



BUSINESS STUDIES
DISTRICT PAPER



MARKS: 100

TIME: 60 minutes

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 and covers **TWO** main topics.

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 note of what is required. Note that only the **first TWO** questions in Section B and **the first question** in Section C will be marked.
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 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	20	10
B: THREE Direct/indirect type questions. CHOICE: Answer any TWO	2	20	30
	3	20	
	4	20	
C: TWO essay-type questions CHOICE: Answer any ONE	5	40	20
	6	40	
TOTAL		100	60

7. Begin the answer to EACH question on a NEW page, e.g., QUESTION 1 – new page, QUESTION 2 – new page, etc.
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. Choose the correct answer and write only the letter (A-D) next to the question number (1.1.1 to 1.1.5) in the answer book e.g., 1.1.6 D

- 1.1.1 The ... environment is completely outside the business and cannot be controlled.
- A. Micro
 - B. Market
 - C. Macro
 - D. Stock
- 1.1.2 The ... ACT requires businesses to provide detailed information about their products.
- A. National Credit Act
 - B. Consumer Protection Act
 - C. Labour Relations Act
 - D. Basic Conditions of Employment
- 1.1.3 Keeping documents neatly, orderly and in a safe place is a quality indicator of the.... function
- A. Financial
 - B. General management
 - C. Administration
 - D. Human resources
- 1.1.4 The money needed to buy a vehicle and equipment for the business is called
- A. Current capital
 - B. Fixed capital
 - C. Working capital
 - D. Short term capital
- 1.1.5 The ... factor affects the financial matters such as interest rates and inflation.
- A. Economic
 - B. Legal
 - C. Technological
 - D. Natural

(5x2) (10)

1.2 Complete the following statements by using the word/s in the list below.

**Write only the word next to the question numbers (1.2.1 -1.2.5) in the answer book
e.g., 1.2.6 credit**

administration function; credit providers; capital budget; data;
National Consumer Commission; Consumer Tribunal; information; customer;
cash budget; human Resource function

- 1.2.1 The ... function ensures that there is a good recruitment policy that attracts best candidates.
- 1.2.2 It is the responsibility of the ... to consider the consumer's debt repayment history.
- 1.2.3 Landie Boutique drew up a to purchase stock and stationery for the business.
- 1.2.4 The ... is responsible for promoting compliance with the NCA and CPA through advocacy and enforcement.
- 1.2.5 Processed data that will provide specific knowledge to managers for decision making is known as...

(5x2) (10)

TOTAL SECTION A [20]

SECTION B**ANSWER ANY TWO QUESTIONS IN THIS SECTION****QUESTION 2 (MICRO ENVIRONMENT AND BUSINESS FUNCTIONS)**

2.1 List any TWO organisational resources (2)

2.2 Read the scenario below and answer the questions that follow

THASH STEEL LIMITED (TSL)

Thash is the owner of Thash Steel Limited. TSL appointed Busi as the CEO of the company. Nhlanhla and Thembi are departmental heads of the finance department.

2.2.1 Identify TWO levels of management from the scenario above. Motivate your answer by quoting from the scenario. (6)

Use the table below as a guide to answer QUESTION 2.2.1

Level of management	Motivation

2.3 Explain the activities of the purchasing function (6)

2.4 Suggest the purpose of the purchasing function (6)

[20]

QUESTION 3 (MARKET AND MACRO ENVIRONMENT)

3.1 Read the scenario below and answer the questions that follow

REA SNEAKERS (RS)

Rea Sneakers is a business that is known of selling the best quality sneakers in town. They buy their stock from Hlonix (Pty) Ltd. Rea Sneakers lost many customers to Thabiso, who also sell quality sneakers at lower prices.

3.1.1 Identify TWO components of the market environment that applies to RS. Motivate your answer by quoting from the scenario. (6)

Use the table below as a guide to answer question 3.1.1

Components of the market environment	Motivation

3.2 List any TWO examples of Consumer-based organisation's focus areas (2)

3.3 Elaborate on the meaning of macro environment (6)

3.4 Advise businesses on the purpose of organisational culture (6)

[20]

QUESTION 4 (MISCELLENEOUS TOPICS)

4.1 List any FOUR sources of finance (4)

4.2 Differentiate between Leadership and Management (4)

4.3 Identify the types of organisational structure applicable in each statement below:

4.3.1 Employees get instructions from more than one manager

4.3.2 Experts act as advisors to executive managers.

4.3.3 Employees perform the task while working in their own departments. (6)

4.4 Advise businesses on the reasons why the physical environment poses a challenge on their operations. (6)

[20]

TOTAL SECTION B: 40

SECTION C

Answer **ANY ONE** question in this section.

