



KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

**NATIONAL
SENIOR CERTIFICATE**

GRADE 10

**BUSINESS STUDIES P2
COMMON TEST
JUNE 2024**

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MARKS : 100

DURATION : 1h30

This question paper consists of 8 pages.



INSTRUCTIONS AND INFORMATION.

Read the following instructions carefully before answering the questions

1. This paper consists of **THREE** sections and covers Two main topics

SECTION A: **COMPULSORY**

SECTION B: Consists of **THREE** questions answer any **TWO** questions in this section.

SECTION C: Consists of **TWO** questions. Answer any **ONE** of the two questions in the section.

2. Number the answer correctly according to the numbering system used in the question paper. No marks will be awarded for answers that are numbered incorrectly.
3. Except where other instructions are given, answers must be in full sentence.
4. Number answer correctly according the numbering system used in this question paper.
5. Except where other instructions are given, answers must be in full sentences.
6. Use the mark allocation and nature of each question to determine the length of an answer.
7. Use the table below as a guide for marks and time allocation when answering each question.

| SECTION | QUESTION | MARKS | TIME (Minutes) |
|--|---------------|----------------|-------------------|
| A: Multiple choice questions and Matching COMPULSORY | 1 | 20 | 20 |
| B: THREE Direct/Indirect questions. (Choose any TWO questions) | 2 3 4 | 20 20 20 | 40 |
| C: TWO essay questions. (choose any ONE of the TWO questions) | 5 6 | 40 40 | 30 |
| | TOTAL: | 100 | 90 minutes |

8. Begin the answer to EACH question in a NEW page, for example QUESTION 1 new page, QUESTION 2- new page, et cetera.
9. Write neatly and legibly.

SECTION A: (COMPULSORY)**QUESTION 1**

- 1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A-D) next to the question number (1.1.1 – 1.1.5) on the ANSWER BOOK, e.g., 1.1.6 A

1.1.1 The ... occurs when resources in a society are distributed unevenly according to specific categories and specific norms.

- A. inequalities
- B. equalities
- C. unemployment
- D. race difference

1.1.2 Public companies use ... to invite the public to come and buy shares.

- A. emails
- B. prospectus
- C. calls
- D. social media

1.1.3 Business owners have a right not to allow employees to work and prevent them from entering premises to avoid damage. This is called...

- A. strikes.
- B. go slow.
- C. lockout.
- D. pass out.

1.1.4 All public companies are registered with....

- A. International Stock of Exchange (ISE)
- B. South African Bureau of Standards (SABS)
- C. Johannesburg Stock Exchange (JSE)
- D. Business Register of Exchange (BRE)

1.1.5 The name of the ... company ends with NPC.

- A. partnership
- B. private
- C. profit
- D. non-profit company

(5x2) (10)

- 1.2 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A-J) next to the question number (1.2.1-1.2.5) in the ANSWER BOOK, e.g., 1.2.6 K.

| COLUMN A | COLUMN B |
|---------------------------|---|
| 1.2.1 Forced labour | A. is an example of a non-profit company. |
| 1.2.2 Labour disputes | B. * provides incorporation, registration, organisation and management of certain companies that make millions in profit. |
| 1.2.3 Nodge LTD | C. shareholders are not held personally liable for their company's debts. |
| 1.2.4 Limited Liabilities | D. is when people are demanded to work for low or no pay. |
| 1.2.5 Companies Act | E. is when business owners are held liable for their business debts. |
| | F. is when employer and employee disagree on important issues like salaries. |
| | G. is an example of a public company. |
| | H. is when services of people are voluntary and fairly paid in the form of salaries and wages. |
| | I. is when employees partially agree on labour terms. |
| | J. provides incorporation, registration, organisation and management of companies. |

(5x2) (10)
[20]



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 VENTURES

2.1 Elaborate on the meaning of a partnership. (4)

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

THIN ICE-CREAM SHOP (TIC)

Brenda is the only owner of Thin Ice-Cream. She travels all corners of the local township selling her ice-cream. All profits belong to Brenda as the owner of the shop.

