

D11



CONTROLLED TEST



GRADE 11

MARCH 2024

BUSINESS STUDIES

MARKS: 100

TIME: 1.5 hours

**THIS QUESTION PAPER
CONSIST OF 8 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

SECTION B: Consists of THREE questions.

Answer any TWO of the three questions in this section.

SECTION C: Consists of TWO questions.

Answer ONE of the two questions in this section.

- Read the instructions for each question carefully and take particular note of what is required.

- 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.

- Except where other instructions are given, answers must be written in full sentences.

- 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	QUESTION	MARKS	TIME (minutes)
A: Objective-type questions COMPULSORY	1	20	20
B: Answer any 2			
Business Environments	2	20	20
Business ventures	3	20	20
Miscellaneous	4	20	20
C:			
Business environments	5	40	30
Business ventures	6	40	30
TOTAL		100	90

- You may use a non-programmable calculator.

- Write neatly and legibly.

SECTION A (COMPULSORY)**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 to 1.1.5) in the ANSWER BOOK, e.g. 1.1.6 D.

1.1.1 Method that enables employees to negotiate with employers as a group to protect their rights.

- A Lobbying
- B Bargaining session
- C Hedging against inflation
- D Strategic alliance agreement

1.1.2 Teko Quick Cash grants small loans to clients who cannot obtain credit from the bank. This is a challenge of the ... environment.

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

1.1.3 The Platinum Mine in Limpopo is an example of the business in the.....sector.

- A informal.
- B tertiary.
- C public.
- D primary.

1.1.4 Challenges of the Micro environment include:

- A Socio-economic issues
- B Micro lending
- C Consumer market
- D Lack of adequate management skills

1.1.5 An employee who has been unfairly dismissed can report his/her dispute with CCMA. This is in line with.....

- A Basic Conditions of Employment Act
- B Consumer Protection Act
- C National Credit Act
- D Labour Relations Act

(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 to 1.2.5) in the ANSWER BOOK.

macro; market; strike; go-slow; legal; illegal; employer organization, trade union Lock- patent, trademark; slogan
outs; strike.

- 1.2.1 An organization that represent the interest of workers at the workplace.....
- 1.2.2 Change in income levels is a challenge in theenvironment.
- 1.2.3 is used to protect novels,songs,movies and software.
- 1.2.4 Thoko used her initials in the logo to distinguish her product.
- 1.2.5 A..... occurs when an employer locks employees out of a workplace (5 x 2)

(10)

TOTAL SECTION A: 20

SECTION B

Answer only TWO questions in this section

QUESTION 2: BUSINESS ENVIRONMENTS

2.1. Name THREE components of market environment. (3)

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

Jabu'S SUPERMARKET (JS)

Jabu's Supermarket employed a manager that lacks management skills. The increase in the minimum wages of employees that is enforced by legislation is making it hard to make a profit. Recently a new 24-hour supermarket opened across the street of Jabu 's Supermarket.

Use the table below as a guide to answer the questions that follow.

CHALLENGES (2.2.1)	BUSINESS ENVIRONMENT	EXTENT OF CONTROL(2.2.2)
	Micro	
	Market	
	Macro	

2.2.1. Quote ONE challenge in each business environment that JS has to deal with from the scenario above. (3)

2.2.2. State the extent of control JS has over any TWO of the business environments linked with the challenges. (2)

2.4. Identify possible solutions for Fancy Feet to deal with piracy in each statement below:

2.4.1. Fancy Feet uses a special symbol of two feet with wings to enable customers to identify their shoes. (2)

2.4.2. Fancy Feet registered their invention to change the height of the heel of their shoes by just clipping on different lengths of heels (2)

2.5 Explain the impact of strikes as a socio-economic issue on businesses. (4)

2.6. Discuss the functions of trade unions. (4)

Subtotal= [20]

QUESTION 3: BUSINESS VENTURES

3.1. List THREE forms of business ownership that are required to be registered. (3)

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

KALULE PRINTERS (PTY) LTD (KP)
KALULE Printers (Pty) Ltd needed large amounts of capital for expansion. Their management decided to convert the company into another type of company, so that they would be able to sell shares to the public on the JSE