Clearly indicate the QUESTION NUMBER of the chosen question.

QUESTION 5 (Concept of Quality)

The business must implement quality control and quality assurance to produce and maintain quality products. Their role is to prioritise quality in the production of their products for the success of their business. The general management and the financial management function play a crucial role in improving the quality of products.

Write an essay on quality in which you include the following aspects:

- Elaborate on the meaning of quality.
- Outline the differences between quality control and quality assurance.
- Discuss the importance of quality for businesses.
- Suggest the quality indicators of the following business function:
 - General management function.
 - Financial function

[40]**QUESTION 6 (Market environment)**

The market environment is an environment within which the business operates. This environment poses various needs and challenges to the business. The business needs to continually scan the environment to address these needs and challenges as their impact can be negative on the success of the business.

Write an essay on the market environment in which you include the following aspects:

- Elaborate on the meaning of the market environment.
- Explain the components of the market environment excluding civil society.
- Discuss the following functions of Civil society as components of the market environment:
 - Unions
 - Non-government Organisations (NGOs)
 - Regulators
- Advise businesses on the reasons why competition poses a challenge to businesses.

[40]**TOTAL SECTION C [40]****GRAND TOTAL [100]**



BUSINESS STUDIES CONTROLLED TEST 1 GRADE 10 MARCH 2024

MARKING GUIDELINE

MARKS: 100

The marking guideline consists of 24 pages

NOTES TO MARKERS

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) To facilitate the moderation of candidates' scripts at the different levels
- (c) To streamline the marking process considering the broad spectrum of markers across the entire province
- (d) To 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 colors are recommended:

Marker:	Red
Senior Marker/HOD	Green
DSA/ Lead Teacher	Brown
Teacher moderator /SA	Orange
Provincial moderator	Pink
Provincial Dep Chief Moderator	Lilac
Provincial Chief Moderator	Lime
All levels	Sky blue

2. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
3. Comprehensive marking guidelines have 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 guidelines.
 - Comes from another source.
 - Is original.
 - Uses a different approach.

NOTE: There is only ONE correct answer to questions 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 words '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/moderation purposes.
7. Sub-totals to questions must be written in the right-hand margin. Circle the sub-totals 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 penalized if the latter is not clear.
10. No additional credit must be given for merely repeating facts. Indicate with an 'R'.
11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
 - a. 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.√'*
 - b. 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 'analyze' 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, the mark allocation in the marking guidelines and the context of each question.

Cognitive verbs, *such as*:

- a. 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.
- b. Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, analyze, 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 assessment 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 questions in SECTIONS B and C which 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.

NOTE: 1. This applies only to questions where the number of facts is specified.

2. The above also applies to responses in SECTION C (where applicable).

- 14.2 If two facts are written in one sentence, award the candidate FULL credit. Point 14.1 still applies.
- 14.3 If candidates are required to provide their own examples/views, brainstorm this at the marking center to finalize alternative answers.

14.4 Use of the cognitive verbs and allocation of marks:



14.4.1 If the number of facts is 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

The 'fact' and 'explanation' are given separately in the marking guidelines 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 (where applicable).**

15. SECTION C

15.1 The breakdown of the mark allocation for the essay-type questions 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, paragraph 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?	2
	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-question) 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.	
	Option 3: Some relevant facts: 1 mark (One '-S') Where a candidate answers FOUR sub-questions, but one/two/three sub-questions with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.	
	Option 4: No relevant facts: 0 mark (Two '-S') Where a candidate answers less than 50% (only one sub-question) of the questions with no relevant facts; two '-S' appears in the left margin. Award a ZERO mark for synthesis.	
Originality	Is there evidence of one example per topic/subtopic based on recent information, current trends, and developments?	2
TOTAL FOR INSIGHT: TOTAL FOR FACTS: TOTAL MARKS FOR ESSAY (8 + 32): 40		8 32 40

NOTE: 1. No marks will be awarded for content 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/ marking 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 indicated 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 guidelines.
- 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.

