



BUFFALO CITY METRO DISTRICT

BUSINESS STUDIES

CONTROLLED TEST

GRADE 11

MARCH 2024

Stanmorephysics.com

MARKS: 100
TIME: 1H30 minutes

This question paper consists of 6 pages

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

This question paper consists of **THREE** sections and covers **TWO** main topics.

SECTION A: COMPULSORY

1. **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.

Note that **ONLY** the first **TWO** questions in **SECTION B** and the **FIRST** question in **SECTION C** will be marked.

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.

Use the table below as a guide for mark and time allocation when answering each question.

SECTION	QUESTIONS	MARKS	TIME (minutes)
A: Objective-type questions COMPULSORY	1	20	20
6. B: THREE direct/indirect type questions CHOICE: Answer any TWO.	2	20	40
	3	20	
	4	20	
C: TWO essay-type questions CHOICE: Answer any ONE.	5	40	30
	6	40	
		100	90minutes

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

SECTION A : COMPULSORY**QUESTION 1**

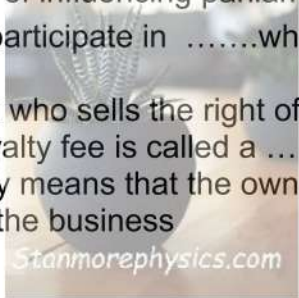
1. Various options are provided as possible answers to the following questions.
- 1 Choose the answer and write only the letter (A–D) next to the question numbers (1.1.1–1.1.5) in the ANSWER BOOK, for example 1.1.6 D.
- 1.1.1 The way of forming power relations on how businesses can get credit easily is, through
- A strategic alliance.
 - B persuasion of large investors.
 - C influencing company representatives
 - D influencing government representatives'.
- 1.1.2 The business has ... control over the micro environment.
- A some
 - B Full
 - C no
 - D Less
- 1.1.3 An exclusive right granted for a new invention refers to.....
- A piracy
 - B trademark
 - C copyright
 - D patent
- 1.1.4 The aim of this form of ownership is to render a service not to make a profit.
- A Close Corporation
 - B Cooperatives
 - C Non-profit Company
 - D Partnership
- 1.1.5 Plato and Erasmus Attorneys are jointly and severally liable for the debts of the business. This form of ownership is known as a ...
- A public company.
 - B partnership.
 - C non-profit company.
 - D private company

(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.

networking; strikes; franchisee; limited: takeover; unlimited; go-slows; merger; lobbying; franchiser.

- 1.2.1 A occurred when Fuller (Pty) Ltd and Paddy (Pty) Ltd agreed to combine to form one business.
- 1.2.2 The process of influencing parliamentary decision making is called.....
- 1.2.3 Employees participate inwhen they deliberately delayed their productivity at work.
- 1.2.4 An individual who sells the right of the trademark or business model in return for franchise royalty fee is called a
- 1.2.5liability means that the owner’s personal assets may be seized to pay for the debts of the business



(5X2) (10)

[20]

SECTION B

Answer ANY TWO questions from this Section

QUESTION 2 : BUSINESS ENVIRONMENTS

- 2.1 Give TWO examples of contemporary legislation that may affect business operations. (2)
- 2.2 Outline the functions of trade unions. (6)
- 2.3 Read the scenario below and answer the question that follows.

KATIJAH TRADERS (KT)

The employees of Katijah Traders don’t want to cooperate and work together as a team. Recently the management also could not find a regular provider of all the products they need.

- 2.3.1 Quote TWO challenges from the scenario above that KT have to deal with. (2)
- 2.3.2 Classify EACH challenge quoted in QUESTION 2.3.1 according to the business environment.

Use the table below as a GUIDE to answer QUESTION 2.3.

CHALLENGES (2.3.1)	BUSINESS ENVIRONMENTS (2.3.2)
1.	
2.	

(4)

- 2.4 Suggest ways in which businesses can have a direct influence on the environment. (6)

[20]

QUESTION 3: BUSINESS VENTURES

- 3.1 Name any TWO aspects that must be included in the notice of incorporation. (2)
- 3.2 Outline aspects that must be included in the franchising contract. (6)
- 3.3 Read the scenario below and answer the questions that follow.

(HOMEBUILD TRADERS)

Homebuild Traders is selling high quality building material in Zwelitsha. They decided to pay Nanga Cartages for transportation of building material to the nearby villages.