2.2.1 Identify the form of ownership applicable in the scenario above. (2)

2.2.2 Explain the advantages of the form of ownership identified in QUESTION 2.2.1 above. (4)

2.3 Discuss the characteristics of a State-Owned company. (6)

2.4 Advise the business on the benefits of a personal liability company. (4)

[20]



QUESTION 3: BUSINESS ROLES

- 3.1 Elaborate on the meaning of strikes. (4)
- 3.2 Read the scenario below and answer the questions that follow.

ETHEL FURNITURES (EF)

Ethel Furnitures specialises in the manufacturing of office furniture. EF invests their surplus funds towards entrepreneurial development programs. EF also give bursaries to local matric students. This has improved the image of the company.

- 3.2.1 Quote TWO initiatives EF took to address socio-economic issues in the scenario above. (2)
- 3.2.2 Explain other TWO initiatives businesses can take to address socio-economic issues. (4)
- 3.3 Discuss the negative impact of unemployment on businesses. (6)
- 3.4 Advise businesses on the different types of gambling. (4)

[20]

QUESTION 4: MISCELLANEOUS**BUSINESS VENTURES**

- 4.1 Outline TWO characteristics of non-profit company. (4)
- 4.2 Read the scenario below and answer questions that follow.

MARTHA & FRIENDS (MF)

Martha & Friends was established by five members who had similar farming interest. The company is currently supplying the local supermarket with vegetables.

- 4.2.1 Identify the form of ownership applicable in the scenario above. (2)
- 4.2.2 Explain the disadvantages of the form of ownership identified in QUESTION 4.2.1. (4)

BUSINESS ROLES

- 4.3 Identify the socio-economic issue applicable in EACH statement below:
- 4.3.1 Thenjiwe Stores fraudulently sell products at a lesser value than original.
- 4.3.2 Luke Bakery believes that most community members spend their salaries on Lotto and horse-racing. (4)
- 4.4 Advise businesses on the purpose of inclusivity in the workplace. (6)
- [20]**

SECTION C

Answer **ANY ONE** question in this section

NOTE: Clearly indicate the QUESTION NUMBER of each question chosen.
The answer to question must start on a NEW page, e.g. QUESTION 7 on a new page, QUESTION 8 on a NEW page.

QUESTION 5: BUSINESS VENTURES (FORMS OF OWNERSHIP)

Starting a company requires proper consideration of whether it is a profit or non-profit. Advantages of a public company may attract more people to start public companies. It is important to understand characteristics of a private company before starting a business. Advantages of a private company may also be linked with the affordability of an individual.

Keeping in mind the above statement, write an essay on the following aspects:

- Outline the differences between profit and non-profit companies.
- Explain the advantages of a public company.
- Discuss the characteristics of a private Company.
- Advise businesses on the positive impact of a private company.

[40]

QUESTION 6: BUSINESS ROLES (SOCIO-ECONOMIC ISSUES)

Inclusivity may not be easy to embrace if employees do not understand it as a socio-economic issue. Socio-economic issues pose different challenges to businesses depending on the context of the business. Bootlegging and crime are amongst many challenges that businesses face in societies. HIV/AIDS also contribute negatively to the processes of the business.

With reference to the above statement write an essay on the following aspects:

- Outline the meaning of social responsibility.
- Outline the reasons why socio-economic issues pose a challenge to businesses.
- Discuss the impact of the following socio-economic issues on businesses:
 - bootlegging
 - crime
- Evaluate the negative impact of HIV/Aids on businesses.

[40]

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



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MARKING GUIDELINES

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MARKS : 100

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This marking guideline consists of 19 pages.

NOTES TO MARKERS

1. 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 source
 - Original
 - A different approach is used

NOTE: SECTION A:

- There are no alternative answers.
 - Each question has only one correct answer.
2. 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.)
 3. The word 'sub-max' is used to facilitate the allocation of marks within a question or sub-question.
 4. 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.
 5. In an indirect question, the theory as well as the response must be relevant. and related to the question.
 6. No additional credit must be given for repetition of facts. Indicate with an R.
 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 memo. Only the total for each question should appear in the left-hand margin next to the appropriate question number.