3.2.1. Identify the form of ownership of KALULE Printers (Pty) Ltd before they were converted to another type of company. Motivate your answer. (3)

3.2.2. Explain the difference between KALULE's current form of business ownership and the new one she want to form (4)

3.3. Name the documents that are represented by each of the statements below:

3.3.1 A founding document that governs the running of a company. (2)

3.3.2 A binding document drafted by partners. (2)

3.4. Discuss the characteristics of a partnership as a form of business ownership. (6)

Subtotal= [20]

QUESTION 4: MISCELLANEOUS TOPICS
BUSINESS ENVIRONMENT AND BUSINESS VENTURE

4.1. Outline TWO challenges EACH of the following business environment



4.1 Micro environment (2)

4.2. Market environment (2)

4.2. Discuss the relationship between the three business sectors (6)

4.3. Identify the forms of ownership in the following sentences.

4.3.1. Malgum Kees Ltd (Pty.)

4.3.2. Green sees Inc.

4.3.3. Sunways SOC. (3)
x 2) (6)

4.4. Explain the advantages of forming a partnership (4)

[20]

Subtotal= [20]

TOTAL SECTION B: 40

SECTION C

QUESTION 5 BUSINESS ENVIRONMENTS (CONTEMPORARY SOCIO-ECONOMIC ISSUES)

Socio economic issues such as piracy cultural and demographic issues economic crime and strikes impact negatively on businesses operations and productivity. The government introduced the Labor Relations act in order to assist the businesses in dealing with strikes and go-slow actions.

With reference to above statement write an essay when the following aspects

- Elaborate on the meaning of piracy.
- Discuss the impact of the following social economic issues on business operations.
 - Cultural and demographic issues.
 - Economic crimes
 - Strikes
- Analyse the difference between strikes and go slows.
- Advise businesses on the purpose of Labor relations act.

[40]

QUESTION 6: BUSINESS VENTURE (FORMS OF OWNERSHIP)

The registrar of companies guides investor by issuing documents such as the Memorandum of incorporation. The government is also having responsibilities to establish the state owned companies. Investors can benefit from establishing a company over other forms of ownership. Some investors prefer to join in existing businesses as other avenues of acquiring a business such as franchising, leasing and outsourcing.

Write an essay on the forms of ownership in which you include the following aspects.

- Elaborate on the meaning of Memorandum of incorporation.
- Discuss the following benefits of establishing a company over other forms of ownerships.
 - Legal status and liability
 - Ownership and management
 - Capital and cash flow
- Evaluate the impact of State owned companies.
- Outline characteristics of Personal liability.

[40]

JOHANNESBURG SOUTH DISTRICT D11



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MARKING GUIDE MARCH 2024

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SECTION A (COMPULSORY) QUESTION 1

1.1 MULTIPLE CHOICE



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

(5 x 2) (10)

1.2 ONE-WORD ITEMS



- 1.2.1 Trade union ✓✓
- 1.2.2 Macro ✓✓
- 1.2.3 Patent ✓✓
- 1.2.4 Trademark ✓✓
- 1.2.5 Lock-outs ✓✓

(5 x 2) (10)

TOTAL SECTION A: 20

SECTION B

QUESTION 2: BUSINESS ENVIRONMENT

2.1. components of market environment

- suppliers ✓
- competitors ✓
- consumers ✓
- Intermediaries ✓.
- NGOs/CBOs/Unions ✓



any (3x1=3)

2.2. Business environments

CHALLENGES (2.2.1)	BUSINESS ENVIRONMENT	EXTENT OF CONTROL (2.2.2)
Jabu's Supermarket employed a manager that lacks management skills. ✓	Micro	Full control. ✓
Recently a new 24-hour supermarket opened across the street of Joe's Supermarket. ✓	Market	Little/less/limited ✓
The increase in the minimum wages of employees that is enforced by legislation is making it hard to make a profit. ✓	Macro	No Control ✓