SECTION A

QUESTION 1

1.1

1.1.1 C ✓✓

1.1.2 B ✓✓

1.1.3 C ✓✓

1.1.4 B ✓✓

1.1.5 A ✓✓

(5X2) (10)

1.2

1.2.1 Human Resource function ✓✓

1.2.2 Credit provider ✓✓

1.2.3 Cash budget ✓✓

1.2.4 National Consumer Commission ✓✓

1.2.5 Information ✓✓

(5x2) (10)

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	10
TOTAL	20

TOTAL SECTION A: 20

SECTION B

QUESTION 2 (MICRO ENVIRONMENT AND BUSINESS FUNCTIONS)

2.1 Organisational resources

- Human resources ✓
- Financial Resources ✓
- Physical resources ✓
- Information and technology resources ✓

NOTE: MARK THE FIRST TWO (2) ONLY

(2X1) (2)

2.2.1 Levels of management

Level of management	Motivation
Top management ✓✓	She appointed Busi as the CEO of the company ✓
Middle management ✓✓	Nhlanhla and Thembi are departmental heads of the finance department. ✓
Sub-max 4	Sub-max 2

- NOTE:**
1. Mark the first TWO (2) only.
 2. Award marks for the levels of management even if the quotes are incomplete.
 3. Do not award marks for the motivations if the levels of management were incorrectly identified.
 4. Accept responses in any order

MAX (6)

2.3 Activities of the purchasing function

- Purchasers should have expert knowledge of the product they need to buy ✓ and about the market in which they operate. ✓
- Find out the needs ✓ of other business department. ✓
- They look for suitable ✓, new and better suppliers. ✓
- Ensure that there is enough stock available ✓ for continuous production and sales. ✓
- Place orders with suppliers ✓ and follow up on them. ✓
- Ensure that ordered products ✓ are delivered on time. ✓
- Send damaged products back to the suppliers ✓ and see to it that they are replaces. ✓
- Buy the right amount of stock/quantity ✓ so that the business does not run out of stock. ✓

- Buy goods from the best supplier✓, who supply the goods at the right time and place. ✓
- Get the best price✓ for the quality that the purchasing function requires. ✓
- Keep the correct stock levels of stock✓ on hand. ✓
- Record the cost prices✓ and selling prices of stock. ✓
- Any other answer related to the activities of the purchasing function

MAX (6)

2.4 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 were according to specifications and the price invoiced as the quoted price. ✓✓
- Negotiate the best possible term of payment with suppliers. ✓✓
- Any other answer related to the purpose of the purchasing function.

MAX (6)

BREAKDOWN OF MARKS

QUESTION	MARKS
2.1	2
2.2.1	6
2.3	6
2.4	6
TOTAL	20

QUESTION 3 (MARKET AND MACRO ENVIRONMENT)

3.1.1

Components of the market environment	Motivation
Suppliers ✓✓	They buy their stock from Hlonix (Pty) Ltd. ✓
Competition ✓✓	Rea Sneakers lost many customers to Thabiso, who also sell quality sneakers at lower prices
Sub-max 4	Sub-max 2

- NOTE:**
1. Mark the first TWO (2) only.
 2. Award marks for the components of the market environment even if the quotes are incomplete.
 3. Do not award marks for the motivations if the components of the market environment were incorrectly identified.
 4. Accept responses in any order

MAX (6)

3.2 Examples of Consumer-based organisation's focus areas

- HIV/AIDS ✓
- Unemployment ✓
- Substance abuse ✓
- Illiteracy ✓

NOTE: MARK THE FIRST TWO (2) ONLY

(2x1) (2)

3.3 Meaning of Macro Environment

- The macro environment includes all the forces/ events ✓ and circumstances that affects the business and its market environment. ✓
- The business cannot control this environment ✓ but it can adapt ✓
- The macro environment is always changing ✓ and requires businesses to develop suitable strategies to deal with challenges posed by this environment ✓
- Businesses have no control over this environment ✓ as it poses challenges to businesses ✓
- Any other relevant answer related to the meaning of the macro environment

MAX [6]

3.4 The purpose of organisational culture

- Organisational culture refers to how things are done in the business, for example, how the employees communicate among themselves, their dress code and their administration policy. ✓✓
- Organisational culture also includes the values, beliefs, norms and standards that are shared among the employees and management. ✓✓
 - The purpose of the organisational culture is to define the business' internal and external identity as well as its core values. ✓✓
 - A strong business culture has the power to turn employees into ambassadors of the business. ✓✓
 - It helps businesses to retain its employees and clients. ✓✓
 - It breaks down boundaries between teams, guides decision-making, and improves productivity. ✓✓
- Any other relevant answer related to the purpose of organisational culture.

