



Province of the
EASTERN CAPE
EDUCATION



**NATIONAL
SENIOR CERTIFICATE**



GRADE 11

20 MAY 2024

Stanmorephysics.com

BUSINESS STUDIES

PAPER 1 JUNE EXAMS

MARKS: 150

TIME: 2 hours

INSTRUCTIONS AND INFORMATION

1. This question paper consists of THREE sections, namely SECTION A, SECTION B and SECTION C.

SECTION A: COMPULSORY

SECTION B: Consists of three independent questions covering Term1 & 2, answer any TWO questions from this section.

SECTION C: Consists of two questions. Answer any One from this section.

- Consider the time allocation for each question when answering the questions.
- Read the instructions for each question carefully and answer only what is required.
- Number the answers correctly according to the numbering system used in this question paper.
- Except where other instructions are given, answers must be written in full sentences.
- Start the answer to each question on a NEW page, for example QUESTION 1 - NEW page, QUESTION 2 - NEW page, et cetera.

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

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

SECTION A COMPULSORY

QUESTION 1

Four possible answers are given choose the correct one by writing correct letter

- 1.1.1 Businesses which sell the same/similar products/services
- A. Industrial relation
 - B. copyright
 - C. Competitors
 - D. resource depletion
- 1.1.2 When employees work more slowly and with less effort than usual to try to persuade an employer to agree to higher pay
- A. Go- slows
 - B. Labour Relation Act
 - C. CCMA
 - D. Basic Condition of Employment Act
- 1.1.3 This is a distinctive sign, brand name or logo that identifies a person, company or product
- A. Packaging
 - B. Profit sharing
 - C. Trade mark
 - D. Legal constraints
- 1.1.4 One of components of marketing mix is....
- A. Marketing policy
 - B. Selling policy
 - C. Delivery policy
 - D. Communication policy
- 1.1.5 Belief or opinions that are generally held about someone or something
- A. Actual purchasing
 - B. Reputation
 - C. Factory layout
 - D. Marketing costs

(10)

- 1.2 Choose one word from the box that matches the description below. Write only the word next to the question number (1.2.1 – 1.2.5)

Mining, marketing activities, dispatching, Quality circles,, Target market , stored, publicity, marketing function, Quality Credibility, assurance

- 1.2.1 A particular group of consumers at which a product or service is aimed at.
- 1.2.2 When goods are....., they must be insured against fire/theft/damage etc.
- 1.2.3 determine what prices (cash or credit) they are going to sell.
- 1.2.4 Is a group of employees who work in a different department, but deal with the improvement of goods/ services.
- 1.2.5 refers to extraction of valuable minerals from the earth

(10)

1.3. Choose a description from COLUMN B that matches a term in COLUMN A

Write only letter (A-J) next to the question number (1.3.1-1.3.5)

COLUMN A	COLUMN B
1.3.1 Strategic response	A Sector that operate on construction company.
1.3.2 Takeover	B A process where a business sends out representatives to influence low-level decisions-makers
1.3.3. Copyright	C This Act stipulates the safety of both employer and Employees in the workplace
1.3.4. Secondary	D Law must comply with Patent Act No. 57 of 1978.
1.3.5. Labour Relation Act	E Over this environment the business has less control.
	F This Act stipulates the rights of employees and Employers for collective bargaining.
	G The act of assuming control of something especially , when one company buys out another company against , its will.
	H A reaction to a need by developing a system that will , meet the long term that has been identified.
	I Sector that operate on extraction of raw material.
	J Law that protects a person's intellectual property.

(5 x2)

(10)

TOTAL SECTION A

(30)

SECTION B

Answer ANY TWO questions in this section.

NOTE: Clearly indicate the **QUESTION NUMBER** of each question that you choose. The answer to **EACH** question must start on a **NEW** page, e.g. **QUESTION 2** on a new page, **QUESTION 3** on a **NEW** page

QUESTION 2 (BUSINESS ENVIRIMNENTS)

(4)

2.1 Name 4 components of the market environment

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

NET CREATIONS (NC)

Net Creations is a company that specialises in fashion design and styling. NC has hired ten stylists who are always late for work. NC is situated in a location that has a high rate of unemployment and crime. The management of NC purchases their material at Ditsepe Clothing Manufacturers who charge high prices for their material.