- 3.3.1 Identify the business avenue represented in the scenario above. (2)
- 3.3.2 Discuss the advantages of the business avenue identified in QUESTION 3.3.1. (4)
- 3.4 Advise businesses on the disadvantages of leasing. (6)

[20]

QUESTION 4: MISCELLANEOUS**BUSINESS ENVIRONMENTS**

- 4.1 Name any TWO types of business sectors (2)
- 4.2 Identify the socio-economic issues faced by Camanga Prints in EACH statement below:
- 4.2.1 The employees are considering refusing to work, due to an unresolved dispute with the management. (2)
- 4.2.2 Some employees cannot read the patterns or instructions to make the clothing. (2)
- 4.3 Suggest ways in which businesses can overcome competition in the market. (4)

BUSINESS VENTURES

- 4.4 Outline the characteristics of a sole trader (4)
- 4.5 Discuss the procedure for the formation of companies. (6)

[20]

TOTAL SECTION B : 40

SECTION C

Answer **ANY ONE** question in 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 5** on a **NEW** page or **QUESTION 6** on a **NEW** page.

QUESTION 5: (ADAPTING TO CHALLENGES OF THE BUSINESS ENVIRONMENT)

Businesses use networking and lobbying to meet their specific needs and activities. Successful businesses have the ability to adapt to the many challenges that their businesses face. Businesses should undertake projects that can benefit their community due to the benefits of these projects for businesses and the community.

Write an essay on adapting to challenges of the business environment in which you include the following aspects:

- Outline the advantages of networking.
- Explain the following types of lobbying:
 - Hedging against inflation
 - Bargaining sessions between management and unions
- Discuss any **THREE** ways in which businesses can adapt to challenges of the business environments.
- Recommend projects that can be undertaken by businesses as part of social responsibility.

QUESTION 6: BUSINESS VENTURES (FORMS OF OWNERSHIP)

Businesses use a prospectus to clearly outline some information about the company. Legal requirements should be considered when deciding on the name. A company has some benefits over other forms of ownership and its Memorandum of Incorporation includes contents that will guide the company.

Write an essay on adapting to challenges of the business environment in which you include the following aspects:

- Outline the aspects that must be included in their prospectus
- Explain the legal requirements of the name of the company
- Discuss the benefit of establishing a company over other forms of ownership
- Advise JJE on the contents that must be included in the Memorandum of Incorporation

TOTAL SECTION C: 40

TOTAL : 100



Province of the
EASTERN CAPE
EDUCATION

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MARKING GUIDELINES

MARKS: 100

This marking guideline consists of 16 pages.

NOTES TO MARKERS**1. PREAMBLE**

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

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


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

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

4. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
5. The word 'Sub-max' is used to facilitate the allocation of marks within a question or sub-question.
6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.
7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
8. In an indirect question, the theory as well as the response must be relevant and related to the question.
9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.

10. No additional credit must be given for repetition of facts. Indicate with an 'R'.

11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:



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

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

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

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

Cognitive verbs, such as:

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

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

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

14. **SECTION B**

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

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 above still applies.

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

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

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

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

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

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

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

15. **SECTION C**

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



Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

15.2 Insight consists of the following components:

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

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



- 15.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, -S and/or O').
- 15.4 The breakdown of marks is indicated at the end of the suggested answer/ 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 in the table below.

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

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



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

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

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



QUESTION 1

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



(5X2) (10)

- 1.2.1 merger ✓✓
- 1.2.2 lobbying ✓✓
- 1.2.3 go-slows ✓✓
- 1.2.4 franchiser ✓✓
- 1.2.5 unlimited ✓✓



(5X2) (10)

QUESTION 2

2.1 Examples of contemporary legislation that may affect businesses

- National Credit Act ✓
- Skills Development Act ✓
- Employment Equity Act ✓
- Broad Based Black Economic Empowerment Act ✓
- Basic Conditions of Employment Act ✓
- Consumer Protection Act ✓
- Labour Relations Act ✓
- Any other relevant answer related to contemporary legislation that may affect businesses.