**MAX [6]
[20]**

BREAKDOWN OF MARKS

QUESTION	MARKS
3.1.1	6
3.2	2
3.3	6
3.4	6
TOTAL	20

QUESTION 4 (MISCELLENEOUS)

4.1 Sources of finance

- Angel funding ✓
- Bank loan ✓
- Asset-based loan ✓
- Grants ✓
- Bank overdraft ✓
- Venture capital ✓
- Receivable finance ✓

NOTE: MARK THE FIRST TWO (2) ONLY

(2x1) (4)

4.2 Differences between leadership and management

LEADERSHIP	MANAGEMENT
Leaders inspires ✓ other people ✓	Managers ensures that tasks given to subordinates ✓ are completed ✓
People orientated ✓	Task orientated ✓
Uses motivational ✓ approach ✓	Uses Instructional ✓ approach ✓
A leader does not hold ✓ a managerial position ✓	Managers hold a managerial position ✓ in the business ✓
Leadership is the process of inspiring and influencing others ✓ to achieve business goals ✓	Management is the process of achieving ✓ business goals ✓
Influences ✓ human behaviour ✓	Guides ✓ human behaviour ✓
Communicates by means of interaction/behaviour/vision/value s/ charisma. ✓	Communicates through management functions, e.g. line function. ✓
Leaders are born ✓ with natural/instinctive leadership skills ✓	A person becomes a manager ✓ because he/she is appointed in the position ✓
Lead by example/trust/respect ✓	Manage by planning/organising/leading and controlling ✓
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 a tabular format.

2. The difference does not have to link but must be clear.

3. Award a maximum of TWO (2) marks if the difference is not clear. Mark either leadership or management only.

MAX [4]

4.3 Types of organizational structures

- 4.3.1 Functional organisational structure ✓✓
- 4.3.2 Line and staff organisational structure ✓✓
- 4.3.3 Matrix organisational structure ✓✓

(3x2) (6)

4.4 Reasons why the physical environment poses a challenge on the business operations

- The physical location of a business has a large effect on the success of the business. ✓✓
- Manufacturing businesses dump their waste materials that impact negatively on the physical environment. ✓✓
- The awareness of pollution and environmental damage provide new challenges for businesses. ✓✓
- Some natural resources are scarce and expensive e.g. sources of energy are expensive. ✓✓
- The scarcity of natural resources has a negative impact on the production costs and results in high prices of goods and services. ✓✓
- Any other relevant answer related to the reasons why the physical environment poses a challenge on business operations.

MAX (4)

BREAKDOWN OF MARKS

QUESTION	MARKS
4.1	4
4.2	4
4.3	6
4.4	6
TOTAL	20

TOTAL SECTION B [40]

QUESTION 5

5.1 INTRODUCTION

- Quality is the ability of a product /service to satisfy specific needs of consumers.✓
- Manufactured goods must be quality assured throughout the production cycle.✓
- The activities of all business functions must be properly managed to ensure that all departments adhere to the same quality standards.✓
- Any other relevant introduction related to the quality control/assurance, importance of quality /quality indicators (2X1) (2)

5.2 Meaning of quality

- Quality is the ability to satisfy✓ customer/consumer needs.✓
- It refers to the features/characteristics of a product/service✓ that meets customer's requirements.✓
- It refers to products and services that satisfy needs✓ and exceeds customer expectations on a continuous basis.✓
- Includes learning from mistakes and continuously improving✓ all aspects of the business. ✓
- It is a degree of excellence to which a product/service✓ satisfies the required needs of customers.✓
- Any other relevant answer related to the meaning of quality.

MAX (8)

5.3 Differences 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 4	Sub-max 4

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

2. The difference does not have to link but must be clear.

3. Award a maximum of TWO (2) marks if the difference is not clear. Mark either quality control or quality assurance only.