Submax (3)		Submax (3)
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NOTE:

- 1. Do not award marks for challenges that are not fully quoted from the scenario.**
- 2. The extent of control must be linked to the business environment.**
- 3. Mark the FIRST challenge of each environment only**

2.3. Ways to deal with piracy

2.3.1. Trade mark ✓✓ (2)

2.4.2. Patent ✓✓ (2)

2.4. Impact of strikes as a socio-economic issue on businesses

- Strike actions may lead to production losses ✓ and decline in sales. ✓
 - Businesses may be forced to close down operations ✓ after strike actions. ✓
 - May lead to unhealthy working relationships ✓ between management and workers. ✓
 - May force businesses to retrench some of its skilled workers ✓ to recover from losses. ✓
 - Strikes leads to loss of productivity ✓ and decreases economic growth. ✓
 - Loss of revenue ✓ and financial loss on business operations. ✓
 - Looting, destruction of business property/infrastructure ✓ and intimidation of non-striking workers. ✓ – Businesses have to hire employees to replace striking workers ✓ and that increases the training costs of new employees. ✓
 - Businesses may lose market shares ✓/customers to competitors ✓ during the period of a strike. ✓
 - The image/reputation of the business ✓ might be damaged. ✓
 - Limited availability ✓ of labour. ✓
 - The supplies of goods and services ✓ are interrupted. ✓
 - Prices sometimes increase ✓ to offset the costs incurred by the strike. ✓
 - Any other relevant answer related to the impact of strikes as a socioeconomic issue on businesses.
- Max. (4)

2.6 functions of trade unions

- Protecting the interest of workers. ✓✓
- Representing the interest of general society and minority groups through media and negotiations. ✓✓
- Representing employees corporately and individually. ✓✓
- Improving the material benefits of their members. ✓✓
- Advancing the interest of members. ✓✓
- 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. (4)

2.6. Economic challenges

- unemployment ✓
- business cycles ✓
- Impact of inflation ✓
- Energy problems ✓
- High borrowing cost as a result of interest rates ✓
- Fluctuations in exchange rates ✓
- Restrictions on imports etc. ✓
- Micro lending ✓

Any relevant answer related to economic challenges

(3 x 1) (3)

[20]

QUESTION 3

BUSINESS VENTURES

3.1

Forms of business ownerships that must be registered

- Public company ✓
- Private company ✓
- Personal liability company ✓
- Not for profit company ✓
- Co-operative ✓

(3X1)(3)

3.2 forms of business ownership

3.2.1 private company ✓✓ (2)

Motivation : Kadajah Printers (Pty) Ltd ✓ (1)

NOTE: Do not award marks for motivation if the business avenue is incorrectly identified.

Max. (3)

3.2.2. Differences between private company and public company

PRIVATE COMPANY	PUBLIC COMPANY
May not offer shares ✓ to the general public. ✓	Trades its shares publicly ✓ on the Johannesburg Securities Exchange. ✓
Name must end ✓ with Proprietary Limited/(Pty) Ltd. ✓	Name must end ✓ with Limited/Ltd. ✓
Financial statements must be independently reviewed ✓ but they need not be audited. ✓	Annual financial statements ✓ need to be audited. ✓
Does not need to publish a prospectus ✓ as it cannot trade its shares publicly. ✓	Have to register and publish ✓ a prospectus with the CIPRO. ✓
The company is not required to raise ✓ the minimum subscription/ issue minimum shares. ✓	Must raise a minimum subscription prior ✓ to commencement of the company. ✓
Any other relevant answer related to a private company.	Any other relevant answer related to a public company
Submax. (2)	Submax. (2)

NOTE: 1. The answer does not have to be in a tabular format, but the differences must be clear.