SECTION B

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

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

8.2 If two facts are written in one sentence, award the candidate FULL credit. Point 10.1 above still applies.

9. Where the number of facts are specified, questions that require: candidates to 'explain/discuss/ describe' will be marked as follows

- Heading 2 marks
- Explanation: 1 mark (or as indicated in the marking guideline).
- The 'heading' and 'explanation' are given separately to facilitate mark allocation.

10.2 If the number of facts is not specified, the candidate must be informed by the nature of the question and the maximum marks allocated

10.3 If candidates are required to provide their own examples/views, brainstorm this to come up with alternative answers

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

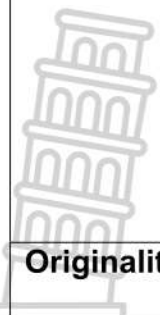
SECTION C

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

| | |
|--------------|--------------------|
| Introduction | Maximum: 32 |
| Content | |
| Conclusion | |
| Insight | 8 |
| TOTAL | 40 |
| | |

11.2 Insight consists of the following components:

| | | |
|------------------------------------|---|----------|
| Layout / structure: | Is there an introduction, body, proper paragraphs and a conclusion? | 2 |
| Analysis and interpretation | Learners' ability to break down the question/interpret it correctly to show understanding of what is being asked. | 2 |
| Synthesis | Are there relevant decisions/facts/responses made based on the questions? Marks to be allocated using this guide: No relevant facts: 0 (Two '-S') Some relevant facts: 1 (One '-S') Only relevant facts: 2 (Zero/No '-S') | |

| | | |
|---|--|--|
|  | NB: 1. If no '-S' is indicated, award the maximum TWO (2) marks. 2. Where a candidate answers less than 50% of the question with relevant facts, one –S appears in the left margin, award a maximum of ONE (1) mark | |
| Originality: | Examples, recency of information, current trends and developments. | 2 |
| | TOTAL FOR INSIGHT: TOTAL MARKS FOR FACTS: TOTAL MARKS FOR ESSAY (8 + 32) | 8 32 40 |

SECTION A

QUESTION 1

1.1 1.1.1 A✓✓

1.1.2 B✓✓

1.1.3 C✓✓

1.1.4 C✓✓

1.1.5 D✓✓

1.2 1.2.1 D✓✓

1.2.2 F✓✓

1.2.3 G✓✓

1.2.4 C✓✓

1.2.5 J✓✓



(10)

(10)

TOTAL SECTION A: [20]

BREAKDOWN OF MARKS

| QUESTION 1 | MARKS |
|--------------|-----------|
| 1.1 | 10 |
| 1.2 | 10 |
| TOTAL | 20 |

QUESTION 2**2.1 Partnership**

- A partnership is an arrangement where parties, known as business partners✓, agree to form a business for their mutual interest. ✓
- It is an agreement between two or more people✓ who combine labour, capital, and resources towards a common goal. ✓
- The partners may be individual, businesses, ✓with common goals they are willing to achieve. ✓
- Partners share the responsibility of the business✓and they share the financial and management decisions of the business. ✓
- Any other relevant answer relating to partnership

(4)**2.2 Forms ownership****2.2.1 Sole proprietor/ Sole trader ✓✓****(2)****2.2.2 Advantages of Sole proprietor/Sole trader**

- It is easy and quick to form a sole trader ✓as there is less capital needed. ✓
- The owner can take quick decisions✓ as and when required and has full control. ✓
- The owner can take steps to eliminate wastages of any kind✓ when taking decisions✓
- All the assets of the business belong to the owner personally✓ business and owner are treated as one✓
- There is personal encouragement and personal contact✓ between the owner and customers. ✓
- Sole traders are generally closer to their customers✓ and offer a more personalised approach and improved customer service✓
- Any other relevant answer relating to advantages of sole proprietor/sole trader

NOTE: Do not awards marks if the response is quoted from the scenario**(4)****2.3 Characteristics of a State-owned company**