NOTE: Mark the first TWO (2) only. (2x1) (2)

2.2 Functions of a trade union

- Protecting the interest of workers. ✓✓
- Representing the interest of general society and minority groups through media and negotiations. ✓✓
- Influencing government decisions. ✓✓
- Influencing management for better working conditions, salaries and benefits. ✓✓
- Representing employees corporately and individually. ✓✓
- Improving the material benefits of their members. ✓✓
- Advancing the interest of members. ✓✓
- Providing legal and financial advice. ✓✓
- Providing benefits and educational facilities to its members. ✓✓
- Supporting gender equality. ✓✓
- Protecting members in times of retrenchments and disciplinary hearings. ✓✓
- Protecting the interest of their members during disciplinary procedures. ✓✓
- Any other relevant answer related to the functions of trade unions.

Max (6)

2.3

CHALLENGES (2.3.1)	BUSINESS ENVIRONMENTS (2.3.2)
1. The employees at Essential Supermarket don't want to cooperate and work together as a team. ✓	Micro ✓✓
2. Recently the management also could not find a regular provider of all the products they need. ✓	Market ✓✓

Max (6)

2.4

Ways in which businesses can have a direct influence on the environment

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

Max. (6)

[20]

QUESTION 3

3.1

Aspects that must be included in the notice of incorporation

- Type of company ✓
- Financial year-end ✓
- Numbers of directors ✓
- Incorporation date ✓
- Registered address ✓
- Company name ✓

NOTE: Mark the first TWO (2) only.

Max (2)

3.2

Aspects that must be included in the franchising contract

- Confidentiality clause. ✓✓
- Tax requirements. ✓✓ Disclosure documents ✓✓
- Settlement of disputes ✓✓
- How to sell or transfer the franchise ✓✓
- Total investment ✓✓
- How to deal with trademarks, patents and logos. ✓✓
- Advertising policies ✓✓
- The initial duration of the franchise and any renewal rights. ✓✓
- The policies that govern the product or service. ✓✓
- Royalties and service fees payable. ✓✓
- Termination clause and its consequences ✓✓
- Training and operational support provided by the franchiser ✓✓
- The obligations of the franchiser and franchisee ✓✓
- The nature and extent of the rights granted to the franchisee. ✓✓
- The form of ownership that the franchise will operate under ✓✓

Max. (6)

3.3 3.3.1 Outsourcing ✓✓ **Max. (2)**



3.3.2 **Advantages of outsourcing**

- Provide continuity ✓ during periods of high staff turnover. ✓
- Allows businesses to focus ✓ on important business activities. ✓
- Operations, where costs are running out of control, ✓ can benefit from outsourcing. ✓
- Staffing flexibility is possible because the business can make use of seasonal cyclical demands, ✓ for example, when there are only certain times when extra labour is needed. ✓
- On-site outsourcing will bring people with a certain skill set into the company, ✓ and existing employees can collaborate with them to gain new skills. ✓
- Company is able to reduce costs ✓ as outsourcing can lead to a decrease in staff, remuneration, control and operating costs. ✓
- Business can focus on its vision, goals ✓ and to apply its staff more effectively in its core business. ✓
- Improved access to skilled people as the outsourced work will be done by highly skilled people, ✓ without the company having to employ them. ✓

Max. (4)

3.4 **Disadvantages of leasing**

- At the end of the leasing period, the lessee does not become the owner of the asset though the sum of payment is being done over the certain period. ✓✓
- Lease payments are treated as expenses rather than as equity payments towards an asset. ✓✓
- Paying lease payments towards a property, the business cannot benefit from any appreciation in the value of the property. ✓✓
- Lease expenses reduce the net income, it means limited returns/reduced returns for an equity shareholder/profit maximisation sometimes is not achieved. ✓✓
- It might be difficult for a business to raise/access further loans because leasing is treated as debt. ✓✓
- Lease agreement is a complex process and requires thorough documentation and proper examination of an asset being leased. ✓✓
- Depending on an agreement lessee remains responsible for the maintenance and proper operation of the asset being leased. ✓✓
- No added tax advantage that can be derived from leasing expenses. ✓✓
- The lessee is bound by a contract even when a business may not need the items. ✓✓
- Any other relevant answer related to the disadvantages of leasing.