2. Award a maximum of SIX (6) marks if differences are not clear. /Mark either private company

or public company only. Max. (4)

3.3. Business Documents

3.3.1 Memorandum of Incorporation ✓✓ (2)

3.3.2. Partnership agreement article ✓✓ (2)

3.4. Characteristics of a partnership

– All partners contribute capital which may be in a form of money, equipment, vehicle, land,

intellect or expertise ✓✓

– Formed by a minimum of two members ✓✓

– Have no name restrictions or ends in no specific names ✓✓

– All partners take part in profit sharing ✓✓

– Operations of the partners and partnership is governed by a partnership agreement ✓✓

– All partners are jointly and severally liable to business debts, ethical or financial problems ✓✓

Any other relevant answer relating to characteristics of partnership 3 x 2 (6)

Subtotal = [20]

QUESTION 4: MISCELLANEOUS

BUSINESS ENVIRONMENTS AND BUSINESS VENTURES

4.1.1 Challenges of the micro environment

– Difficult employees ✓

– Poor/inadequate managerial skills ✓

– Lack of vision, mission, goals and objectives ✓

– Lack of resources ✓

- Frequent strikes ✓ (2)
- Any other answer relevant to the challenges of micro environment

Challenges of the market environment

- Shortage of supply □
- Competition □
- Changes in consumer behaviour □
- Powerful trade unions □ (2)

Any other relevant answer relating to the challenges of market environment

NOTE: award marks to only the first three challenges Max (4)

4.2 Relationship/Link between the business sectors

- The secondary sector depends on the primary sector for raw materials and products. ✓
- The secondary sector processes the raw materials ✓ obtained from the primary sector into more useful products. ✓
- The primary sector in turn depends on the secondary sector for manufactured goods ✓.
- The primary sector is dependent on the tertiary sector for its customer needs. ✓
- The tertiary sector depends on the primary sector for raw materials ✓ that do not need processing by the secondary sector. ✓
- The secondary sector depends on the tertiary sector for a variety of services ✓ such as banking and insurance cover. ✓
- The tertiary sector depends on the secondary sector for manufactured goods ✓ such as office machines/office furniture/stationery etc. ✓

Any other relevant answer related to the link between the primary, secondary and tertiary sector

Max(6)

4.3

Forms of business ownerships

4.3.1. Private company√√

4.3.2. Personal Liability company√√

4.3.3. State-owned company√√

Max (6)

4.4. Disadvantages of partnerships

- Workload and responsibility are shared by partners, with each partners handling a task he/she can effectively perform√√
- Partners pay tax in personal and individual capacities, which reduces the tax burden√√
- It is opened to admission of unlimited number of new partners to bring in more capital√√
- May attract experience and knowledgeable employees with the option or incentive of becoming a partner. √√
- Partners have personal interest in the business and are able to build contact with clients or customers.√√
- No legal requirement to register and to operate√√

Any other relevant answer related to the advantages of partnerships

Max (4)

[20]

QUESTION 5 BUSINESS ENVIRONMENTS CONTEMPORARY (SOCIO ECONOMIC ISSUES)

Introduction

Socio economic issues are societal issues[✓] that may have a negative impact on the businesses. [✓]

They are issues that affect people[✓] and economy in a negative way. [✓]

Socio economic issues have the potential to influence the efficiency of a business, [✓] the way products are marketed and distributed. [✓]

Max (2)

MEANING OF PIRACY

Unauthorized use or reproduction of original music film, books, [✓] or computer software, patent rights and the trademarks[✓] without the consent of the rightful owner. [✓]

Products that are associated with piracy[✓] are computer software/DVDs/CDs/etc.[✓]

Many people download music from the internet[✓] without being aware that they are infringing someone else's intellectual property right. [✓] Any other relevant answers **Max(6)**

NEGATIVE IMPACT OF CULTURAL AND DEMOGRAPHIC ISSUES

Different groups of people with the different cultures will behave differently as consumers which would affect the business marketing strategy and sales. ^{✓✓}

New fashion and cultural trends create different kinds of consumers, which may result in the reduction of sales for existing products. ^{✓✓}

Some businesses may not keep abreast with current trends, and they may lose their market share. ^{✓✓}

