suitable supplier. ✓
- The purchasing department should conduct a thorough investigation✓ about potential suppliers/their reputation and reliability. ✓
- Any other relevant answer related to select/choose a suitable supplier as a step in purchasing procedure.

Purchasing procedure	2
Explanation	2
Submax	4

Place an order✓✓

- The purchasing function should place an order in writing✓ so that goods delivered can be compared with the order. ✓

- Confirm the prices of the products ✓ on order to avoid unexpected surprises when payments are made. ✓
- Any other relevant answer related to the place an order as a step in purchasing procedure.



Purchasing procedure	2
Explanation	2
Submax	4

Collect or receive the order ✓✓

- The purchasing department should ensure that the right orders ✓ are received and recorded. ✓
- The quality and quantity of stock received should be checked ✓ against the order. ✓
- The purchasing department should keep a copy of a delivery note ✓ for recordkeeping purposes. ✓
- Any other relevant answer related to the collect or receive the order as a step in purchasing procedure.

Purchasing procedure	2
Explanation	2
Submax	4

Pay the supplier ✓✓

- The purchasing department instructs the financial department ✓ to pay the supplier after delivery of the order. ✓
- The supplier must provide copies of the requisition form ✓ to the purchasing department. ✓
- The purchasing department must provide a delivery note ✓ to the financial department. ✓
- The supplier sends the invoice to the financial department ✓ for final payment after satisfactory delivery. ✓
- Any other relevant answer related to the pay the supplier as a step in purchasing procedure.

Purchasing procedure	2
Explanation	2
Submax	4

Distribute stock ✓

- The purchasing department should ensure proper distribution ✓ of stock/raw materials to all relevant departments. ✓

- Distribution of stock should be in line with pre-requisite orders ✓ from each department to avoid stock loss. ✓
- Any other relevant answer related to the distribute stock as a step in purchasing procedure.



Purchasing procedure	2
Explanation	2
Submax	4

Complete the order ✓✓

- Ensure that all the correct documentation is in place ✓ and filed for future reference. ✓
- Any other relevant answer related to completing the order as a step in the purchasing procedure.

Purchasing procedure	2
Explanation	2
Submax	4

Max (16)

NOTE: Mark the first FOUR (4) only.

6.5 Importance of stock control

- Enables businesses to determine the amount/value of stock. ✓✓
- Businesses can check the cost and selling price of products. ✓✓
- Ensure that there is enough stock to meet the normal demand of customers. ✓✓
- Keep the correct levels of stock on hand. ✓✓
- Record the cost prices and selling prices of stock. ✓✓
- Identify theft in the business when physical stock count is compared with the electronic stock control system. ✓✓
- Any other relevant answer related to the importance of stock control.

Max (8)

6.6 Conclusion

- The purchasing manager should continuously look for suitable, new and better suppliers. ✓✓
- The purchasing department must work together with the production department in order to buy quality stock. ✓✓
- The purchasing department should order goods on time in order to prevent running out of stock. ✓✓
- It is important to do the stock control in order to prevent overstock. ✓✓
- Any other relevant answer related to the introduction on purpose of the purchasing function/activities of the purchasing function/ steps of a purchasing procedure/ importance of stock control

Any (1 × 2) (2)

Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Purpose of purchasing function	10	
Activities of purchasing function	12	
Steps of purchasing function	16	
Importance of stock control	8	
Conclusion	2	
INSIGHT		8
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 where the requirements are not met at all.

TOTAL SECTION C: 40
GRAND TOTAL: 150