2.2.1 Quote THREE challenges that are faced by NC in the scenario above.

(3)

2.2.2 Classify the challenges quoted in QUESTION 2.2.1 according to their business environments.

(6)

2.2.3 State the extent of control NC have over each business environment mentioned in Q.2.2.2

(3)

Use the table below as a GUIDE to answer Question 2.2.1-2.2.3

CHALLENGES(2.2.1)	BUSINESS ENVIRONEMENTS(2.2.2)	EXTENT OF CONTROL(2.2.3)
1.		
2.		
3.		

2.3 Discuss the benefits of businesses that are involved in the macro environment. (6)

2.4 Read the scenario and answer the questions that follow

ULNA TRADERS (UT)

The management at Ulna Traders is desperately trying to control its environment and the behaviour of other businesses by forming power relationships. They gained valuable advice from powerful influential people after inviting them to be part of their board of directors.

- 2.4.1 Identify the way UT had formed a power relationship in the scenario above. (2)
- 2.4.2 Describe ONE other way in which businesses can form a power relationship (4)
- 2.5. Advise businesses on projects that can be undertaken as part of social responsibility. (6)
- 2.6 Explain the negative impact of ethical misconduct on businesses. (6)

[40]

QUESTION 3 BUSINESS OPERATIONS

- 3.1 List any two categories of consumer goods (2)
- 3.2 Distinguish between standardisation and grading. (4)
- 3.3 Read the scenario below and answer the questions that follow:

MABHUNGA ENTERPRISE (ME)

ME sets its price based on what other businesses are charging customers. They also offer discounts for a limited period of time.

- 3.3.1 Identify TWO pricing techniques used by ME. Motivate your answer by quoting from the scenario. (6)
- Use the table below as a GUIDE to answer QUESTION 3.3.1

PRICING TECHNIQUES	MOTIVATIONS
1	
2	

- 3.4 Discuss any Two other pricing techniques. (6)
- 3.5 Read the scenario below and answer the questions that follow:

VIWE WHEAT FARM (VWF)

Viwe Wheat Farm is the largest producer of wheat in the country. VWF makes use wholesalers and retailer to sell their products to their customers. There has been a complaint that their products do not reach their customers on time. VWF decided to sell directly to their customers

- 3.5.1 Identify TWO channels of distribution used by VWF. (6)
- Motivate your answer by quoting from the scenario above.

- 3.5.2 Explain to VWF other Two channels of distribution they can use to distribute their products to consumers. (4)
- 3.6 Advise businesses on the importance of intermediaries in the distribution process. (6)
- 3.7 Outline the role of intermediaries in the distribution process. (6)
- [40]**

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

- 4.1 State any TWO challenges in the macro environment. (2)
- 4.2 Outline TWO examples of contemporary legislation that may affect business operations. (6)
- 4.3 Read the scenario below and answer the question that follows.

SOLAR DRONES (SD)

Solar Drones developed a drone that is operated with solar power and no batteries need to be replaced. SD was worried that other businesses would copy their design, so they registered their new invention. They also used a very special symbol of a glowing sun to enable customers to identify their drones

- 4.3.1 Identify TWO solutions to piracy implemented by SD. Motivate , your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 4.3.1.

SOLUTIONS TO PIRACY	MOTIVATIONS
1.	
2.	

(6)

- 4.4 Explain the purpose of the Labour Relations Act (LRA), (6)

BUSINESS OPERATIONS

- 4.5 State any FOUR types of packaging. (4)
- 4.6 Elaborate on the meaning of production planning. (4)
- 4.7 Read the scenario below and answer the questions that follow.

SOFTY BLANKETS (SB)

Softy Blankets specialises in manufacturing of blankets. The management ensures that SB comply with the Occupational Health and Safety Act. SB ensures that their first aid boxes are always available. They also make fire extinguishers available in the

workplace.