- The state-owned company is financed✓ by the government. ✓
- The name ends✓ with the letters SOC. ✓
- The SOC is listed ✓as a public company. ✓
- These enterprises are managed by the government not by individuals. ✓

- Requires three or more directors ✓ and one or more shareholders. ✓
- SOCs are registered with the Registrar of Companies ✓ by drawing up a Memorandum of Incorporation. ✓
- The Act imposes personal liability on directors ✓ who knowingly participate in reckless or fraudulent business. ✓
- The state-owned company must have its financial statements ✓ audited. ✓
- A state-owned company is compelled ✓ to hold an AGM. ✓
- A state-owned company has a separate legal personality ✓ and its shareholders have limited liability. ✓
- Any other relevant answer related to characteristics related to state owned company

(6)

2.4 Benefits of a personal liability company

- It is managed at least by one competent highly skilled director ✓✓
- Shareholders must agree to the sale or transfer of shares ✓✓
- Shareholder's liability is restricted to the number of shares they own ✓✓
- Not required to file annual financial statements with the commission ✓✓
- Shareholders can appoint the most capable directors to manage their company ✓✓
- Any other relevant answer relating to benefits of a personal liability company

(4)

BREAKDOWN OF MARKS

| QUESTION 2 | MARKS |
|--------------|-----------|
| 2.1 | 4 |
| 2.2.1 | 2 |
| 2.2.2 | 4 |
| 2.3 | 6 |
| 2.4 | 4 |
| TOTAL | 20 |

QUESTION 3**3.1 Meaning of Strike**

- A strike occurs when employees refuse to work, ✓ usually to petition a specific issue. ✓
- A strike is usually the result of a dispute, ✓ such as employee grievances or the fear of being retrenched in the workplace. ✓
- The most common reason workers usually go on strike are for higher wages ✓ or better working conditions. ✓
- The trade union must give notice to the employer ✓ when planning a strike. ✓
- Any other relevant answer relating to strike

(4)**3.2 Socio Economic Issues****3.2.1**

- EF invests their surplus funds towards entrepreneurial development programs ✓
- EF also give bursaries to local matric students ✓

NOTE: Mark the first two only**(2)****3.2.2. Initiative's businesses can take to address socio-economic issues**

- They can also donate ✓ things such as money or food parcels to local NGOs. ✓
- Some businesses may invest in young start-ups ✓ that could potentially be a competitor, buyer or supplier. ✓
- Employees could offer their time and/or services ✓ through volunteer programs. ✓
- Businesses could also upskill their employees ✓ through targeted training in the workplace ✓
- Businesses can support poverty alleviation programmes ✓ that are offered by the government ✓
- Businesses should educate managers and employees ✓ on the benefits of diversity in the workplace ✓
- Businesses can also create mentorship programmes ✓ to ensure that every employee has the opportunity to advance. ✓
- Business should encourage and support the roll out of antiretroviral (ARV) ✓ treatment programmes (ART) for infected employees ✓
- Businesses could conduct awareness programmes ✓ on dangers of gambling for their employees ✓
- Businesses must raise awareness ✓ of piracy ✓

- They can protect their intellectual property and electronic invention through copyright✓ and patents. ✓
- Businesses should offer their employees an Employee Assistance Programme (EAP) ✓ that will enable them to seek help if they are experiencing personal problems✓
- Any other relevant answer related to initiatives that businesses can take to address socio-economic issues.

NOTE: Mark the first two only

Do not mark the reputation of facts from the scenario

(4)

3.2 Impact of unemployment

- Community members may lack of resources✓ to buy basic human needs. ✓
- Unemployed community members may end up committing ✓crime✓
- People who are unemployed end up contributing to poverty✓ in the community which disadvantage businesses because the buying power will be low✓
- Community members may not afford to pay for the skills✓ needed to be employed or to create employment✓
- Government may end up spending more money on creating jobs✓ than on upskilling community members✓
- Community members may become sophisticated✓ in that they may not be willing to spend what they have. ✓
- Any other relevant answer related to impact of unemployment

(6)