Max.(6)

QUESTION 4

4.1 **Business sectors**

- Primary sector ✓
- Secondary sector ✓
- Tertiary sector ✓

NOTE: Mark the FIRST TWO

Max (2)

4.2 4.2.1 Strike ✓✓ (2)

4.2.2 Illiteracy ✓✓ (2)

4.3 **Ways in which businesses can overcome competition in the market**

- Offering a different product or service. ✓✓
- Offering a more personal service. ✓✓
- Having the lowest price. ✓✓
- Having products of a superior quality. ✓✓
- Having well trained and knowledgeable staff. ✓✓
- Any other relevant answer related to ways in which businesses can overcome

competition in the market

Max. (4)

4.4 **Characteristics of a sole trader**

- One person can form a sole trader and is easy to start. ✓✓
- It is inexpensive to start and the owner does not have to pay tax. ✓✓
- There are no legal and administrative formalities in the formation of a sole trader. ✓✓
- The profit of the business belongs to the owner as there is no distinction between the owner and the business. ✓✓
- A sole proprietor is not a legal entity and agreements are entered into by the owner in his/her personal capacity. ✓✓
- Business has unlimited liability and the private possessions of the owner can be used to pay the debts of the business. ✓✓
- Any other relevant answer related the characteristics of a Sole trader. **Max (4)**

4.5 **Procedure for the formation of companies**

- Determine the minimum number of people ✓ establishing a company. ✓
- Reservation a company name with the registrar of companies, ✓ CIPC COR9.4 with fee payment. ✓
 - Prepare Memorandum of incorporation ✓ indicating the rights, duties and responsibilities of shareholders/Nature of company/Securities/Meetings/ Directors. ✓
 - File a Notice of Incorporation ✓ to commence a business/trade to raise finance. ✓
 - The company needs to open a bank account ✓ and register with South African Revenue Services. ✓
 - Register for unemployment insurance fund (UIF) ✓ with the department of labour. ✓
 - Register with the commissioner for Compensation for Occupational Injuries and Diseases Act (COIDA) ✓ for protection of injuries at work. ✓
 - Draw up a prospectus to inform investors about company ✓ and shares to offer. ✓
 - Any other relevant answer related to the procedure for the formation of companies

Max. (6)

TOTAL SECTION B: 40

SECTION C

QUESTION 5

5.1 Introduction

- Networking refers to a coordinated activity where people who have similar objectives meet and exchange information and ideas. ✓
 - Lobbying allows for individuals, businesses and organisations to use their influence to change government policy. ✓
 - Necessary measures need to be put in place by businesses to assist in minimising the effects of these challenges. ✓
 - Businesses have the responsibility to become more socially responsible by giving back to communities. ✓
 - Any other relevant introduction related to the advantages of networking/ types of lobbying/ways in which businesses can adapt to challenges of the business environments/projects that can be undertaken by businesses as part of social responsibility. ✓
- (Any 2 x 1) (2)**

5.2 Advantages of networking

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

Max. (10)

5.3 Types of lobbying

5.3.1 Hedging against inflation

- The business use hedging by buying bonds, shares, property or buying precious metals like gold ✓ to protect capital from the effects of inflation. ✓
- Businesses invest surplus fund ✓ so that its value grows at a faster rate than inflation. ✓
- Businesses use hedging to protect their financial investments ✓ by spreading the risk. ✓
- Any other relevant answer related to hedging against inflation as a type of lobbying.

Sub-max.(6)

5.3.2 Bargaining sessions between management and unions

- These sessions enable employees to negotiate with employers as a group ✓ to protect employees' rights. ✓
- Bargaining sessions prevent labour strikes and provide critical information ✓ to people in power. ✓
- The purpose of bargaining sessions is to find a win-win situation ✓ for all parties. ✓
- Any other relevant answer related to bargaining session between management and unions as a type of lobbying.

Sub-max.(6)

Max.(12)

5.4 Ways in which businesses can adapt to challenges of the business environments

5.4.1 Information management ✓✓

- Information must be found/recorded/stored/easily retrieved ✓ and effectively used. ✓
- Businesses need to implement an effective information management system ✓ which is accessible and useful to all staff. ✓
- Information must be managed efficiently and a system must be put in place ✓ so that the relevant staff can easily access it. ✓
- Any other relevant answer related to information management as a method to adapt to challenges of the business environments.

Way (2)

Discussion (4)

Sub-max.(6)



5.4.2 Strategic responses ✓✓

- Management needs to design strategic responses to various challenges ✓ by analysing all information, identifying stakeholders involved. ✓
- Get a clear picture ✓ of each stakeholder's viewpoints and requirements. ✓
- Businesses should have a strategic plan ✓ to respond to changes in the business environment. ✓
- Any other relevant answer related to strategic responses as a method to adapt to challenges of the business environments.