4.7.1 Quote TWO ways in which SB complies with the Occupational Health and Safety Act. (2)

4.7.2. Explain other ways in which SB can comply with the Occupational Health and Safety Act. (4)

4.8 Recommend precautionary measures that businesses should take when handling machinery. (6)

[40]

TOTAL SECTION B [80]

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: BUSINESS ENVIRONMENTS (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.

[40]

QUESTION 6: BUSINESS OPERATIONS (MARKETING FUNCTION)

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

Businesses realise the importance of continuous product design in ensuring that they remain sustainable and profitable. Some businesses try to make their packaging of their products meet the requirements of good packaging. Others strive to create a unique name and logo for their businesses and products.

- Outline the importance of product development.
- Explain the purpose of packaging.
- Discuss the importance of a trademark to businesses.
- Advise businesses on the requirements of a good packaging. (40)

TOTAL SECTION C [40]

TOTAL: 150



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GRADE 11

MARKING GUIDELINE

**BUSINESS STUDIES
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MARKS: 150

TIME: 2 hours

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


For marking and moderation the following colours are recommended:

Marking:	Red
School moderation:	Green
District moderation:	Orange
Provincial moderation:	Purple

- 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. 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. You can consult the subject advisor for approval.

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 guideline)
- 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:
Content	
Conclusion	
Insight	8
TOTAL	40

Layout/Structure	Is there an introduction, a body, 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? Marks to be allocated using this guide: 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 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. 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.	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.



- 15.6 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.)
S	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.

SECTION A

QUESTION 1

1.1 1.1.1 C vV

1.1.2 A vV

1.1.3 C vV

1.1.4 D vV

1.1.5 B vV

1.2

1.2.1 Target market vV

1.2.2 Stored vV

1.2.3 Marketing function vV

1.2.4 Quality circles vV

1.2.5 Mining vV

1.3.

1.3.1 H vV

1.3.2 G vV

1.3.3 J vV

1.3.4 A vV

1.3.5 F vV



2.1 Components of the market environment.



- Suppliers✓
- Intermediaries/Agents✓
- Competitors✓
- Regulators✓
- Strategic allies✓
- Unions✓
- Customers✓

(1x4)

2.2 Challenges of the business environments and extent of control

CHALLENGES (2.2.1)	BUSINESS ENVIRONMENTS (2.2.2)	EXTENT OF CONTROL (2.2.3)
1. NC has hired ten stylists who are always late for work✓	Micro-environment✓	Full control✓
2. NC is situated in a location that has a high rate of unemployment and crime✓	Macro environment✓	No control✓
3. The management of NC purchases their material at Ditsepe Clothing Manufacturers who charge high prices for their material. ✓	Market environment✓	Partial /Less/Little control✓
Sub max (3)	Sub max (3)	Sub max (3)

NOTE: 1. Mark the first challenge for each environment only.

2. If the business environment is not linked to the challenge, mark the challenge only.

3. Award full marks for the business environment even if the challenge is not quoted in full.

4. The extent of control must be linked to the business environment.

5. Do not award marks for the extent of control if the business environment is not mentioned.

6. Accept responses in any order.

Max (9)

2.3 Benefits that the business may enjoy by being involved in the macro environment

- The business can be more accurately predict✓ future events, threats and opportunities that may arise✓
- The business can contribute✓ to a healthier, more skilled and productive workforce✓
- It can protect natural resources and meet consumer needs✓ in a sustainable way✓
- The business can contribute✓ to wealthier consumers✓
- The business can reduce industrial conflict✓ and increase productivity. ✓
- The business can accurately promote✓ a cause that is a concern to the society. ✓

- The business can contribute its expertise and resources that can influence the public opinion. ✓ This is called advocacy. ✓
- Any other relevant answer related to the benefits that the business may enjoy by being involved in the macro environment. ✓

Max (6)

2.4.1 Persuasion of large investors ✓✓

(2)