MAX [4]

5.4 The importance of quality for businesses

- Effective customer services are rendered, ✓ resulting in increased customer satisfaction. ✓
- Time and resources ✓ are used efficiently. ✓
- Productivity increases ✓ through proper time management/using high quality resources. ✓
- Products/Services are constantly improved ✓ resulting in increased levels of customer satisfaction. ✓
- Vision/Mission/Business goals ✓ may be achieved. ✓
- Business has a competitive advantage ✓ over its competitors. ✓
- Regular training will continuously improve ✓ the quality of employees' skills/knowledge. ✓
- Employers and employees will have a healthy working relationship ✓ resulting in happy/productive workers. ✓
- Increased market share/more customers ✓ improve profitability. ✓
- Improves business image ✓ as there are less defects/returns. ✓
- Any other relevant answer related to the importance of quality.

MAX [14]

5.5 Quality indicators of the general management and financial function

5.5.1 Quality indicators of the General management

- Develop/Implement/Monitor effective strategic plans ✓✓
- Set direction and establish priorities for their business. ✓✓
- Effectively communicate shared vision, mission and values. ✓✓
- Ensure that all the departments in the business meet their deadlines. ✓✓
- Learn about/understand changes in the business environment on an on-going basis ✓✓
- Be prepared to set an example of the behaviour that is expected from employees in terms of ethics as well as productivity. ✓✓
- Any other relevant answer related to the quality indicators of the general management

Sub-max (8)

5.5.2 Quality indicators of the financial function

- Ensuring a healthy cash flow through 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 costs down. ✓✓
- Draw up accurate financial statements timeously/regularly. ✓✓
- Invest surplus funds to create sources of passive income. ✓✓
- Any other relevant answer related to the quality indicators of the financial function

Sub-max (8)

MAX (16)

5.6 CONCLUSION

- Quality is important for a business to be sustainable✓✓
- All the business functions contribute to the success or failure of a business and should therefore have quality controls✓✓
- Any other relevant conclusion related to quality control/assurance/importance of quality.

(1X2) (2)
[40]

QUESTION 5 BREAKDOWN OF MARKS

DETAILS	MAXIMUM	TOTAL
Introduction	2	32
Meaning of quality.	8	
Differences between quality control and quality assurance	8	
Importance of quality	14	
Quality indicators of the general management and financial function	16	
Conclusion	2	8
INSIGHT		
Layout	2	
Analysis /Interpretation	2	
Synthesis	2	
Originality/examples	2	40
Total marks		

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

6.1 INTRODUCTION

- Business do not exist in isolation✓
- Businesses need to devise strategies to deal with challenges in their environments✓
- Businesses are to create a profile of their competitors to have a competitive ✓ advantage over them.✓
- Any other relevant introduction related to the market environment/ functions of Civil society/ reasons why competition poses a challenge to businesses.

(2x1) (2)

6.2 The Meaning of the market Environment

- Challenges and influences✓ outside the business. ✓
- Businesses have little or no control✓ over the environment. ✓
- All elements that determine the reasons for the existence✓ of a business.✓
- Includes all forces/stakeholders that have a direct effect✓ on the functioning of the business.✓
- Any other relevant answer related to the meaning of the market environment.

MAX [4]

6.3 Components/Features/Elements of the market Environment

6.3.1 Suppliers✓✓

- Suppliers are individuals/agents who provide the raw materials, transport and other services✓ to the business.✓
- The business needs inputs from suppliers✓ to produce goods and services.✓
- Suppliers play an important role in the success or failure of a business ✓e.g. consumers will purchase the product/services from another business if a supplier is unable to supply a particular product/service. ✓
- Businesses usually choose suppliers provide the best quality of goods, correct quantity ✓and deliver goods at the agreed upon times and at the best price.
- Producers and manufacturers are some examples of suppliers✓ as they supply raw materials. ✓
- Any other relevant answer related to Suppliers.