Way (2)
Discussion (4)
Sub-max.(6)

5.4.3 Mergers, takeovers, acquisitions and alliances ✓✓

- Businesses can acquire the shares ✓ of another company. ✓
- Businesses can choose to purchase/merge with another business ✓ as a way to have a larger market share. ✓
- They can undertake a new venture with another company, ✓ which can be a safer way than expanding the existing business. ✓
- Any other relevant answer related to mergers, takeovers, acquisitions and alliances as a method to adapt to challenges of the business environments.

Way (2)
Discussion (4)
Sub-max. (6)

5.4.4 Organisation design and flexibility ✓✓

- Businesses need to be flexible in their organisational design and strategies ✓ so that they can compete in a changing market. ✓
- Organisation design is a process to integrate people/information/ technology of an organisation ✓ so that improves the profitability of the business. ✓
- Any other relevant answer related to organisational design and flexibility as a method to adapt to challenges of the business environments.

Way (2)
Discussion (4)
Sub-max.(6)

5.4.5 Direct influence of the environment and social responsibility ✓✓

- Businesses need to be flexible by getting involved in research and development ✓ so that if resources run out or if environmental legislation changes the business can adapt and continue to operate. ✓
- Social responsibility refers to the obligations a business has ✓ to protect and improve the interests of all its stakeholders. ✓
- Through social responsibility a business can influence its business environments ✓ and address challenges linked to socio-economic issues in its social environment. ✓
- Businesses must be more aware and involved in social responsibility projects and programmes ✓ that can benefit the community. ✓
- Take part in projects that uplift the community ✓ in which the business operates. ✓
- Businesses use CSI projects ✓ as a marketing tool for their business. ✓
- Any other relevant answer related to direct influence of the environment and social responsibility as a method to adapt to challenges of the business environments.

Way (2)
Discussion (4)
Sub-max. (6)

NOTE: Mark the first THREE (3) only.

Max. (14)

5.5 Projects that can be undertaken by businesses as part of social responsibility

- Businesses must allow employees to get involved in social development programmes. ✓✓
- Businesses must protect the environment and participate in community upliftment programmes. ✓✓
- Engage in environmentally friendly campaigns such as recycling or re-using scarce resources. ✓✓
- Businesses must support less fortunate people, by providing donations to charity organisations./Charitable contribution towards NGOs/Businesses can donate blankets to

- old age homes/running soup kitchens. ✓✓
- They can also engage in economic development and provide education on HIV/AIDS awareness programmes. ✓✓
- Involvement in community education/Build schools in communities/ Offer bursaries to needy students/Donate old computers to less privileged schools/Provide/Support adult education and training in the local community. ✓✓
- Teach entrepreneurial skills/Offer support to individuals starting new business ventures. ✓✓
- Conduct skills development/job creation projects/Offering bricklaying courses. ✓✓
- Sponsor art and cultural programmes, such as school choirs. ✓✓
- Support youth programmes, such as sport/recreational activities. ✓✓
- Any other relevant answer related to projects that can be undertaken by businesses as part of social responsibility

Max. (10)

[40]

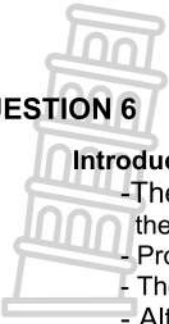
5.6

Conclusion

- Management can use networking to reach as many people as possible and make every connection count. ✓✓
- Businesses should try to influence legislation or the government decision-making processes to remain profitable. ✓✓
- Adapting to challenges of the business environment can be achieved by businesses if management stay abreast with the latest developments. ✓✓
- Social responsibility projects undertaken by businesses can be used as a marketing strategy to promote their products. ✓✓
- Any other relevant conclusion related to the advantages of networking/ types of lobbying/ways in which businesses can adapt to challenges of the business environments/projects that can be undertaken by businesses as part of social responsibility.

(Any 1 x 2)(2)

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Advantages of networking	10	
Types of lobbying: <ul style="list-style-type: none"> • Hedging against inflation • Bargaining sessions between management and unions 	12	
Ways in which businesses can adapt to challenges of the business environments	14	
Projects that can be undertaken by businesses as part of social responsibility	10	
Conclusion	2	
INSIGHT		
Layout	2	8
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS	40	
*LASO – For each component: Allocate 2 marks if all requirements are met. Allocate 1 mark if only some of the requirements are met. Allocate 0 marks where requirements are not met at all.		