2.4.2 ONE other way in which businesses can form a power relationship

Strategic alliance/Partnership agreements✓✓

- Businesses form partnership agreements in order to benefit each in each other's involvement. ✓
- These partnership alliances help parties involved to benefit in infrastructure development and scarce skills. ✓
- These alliances are designed to build on the expertise of each partner and on the way and on the way in which they complement each other. ✓
- Any other relevant answer related to strategic alliance/partnership agreements as a way in which businesses can form power relations. ✓

Company representatives' influence ✓✓

- The representatives fulfil an important function in trying to persuade investors to invest in a particular business practice. ✓
- People will make decisions based on the company's image/personality, communication style and power of persuasion. ✓
- Businesses must invest time and energy to recruit the right person for this job. ✓✓ •
- Any other relevant answer related to company representatives' influence as a way in which businesses can form power relations. ✓

Way (2)

Description (2)




Submax (4)

2.5 Projects that can be undertaken as part of social responsibility

- Businesses must allow employees to get involved in social development. ✓✓ •
- Managers must protect the environment and participate in community upliftment programs. ✓✓ • Environmental friendly campaigns ✓✓ •
- Making donations to charity organisations ✓✓ •
- Engaging in economic development ✓✓ • Charity community projects ✓✓
- Benefits for the business Increased sales due to customer loyalty. ✓✓ •
- HIV and Aids awareness programs. ✓✓ •
- Any other relevant answer related to projects that can be undertaken by businesses as part of social responsibility. ✓

Max (6)

2.6 The negative impact of ethical misconduct on businesses.

- 
- 
- 
- Employees who have been victims of sexual harassment may experience a lack of concentration/anxiousness/productivity.
 - Corruption and mismanagement of funds will lead to a loss of income.
 - Corruption undermines businesses and negatively influences investment.
 - Mismanagement of funds can cost a business to lose a large amount of money through direct fraud and theft.
 - Business owners involved will face criminal charges.
 - There is a high staff turnover due to people leaving because they were sexually harassed.
 - It may result to bad publicity and loss of customers/potential investors.
 - Any other relevant answer related to the negative impact of ethical misconduct as a socio-economic issue.

Max (6)

QUESTION 3: BUSINESS OPERATIONS

3.1 Categories of consumer goods

- Convenience goods ✓
- Shopping goods ✓
- Services ✓
- Unsought goods ✓

3.2 Distinction between standardisation and grading

STANDARDISATION	GRADING
<ul style="list-style-type: none"> • A process of developing a uniform set of criteria ✓ to ensure the production of quality goods. ✓ 	<ul style="list-style-type: none"> • A process of sorting individual units of a product ✓ into specified classes /grades of quality. ✓
<ul style="list-style-type: none"> • Standardisation also refers to taking steps to ensure that goods produced ✓ meet the required standards. ✓ 	<ul style="list-style-type: none"> • Grading is the process of classifying agricultural products into categories ✓ according to their quality ✓
<ul style="list-style-type: none"> • Any other relevant answer related to standardisation 	<ul style="list-style-type: none"> • Any other relevant answer related to standardisation
Sub max (2)	Sub max (2)

3.3

PRICING TECHNIQUES	MOTIVATIONS
1 Competition based/orientation pricing ✓✓	ME sets its price based on what other businesses are charging customers. ✓
2 Promotional pricing ✓✓	They also offer discounts for a limited period of time. ✓

- NOTE:**
1. Award marks for the pricing techniques even if the quotes are incomplete.
 2. Do not award marks for the motivations if the pricing techniques were incorrectly identified.