Businesses need to try and accommodate the preference of the diverse consumer body, so that it could lead to an increase in sales for the business. Any other relevant answer^{✓✓}

Max (8)

NEGATIVE IMPACT OF ECONOMIC CRIMES

Loss of income[✓] if the money was stolen from the business. [✓]

loss of jobs[✓] if business close down. [✓]

It leads to the decrease in investors' confidence[✓] resulting in poor economic and business growth. [✓]

Theft of the business profit through fraud and deception√ lead to decrease in profits for the business.√

Businesses need to spend more money on installing additional security features√ in offices and on their premises, this may result in additional cost.√

Cyber security poses a huge challenge√ especially for businesses who advertise their products on the Internet.√ Any other relevant answers

Max (10)

NEGATIVE IMPACT OF STRIKES

- Strikes scares off potential investors.√√
- Businesses may be forced to close-down especially those located in townships.√√
- May results in losses of production as employees stay absent from work during strikes.√√
- They can lead to violence/assault/ looting/ destruction of property/ and intimidation of workers who do not strike.√√
- Employees can lose their pay for all the days that they strike.√√
- Economy can be jeopardized since production is lost.√√
- Expenses of increased salaries and wages is often passed on to the consumer which causes inflation.√√
- businesses lose income because productivity is low.√√
- It can also affect teamwork in the workplace in instances where not all workers are in support of such industrial action.√√
- Businesses suffer financial losses due to low levels of productivity and consumer confidence is adversely affected.√√

Max (10)

DIFFERENCE BETWEEN STRIKES AND GO-SLOW

STRIKE	GO-SLOW
Employees temporarily stop working completely√ until their demands are met.√	Workers work slowly as possible√ to reduce production output.√
Employees do not get paid√ for their days spent on strike.√	Employees still must be paid√ as they're doing their work.√
Workers will not be fired√ when participating in a legal and protected strike.√	Workers participating in a go-slow√ are often punished, sometimes fired.√
A collective, organized cessation of work√ by employees to force their employers to accept their demands.√	The employees aim√ to disrupt the workplace production.√

Strike represent the final stage of disputes or disagreement ✓ between management and employees. ✓ The goal is to temporarily stop production or efficiency. ✓ Max (4)	Go slows represents a form of industrial action in which work, ✓ or process is deliberately delayed or slowed down as form of protest. ✓ Max (4)
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(8)

PURPOSE OF THE LABOUR RELATION ACT

- Provide a framework where employees, trade unions and employers ✓ work together to discuss matters relating to employment, ✓ e.g. wages, conditions of employment. ✓
- Promote orderly negotiations ✓ and employee participation and in decision-making. ✓
- Promote the resolution ✓ of Labor disputes. ✓
- Outlines the relationship ✓ between employees and employer. ✓
- Promote fair ✓ employment practices. ✓
- Provide a simple procedure for the registration of trade union ✓ and employers organizations. ✓
- Regulate the rights of the trade unions ✓ and facilitate collective bargaining. ✓
- regulate the effectiveness of the bargaining councils ✓ and the state councils. ✓
- Establishes the workplace forums ✓ to promote the interest of all employees in the workplace whether they belong to the trading or not. ✓
- Allows workplace forums where employees ✓ may participate in decision making. ✓
- establish the Commission for conciliation mediation and arbitration ✓ to resolve labor disputes, through statutory conciliation mediation and arbitration. ✓
- Endorses the right to strike against retrenchments ✓ and facilitate labour disputes. ✓
- Clarifies the transfer of contracts ✓ of employment procedures. ✓
- establish Labour Courts and Labour appeal Courts ✓ to deal with labour issues. ✓

Max (12)

CONCLUSION

socio economic issues continuously poses challenge to businesses success ✓ and continuity. Businesses should be find different strategies to that will ensure sustainability and profitability in the future. ✓

Any 2x1 (1)

[40]

Question 6 : BUSINESS VENTURE (FORMS OF OWNERSHIP)