QUESTION 6

6.1 Introduction

- The companies are governed by the Companies Act which is incorporated in terms of the Memorandum of Incorporation. ✓
- Prospectus is a written invitation to convince the public to buy shares. ✓
- The name of the company must be registered before it can be incorporated. ✓
- Although companies have a more complicated procedure to follow, however, incorporators enjoy more benefits than other forms of ownership. ✓
- Any other relevant introduction related to the aspects included in their prospectus/legal requirements of the name of the company/ benefits of establishment company over other forms of ownership/contents included in the MOI

(Any 2 x 1) (2)

6.2 Aspects to be included in the prospectus

- Company overview, including the vision, mission and goals of a business. ✓✓
- Product or service portfolio. ✓✓
- Market analysis and strategy. ✓
- Management team. ✓
- The risk and potential of the business. ✓✓
- Available financial and share information. ✓✓
- Any other relevant answer related to aspects that must be included in their prospectus.

Max. (8)

6.3 Legal requirement of the name of a company

- The name of a company must be original, ✓ and must not be misleading. ✓
- A company's name must appear on all company documents ✓ e.g. on letterheads.
- Reserving a name for a company is the first step to register a company, ✓ but it is not compulsory. ✓
- Names can be reserved for a period of 6 months ✓ by the CIPC. ✓
- The name must not be similar/same ✓ as any other company, unless it is part of the group. ✓
- The name must not imply/suggest/mislead a person ✓ to believe that the company is part of another person/business/the state. ✓
- The name must not be offensive/promote violence/hatred ✓ and cause any harm. ✓
- The name must not be shortened ✓ and translated ✓
- The name of a public company ✓ must end with LTD ✓
- Any other relevant answer related to the legal requirements of the name of the company.

Max. (14)

6.4 Benefit of establishing a company over other forms of ownership

- A company has its own legal status ✓ and is protected unlike partnerships. ✓
- A company has continuity ✓ of existence. ✓
- Shareholders' private assets are protected, ✓ as they have limited liability. ✓
- Companies have legal constraints ✓ and more accountability than partnerships. ✓
- A company may have more investors ✓ to fund the setting up of the business. ✓
- Shareholders are able to buy ✓ and sell shares freely in a public company. ✓
- Shareholders share in the profits of the company ✓ through dividends. ✓
- The company is managed by a qualified ✓ and competent board of directors. ✓
- A company is less likely to use consultants' ✓ as it has a larger pool of skills and expertise. ✓
- Companies have a better ✓ cash flow. ✓
- Directors do not have to take out personal loans ✓ to grow the business. ✓
- Company shares can be ✓ transferred/bought/sold. ✓
- Companies have tax benefits ✓ that other enterprises do not have. ✓
- Any other relevant answer related to the benefits of establishing a company over other forms of ownership.

Max. (16)

6.5 Contents of MOI

- Nature of the company outlines the type of the business, the name of the business, the names, signatures, ID. numbers of each incorporator. ✓✓
- Securities of the company, the type and the amount of shares issued. ✓✓
- The rights, rules, resolutions and representation of shareholders and meetings. ✓✓
- Composition, authority and financial matters of the board of directors. ✓✓
- Incorporators' control and rules of the company. ✓✓
- Any other relevant answer related the contents that must be included in the MOI.

Max. (8)

6.6 Conclusion

- A company becomes a juristic person from the date and time that its incorporation is registered and effected by signature of the MOI. ✓✓
- The process of company registration is more complicated with legal formalities as compared to the partnership. ✓✓
- Companies are able to raise capital more than the partnership. ✓✓
- Any other relevant conclusion related to the aspect included in the prospectus/the legal requirement of the name of the company/establishment procedure/benefits of establishment company over other forms of ownership/contents of MOI.

(Any 2 x 1) (2)

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QUESTION 6 : BREAKDOWN OF MARK ALLOCATION		
DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Aspects of prospectus	8	
Legal requirements of the name of a company	14	
Benefits of establishment a company over other forms of ownership	16	
Contents of MOI	8	
Conclusion	2	
INSIGHT		
Layout	2	8
Analysis, interpretation	2 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 only some of the requirements are met. Allocate 0 marks where requirements are not met at all.		

TOTAL SECTION C : 40

TOTAL : 100