Max (6)

3.4 Other pricing techniques

Cost-based/orientated pricing ✓✓ -

- Involves setting the price of a product based directly on its cost. ✓
- The business calculates the cost of producing one unit of the product, called unit cost, and then adds a standard mark-up to obtain the price. ✓
- The costs of production and supply are calculated, and a suitable profit margin is added to determine the selling price. ✓

Sub max (3)

Mark-up pricingVV

- It is calculated as a percentage. ✓
- This percentage is calculated from the cost per unit. ✓
- Example will include a sandwich-making a business may calculate that the cost of producing a sandwich is R10 and decide on a mark-up of 100%, setting the price at R20. ✓ Submax (3)

Customer/target-based pricingVV

- It is when companies set certain targets to achieve. ✓
- Based on what the business believes customers are prepared to pay. ✓
- The perception of the product it wants to create in the customers' mind. ✓ Submax (3)

Penetration pricingVV

- Products are sold at very low prices to attract consumers when the product is introduced to the market. ✓
- The aim is to convince the customers to buy a product. ✓
- As soon as the introductory offer is over, the price is increased. ✓
- It is often used for new products and it is not a profitable long-term marketing strategy. ✓ Submax (3)

Psychological pricingVV

- This strategy is used when the business wants the consumer to respond on emotional basis rather than a rational one. ✓
- It is used to give an impression that an item is cheaper than it really is. ✓
- A CD player is priced at R699 instead of R700, consumer mentally place the item in the R600 rather than the R700 price range. ✓ Submax (3)

Bait pricingVV

- Prices are usually set lower than the items cost price to attract customers. ✓
- It is used to attract customers into a shop to buy the product and other items. ✓ Submax (3)

Price skimming VV

- Prices attached to a new innovative product that is considered unique and prestigious
- Higher prices are charged to test the demand. ✓
- There are consumers who are prepared to pay higher prices, because such inventions have prestige value. ✓
- As the product gains popularity, the price of the product is gradually reduced. ✓
- Price skimming can be successful and profitable in the short term ✓ Submax (3)

NOTE: 1. Mark the first TWO (2) only 2.

2. Do not award marks for pricing techniques identified in QUESTION 3.3

3.5.1

Channels of distribution from the scenario

CHANNEL OF DISTRIBUTION	MOTIVATIONS
1. Manufacturer/Producer→wholesaler→retailer→consumer ✓✓	VWF makes use wholesalers and retailer to sell their products to their customers. ✓
2. Manufacturer/Producer-consumer✓✓	VWF decided to sell directly to their customers. ✓
Sub max (4)	Sub max (2)

NOTE: 1. Award marks for the channel of distribution even if the quotes are incomplete.
2. Do not award marks for the motivations if the channel of distribution were incorrectly identified.

Max (6)

3.5.2

Other channels of distribution that can be used by VWF to distribute their products to consumers

Manufacturer/Producer→retailer→consumer ✓✓

- The producer sells goods to the consumer using the retailer. ✓
- This is a single distribution channel and it is aimed at selling to large scale retailers. ✓

Sub max (3)

Manufacturer/Producer→wholesaler→retailer ✓✓

- This is where the wholesaler buys from the producer and sells directly to retailers. ✓
- The cash and carry wholesaler sell directly to retailers for consumption. ✓

Sub max (3)

Manufacturer/Producer→agent→wholesaler→ retailer→ consumer ✓✓

- Agents often connect the manufacturer to the wholesaler or retailer. ✓
- The more intermediaries there are in a distribution channel the more consumers can be reached. ✓
- Especially consumers in the rural areas who will also have access to goods. ✓

Sub max (3)

NOTE: 1. Mark the first THREE (3) only
2. Do not award marks for the channels of distribution identified in QUESTION 1.8.1

Max (9)

3.6 Importance of intermediaries in the distribution process •

- Intermediaries are specialists in selling, so the producer may be able to reach a wider audience. ✓✓
- They can achieve greater sales by using intermediaries. ✓✓

- The producer may not have the expertise or resources necessary to sell directly to the public. ✓✓
- The intermediary may be able to provide more efficient distribution logistics, for e.g. transporting the product to various points of sale. ✓✓ •

Overall distribution costs may be lower using an intermediary than if the business undertook distribution itself, even when the intermediary's commission is taken into account. ✓✓

- Any other relevant introduction related to the importance of intermediaries. Max (6)