6.1 Introduction

- MOI serves as the constitution of a company ✓
- A company is a legal person who has capacity and powers to act on its own. ✓
- A MOI is document that sets out the rights, responsibilities and duties of shareholders and directors (serves as a constitution of a company). ✓(2 x 1) (2)

6.2 Meaning of memorandum of incorporation/MOI

- MOI serves as the constitution ✓ of a company. ✓
- Companies are governed according to the rules ✓ stated in the MOI. ✓
- Each company must provide a copy of its MOI to the Companies and Intellectual Property Commission (CIPC).
- MOI describes the relationship between the business and its stakeholders.
- MOI describes the rights, responsibilities and duties ✓ of the shareholders and directors. ✓
- Provides details about incorporation ✓, the number of directors and the share capital. ✓
- Includes information about a company's name/registration office and records. ✓
- Any other related answer to the meaning of a MOI. **Max (6)**

6.3 Benefits of establishing a company versus other forms of ownership

6.3.1 Legal status and liability

- A company has its own legal status ✓, trading name and owns its assets. ✓
- Shareholders' private assets are protected ✓ as they have limited liability. ✓
- The shareholders have no direct legal ✓ responsibility. ✓
- Companies have their own names ✓ and these are protected. ✓

Sub Max (4)

6.3.2 Ownership and management

- Shareholders are able to buy and sell shares ✓ freely in a public company. ✓
- The company is managed by qualified and competent ✓ board of directors ✓
- A company is less likely to use consultants as it has a larger pool of skills and expertise ✓
- Directors are more likely to take risks ✓ and allow growth opportunities for the business. ✓

Sub Max (4)

6.3.3 Capital and cash flow

- A company may have more investors to fund the setting up of the business. ✓
- Companies have a better cash flow ✓ than sole traders. ✓
- A company is not limited to the individual contribution ✓ of the members' capital. ✓
- The long term growth opportunities for companies are really good as there are always possibilities of getting in more investors. ✓

Sub Max (4)

Max (12)

Advantages	Disadvantages
-Profits may be used to finance other state departments ✓✓ <i>Stanmorephysics.com</i>	-May result to poor management as government is not always as efficient as the private sector. ✓✓
-Offer essential services which may not be offered by the private sector ✓✓	-Inefficiency due to the size of the business. ✓✓
-Prices are kept reasonable/Create sound competition with the private sector to make services affordable to more citizens. ✓✓	-Often rely on government subsidies ✓✓
-Wasteful duplication of services is eliminated. ✓✓	-A lack of incentive for employees to perform if there is no absence of other motivator such as productivity bonuses. ✓✓
-Planning can be coordinated through central control. ✓✓	-Government can lose money through the business. ✓✓
-Generates income to finance social programmes. ✓✓	-A lack of incentive for employees to perform if there is no share in the profit. ✓✓
-Jobs are created for all skills levels. ✓✓	-Losses must be met by the tax payer.
	-Shares are not freely tradable making it difficult to raise capital. ✓✓
	-SOC must follow strict regulations for operations to raise capital. ✓✓
	-Financial statements must be audited. ✓✓

max (12)

NOTE: A learner can either advantages or disadvantages, or combination of both.

5.2 Characteristics of a personal liability company

- The company name ✓ must end with letters **INC.** ✓

- Directors have unlimited liability \checkmark and they are jointly liable for the debts of the business even if they are long out of office. \checkmark
- The memorandum of Incorporation should state \checkmark that it is a personal liability company. \checkmark
- They must at least have one director \checkmark on their board of directors. \checkmark
- It needs a minimum of one shareholder \checkmark and there is no limit on the number of shareholders that a private company may have. \checkmark
- Investors put capital \checkmark in to earn profit from shares. \checkmark
- The company has a legal personality \checkmark as well as unlimited continuity. \checkmark

any (5x2=10)

CONCLUSION.

Personal liability companies, are able to raise capital \checkmark more than sole trader, partnership and close corporation. \checkmark

Personal liability company/close corporation is more sustainable \checkmark in the future, because of their unlimited continuity. \checkmark

Any (2x1)

[40]