Identification (2)

Discussion (2)

Sub-max (4)

6.3.2 The market (Customers/Customers) ✓✓

- The market refers to all the people who have money✓ to buy goods and services.✓
- These people are known as ✓consumers or customers.✓
- Customers are the buyers of products and services✓ offered by businesses.✓

- Their spending decision✓ is influenced by cultural, social, personal and psychological factors.✓
- Businesses should understand their customers' needs and wants✓ in order to build a good relationship with them.✓
- The more customers the business have✓ the more money they have flowing through the business.✓
- The government is also a customer ✓ as it buys goods/services from businesses through contracts and tenders.✓
- Any other relevant answer related to the market

Identification (2)

Discussion (2)

Sub-max (4)

6.3.3 Competitors✓✓

- Competitors are all businesses that provide similar products or services✓ for more or less the same target market.✓
- Businesses also compete with other businesses ✓ for skilled employees/raw material/equipment/finance etc. ✓
- Competition also comes from businesses✓ that produce possible substitute goods.✓
- Competition is influenced ✓ by the following Porter's Five Forces model:
 - New entrants to the market
 - Power of suppliers
 - Power of consumers
 - Threats of substitute products/services
 - Competitive rivalry. ✓
- Competition is beneficial to customers ✓ because it keeps prices down.✓
- Competition also promotes innovation ✓ and encourages businesses to be more productive. ✓
- Any other relevant answer related to Competitors

Identification (2)

Discussion (2)

Sub-max (4)

6.3.4 Intermediaries/Agents✓✓

- The intermediaries of a business are all those businesses that play a role in distributing/promoting the goods and services✓ to customers.✓
- They bridge the gap✓ between the manufacturer and the consumer.✓
- They serve as a link ✓ between the micro and the market environment.✓
- Intermediaries make it easier for the consumer to access the product✓ by selling

- the product closer to the consumer's location. ✓
- Intermediaries often affect the final price of goods and services ✓ as they place a mark-up on the product before they sell it to consumers. ✓
- Many intermediaries/Agents receive a commission ✓ on the sale of products. ✓
- Some of the examples of intermediaries are: ✓
 - Retailers, agents and wholesalers
 - Financial institutions and insurance brokers.
- Any other relevant answer related to Intermediaries/Agents

Identification (2)

Discussion (2)

Sub-max (4)

6.4 Functions of Unions, NGO's and Regulators as components of the market environment

6.4.1 Unions

- The trade union movement in South Africa ✓ is the largest union on the continent. ✓
- They are concerned about the wellbeing of their members ✓ in the work environment. ✓
- They deal with issues such as ✓ working conditions/fair pay structures/unfair treatment and dismissal/fringe benefit etc. ✓
- The trade union is not part of the business ✓ but influences it in a direct way e.g., negotiations for changes to conditions of services such as hours of work and wages can affect the price of products and profitability. ✓
- Any other relevant answer related to unions

Sub-max (4)

6.4.2 Non-government organisations (NGO's)

- NGOs are non-profit organisations ✓ that do not operate under the control of the government. ✓
- They are established to fulfil important needs in the community ✓ by addressing some socio-economic issues. ✓
- NGO's have high ethical ✓ and moral standards. ✓
- Any other relevant answer related to Non-government Organisations

Sub-max (4)

6.4.3 Regulators

- Regulators are organisations that set rules and requirements ✓ for the operation of businesses in that industry. ✓
- The government is known as the regulator as it uses laws ✓ to control business practice. ✓
- Regulators remove any bad business practice ✓ from the market. ✓

- Regulators draw up rules that impact directly✓ on what businesses may and may not do.✓
- Any other relevant answer related to regulators.

Sub-max (4)
MAX (12)

6.5 Reasons why competition pose a challenge to businesses

- Competition keeps prices down and reduces the business profitability.✓✓
- It forces businesses to find new ways to produce existing products or develop new products/ services.✓✓
- A business may close down if it is unable to compete with other businesses. ✓✓
- Competition reduces the business market share and its target market.✓✓
- Any other relevant answer related to the reasons why competition pose a challenge to businesses

MAX (8)

6.6 CONCLUSION

- Businesses have a role to play to ensure that their businesses become a success. ✓✓
- They need to utilize the Portes' five model to scan the environment and come up with strategies to address any challenges in the market environment.✓✓
- Any other relevant conclusion related to the market environment.

(2x1) (2)

QUESTION 6 BREAKDOWN OF MARKS

DETAILS	MAXIMUM	TOTAL
Introduction	2	32
Meaning of market environment	6	
Components of the market environment	12	
Functions of unions, NGOs and Regulators	12	
Reasons why competition poses a challenge to businesses	8	
Conclusion	2	
INSIGHT		
Layout	2	



Analysis /Interpretation	2	8
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