3.7 Role of intermediaries in the distribution process. •

- Finding and locating buyers ✓ on behalf of the producer. ✓
- Help in promoting ✓ the product. ✓
- Intermediaries are specialists in selling ✓, so the producer may be able to reach a wider audience. ✓
- They can achieve greater sales ✓ by using intermediaries. ✓
- The producer may not have the expertise or resources ✓ necessary to sell directly to the public. ✓
- The intermediary may be able to provide more efficient distribution logistics ✓, for e.g. transporting the product to various points of sale. ✓
- Overall distribution costs may be lower using an intermediary ✓ than if the business undertook distribution itself, even when the intermediary's commission is taken into account. ✓
- Any other relevant answer related to the role of intermediaries in the distribution process. Max (6)

QUESTION 4

4.1 Challenges of the macro-environment



- Changes in income levels
- Political changes✓
- Labour restrictions✓
- Micro lending✓
- Globalisation/international challenges✓
- Social values and demographics✓
- Socio economic issues✓

4.2 Contemporary legislation that pose a challenge to business.

• **Employment Equity Act✓✓** •

This act is there to eliminate unfair discrimination in the business✓ against race, colour, age, gender, religion or disability. ✓

It ensures that the demographics make-up of the country is reflected at all levels in the business •tanmorephysics.com

Any other relevant answer related to the employment Equity Act Submax (3)

• **Broad Based Black Economic Empowerment Act✓✓**

This Act ensures that the previously disadvantaged people fully participate✓ in the economy.

✓ • Any other relevant answer related to the Broad Based Black Economic Empowerment Act. Submax (3)

• **Basic Conditions of Employment Act✓✓**

It deals with the constitutional rights in the workplace by addressing issues such as working hours/leave/employment contracts pay slips ✓ and other working conditions in the business.

✓ • Any other relevant answer related to the Basic Conditions of Employment Act Submax (3)

• **Labour Relations Act✓✓**

It deals with labor justice✓ and to bring healthy industrial relations in the business between the employers and the employees✓

Any other relevant answer related to the Labour Relations Act Submax (3)

• **Skills Development Act✓✓**

The main aim of this Act is to improve the skills of all people in South Africa and those employed by business.

Any other relevant answer related to the Skills Development Act Submax (3)

• **Compensation for Occupational Injuries and Diseases Act/COIDA✓✓**

It provides compensation for disablement or death caused by injuries or diseases contracted by employees in the course of their employment

Any other relevant answer related to Compensation for Occupational Injuries and Diseases Act Submax (3)

NOTE: Mark the first TWO (2) only Max (6)

4.3 Solutions to piracy from the scenario

SOLUTIONS TO PIRACY	MOTIVATIONS
1. Patent ✓✓	SD was worried that other business would copy their design so they registered their new invention. ✓
2. Trademark ✓✓	They also used a very special symbol of a glowing sun to enable customer to identify their drones. ✓
Sub-max. (4)	Sub-max. (2)

- NOTE:**
1. Mark the first TWO (2) only.
 2. The answer does not have to be in tabular format.
 3. Award marks for the solutions to piracy even if the motivation were incomplete.
 4. Do not award marks for the motivations if the solutions to piracy were incorrectly identified.

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Max. (6)

4.4 Purpose of the Labour Relations Act/LRA -

- Provide a framework/structure for governing the labour relations ✓ between employer and employees. ✓
- Regulates the rights of trade unions and facilitates ✓ collective bargaining processes to take place in the workplace. ✓
- Encourages the establishment of workplace forums ✓ where employees may participate in decision-making. ✓
- Encourages fair labour practice ✓ between the employer and employees. ✓
- Makes provision for the establishment of the Labour Courts and Labour Appeal Courts ✓ to deal with labour issues. ✓
- Establishes the Commission for Conciliation, Mediation and Arbitration (CCMA) to resolve labour disputes ✓ through statutory conciliation, mediation and arbitration. ✓
- Provides a framework where the employees, trade unions and employers work together ✓ to discuss matters relating to employment, e.g. wages, conditions of employment. ✓
- Promotes orderly negotiations and employee participation ✓ in decisionmaking in the workplace. ✓
- Provides simple procedures ✓ for the registration of trade unions and employers' organisations. ✓
- Regulates the effectiveness of bargaining councils ✓ and statutory councils. ✓
- Endorses the right to strike against retrenchments, ✓ and facilitates labour disputes. ✓
- Clarifies the transfer ✓ of contracts of employment procedures. ✓
- Deals with ✓ strikes and lockouts and workplace forums.
- Establishes workplace forums to promote ✓ the interest of all employees in the workplace whether they belong to the trade union or not. ✓

- Advances economic development/social justice/labour peace ✓ to ensure the workplace maintain the basic rights of employees. ✓
- Any other relevant answer related to the purpose of the Labour Relations Act. Max. (6)

4.5 Types of packaging

- Packaging for immediate use/Unit packaging ✓
- Packaging for double use ✓
- Packaging for resale ✓
- Kaleidoscopic/Frequently changing packaging ✓
- Speciality packaging ✓ - Combination packaging ✓

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

4.6 Meaning of production planning

- Refers to setting goals for the production department ✓ and establishing policies/programmes and procedures to achieve these goals. ✓
- It aims at decreasing cost/time ✓ and increasing output by organising the resources and workplace to maximise efficiency. ✓
- Production planning involves everything from the individual roles of staff/ordering of stock ✓, to the final delivery to the customer. ✓
- Planning is done due to constant changes ✓ in the manufacturing process. ✓
- Production planning must control ✓ the actual production/inventory/stock/factory layout/production costs. ✓
- Any other relevant answer related to the meaning of production planning. Max (4)

4.7 Ways in which businesses can comply with the Occupational Health and Safety Act

4.7.1 Ways in which businesses comply with the Occupational Health and Safety Act from the scenario

SB ensures that their first aid boxes are always available. ✓

They also make fire extinguishers available in the workplace. ✓

NOTE: 1. Mark the first TWO (2) only.

2. Only award marks for responses that are quoted from the scenario. (2 x 1) (2)

4.7.2 Other ways in which businesses can comply with the Occupational Health and Safety Act

- Provide workers with protective gear ✓ to protect themselves against potentially dangerous situations. ✓
- Fire extinguishers need to be serviced ✓ regularly. ✓
- Machinery must be maintained ✓ at regular intervals and repaired promptly. ✓
- Employers who employ more than twenty employees ✓ must appoint at least one health and safety representative for every 100 employees. ✓
- Ensure health and safety of persons at work ✓ and during the use of plants and machinery. ✓

- Any other relevant answer related to other ways in which SB can comply with the Occupational Health and Safety Act.

NOTE: Do not award marks for responses that were quoted in QUESTION 4.7.1

Max. (4)

4.8 Precautionary measures that businesses should take when handling machinery

- All machinery and equipment must be correctly installed and safe to use. √√
- Workers must be properly trained on how to use machinery and must be informed about the risks when using the machinery. √√
- Regular safety checks must be carried out and machinery should be maintained and serviced regularly. √√
- Workers need to wear protective clothing and gear such as overalls, hard hats and safety helmets, ear plugs, masks, heavy-duty safety boots, welding goggles and gloves when working with machinery and equipment. √√
- Develop a culture of safety in the workplace. √√
- Familiarise employees with safety procedures. √√
- Any other relevant answer related to the precautionary measures that businesses should take when handling machinery.

Max. (6)

[40]

BREAKDOWN OF MARKS

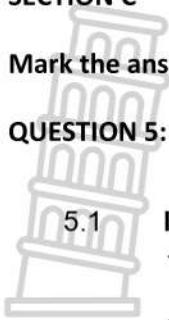
QUESTION 4	MARKS
4.1	2
4.2	6
4.3	6
4.4	6
4.5	4
4.6	4
4.7.1	2
4.7.2	4
4.8	6
TOTAL	40

TOTAL SECTION B: 80

SECTION C

Mark the answers to the FIRST question only.

QUESTION 5: BUSINESS ENVIRONMENTS(CHALLENGES OF BUSINESS ENVIRONMENTS)



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 ✓✓

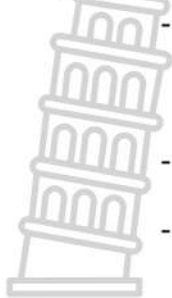
- Management needs to design strategic responses to various challenges ✓ by analysing all information, identifying stakeholders involved. ✓
- Get a clear picture ✓ of each stakeholder's viewpoints and requirements. ✓
- Businesses should have a strategic plan ✓ to respond to changes in the business environment.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

5.4.5 **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.

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

NOTE: Mark the first THREE (3) only.

Max. (14)



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)

5.5 **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)

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)
[40]

QUESTION 5: BREAKDOWN OF MARKS

DETAILS	MAXIMUM	TOTAL
Introduction	2	Maks. 32
Advantages of networking	10	
Types of lobbying: ○ 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: Essay on the product policy

6.1 Introduction

- Product development is the main aim of all businesses✓
- Businesses need to be continually creative and develop new products or improve on what they have✓
- All new products go through a product development process✓
- The type of products developed will determine the kind of packaging needed✓
- Any other relevant answer related to product development/packaging. Any (2×1) (2)

6.2 Importance of product development

- Product design needs to be designed to suit the needs of the customers. ✓✓
- If the product design does not suit the target market, there will be very little demand for the product. ✓✓
- Business need to develop new products in order to replace older products in stage 4 when the sale declines. ✓✓
- Businesses are able to remain competitive because they are always on a lookout for ways to improve their products. ✓✓
- Products become different from those of the competitors. ✓✓
- Any other relevant answer related to the importance of product development.

Max (10)

6.3 Purpose of packaging

- Physically protect ✓ the product from any harm ✓
- Promote the marketing ✓ of a product ✓
- Prevent ✓ a product ✓ from getting spoilt ✓
- To prevent tampering ✓ or theft of a product ✓
- To improve convenience ✓ or storage of a product ✓
- Make product easier ✓ to identify ✓
- Any other relevant answer related to the purpose of packaging.

Max (8)

6.4 Importance of a trademark to businesses

- A trademark establishes✓ an identity/reputation✓
- A registered trademark protects businesses against competitors✓ who sell similar products✓
- Creates a sense of security✓ for customers. ✓
- Promotes loyalty✓ and creates consistency for customers. ✓
- Consumers are more likely to accept new products✓ that are marketed under a wellknown brand/trademark✓

- A well-known trademark helps to make a brand instantly recognisable •
- Offers a degree of protection because branded products can be traced back to the manufacturer •
- It represents a certain standard of quality and price to the consumer •
- Any other relevant answer related to importance of a trademark to businesses. Max (14) 2.5

Requirements of a good packaging

- Must be attractive. √√
- Must suit the product. √√
- Suitably designed for the target market. √√
- Must be different from its competitors. √√
- Must promote the image of the enterprise. √√
- Suitable for display purpose. √√
- Must be environmentally friendly √√
- Must protect the contents. √√
- Should be easy to distribute/handle/transport and use. √√
- Protect and promote the product. √√
- Link the product to its promotion strategy. √√
- Draw the attention of consumers. √√
- Inform customers on how to use the product. √√
- Prevent spoiling or damage. √√
- Reduce storing costs by minimising breakage. √√
- Easy to handle and display on the shelves in the store. √√
- Indicate the correct mass or volume of the contents of the product. √√
- Indicate the ingredients of the product, if applicable. √√
- Indicate the name and contact details of the manufacturer. √√
- Any other relevant answer related to the requirements of a good packaging Max (14) 2.6
-

Conclusion

- Businesses that lack creativity and innovation of products can experience irreversible financial losses √√
- Packaging can influence whether consumers will buy or not buy the product √√
- Any other relevant conclusion related to product design and packaging. Any (1x2) (2) [40]

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Importance of pricing	12	
Pricing techniques: ○ Cost-based pricing ○ Competition based	12	
Factors that influence pricing	12	
Purpose of sale promotions	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.

TOTAL SECTION C: 40
GRAND TOTAL: 150