3.3 Negative impact of poverty on businesses

- Individuals and customers have less or no money to spend to buy basic goods and services✓ which will influence the profitability of business✓
- Poverty results in the continuation of the cycle of unemployment and homelessness ✓ which can lead to an increase in crime affecting businesses negatively✓
- Some people do not have the financial means to buy goods as they have little to no disposable income✓ leading to limited profitability of the business as a result of limited or no customer spending. ✓

- Limited customer spending✓ means that businesses record lower sales figures✓
- Businesses are pressurised by the media attention✓ to poverty into investing in poor communities✓
- Businesses may not grow✓ because of reduced sales figures. ✓
- Any other relevant answer related to negative impact of poverty on business

(4)

3.4 Different types of gambling.

Pyramid Schemes ✓✓

- Pyramid schemes refers to businesses✓ that may potentially yield high revenues for people who invest their money in them✓
- Individuals invest more and more money, ✓ but often only the individuals at the top of the pyramid receive large sums of money ✓
- Any other relevant answer related to pyramid schemes as a type of gambling.

Submax (4)

Illegal Gambling ✓✓

- Illegal gambling is when unlicensed businesses✓ offer gambling to the public ✓
- Unlawful gambling activities✓ can also take place in poor communities such as playing with (dices) on streets corners for money✓ or individuals frequenting unlicensed casinos. ✓
- Any other relevant answer related to illegal gambling as a type of gambling.

Submax (4)

Money Laundering ✓✓

- Money laundering is the process by which unlawful profits ✓ from crimes are invested in valid businesses to cover up their wrong doing. ✓
- The source of money is camouflaged✓ and made to seem as if it was lawfully gained. ✓
- An example of money laundering is when the proceeds from illicitly earned money through drug trading ✓ is invested in a restaurant or laundry business ✓

- Any other relevant answer related to money laundering as a type of gambling.

Submax (4)**National Lottery✓✓**

- Game of chances in which numbers are drawn randomly from stock✓ and the player covers a corresponding number on their card will be the winner✓
- Gambling raffle sweepstake✓the winning numbers takes the prize✓
- Any other relevant answer related to national lottery as a type of gambling.

Submax (4)**Horse Betting✓✓**

- Staking money on the horse✓ and if it comes in the first place the bet is a winner✓
- Its betting on your horse to finish✓ either first, second✓
- Any other relevant answer related to horse betting as a type of gambling.

Submax (4)**Bingo Hall✓✓**

- A game in which players match numbered squares on a card with numbers called out✓ until someone wins by matching certain squares✓
- Usually played by several people in which numbers are selected at random are called out and the players cover the numbers on their individual cards✓ the first to cover a given arrangement is the winner✓
- Any other relevant answer related to bingo hall as a type of gambling.

Submax (4)**Internet gambling✓✓**

- Betting or playing game of chances for money using remote device such as tablet, computer✓ with an internet connection✓
- This includes virtual poker, casino✓ and other sports betting that are used via internet✓
- Any other relevant answer related internet gambling as a type of gambling.

Submax (4)**NOTE: Award learner for stating 2 examples to a maximum of 4 marks.****If explanation of 2 examples of gambling are provided award full marks.****Any other relevant answer related to different types of gambling.**

Max (4)



BREAKDOWN OF MARKS

| QUESTION 3 | MARKS |
|--------------|-----------|
| 3.1 | 4 |
| 3.2.1 | 2 |
| 3.2.2 | 4 |
| 3.3 | 6 |
| 3.4 | 4 |
| TOTAL | 20 |

QUESTION 4

4.1 Characteristics of Non-Profit company

- The main aim is to provide a service and not to make a profit. ✓✓
- They are funded by donations and foreign funding. ✓✓
- The name of the company must end in NPC. ✓✓
- All profits must be used for the primary objective of the NPC. ✓✓
- It must prepare a Memorandum of Incorporation. ✓✓
- Qualifying NPCs are granted tax-exempt status. ✓✓
- NPCs do not have share capital and cannot distribute shares or pay a dividend to their members ✓✓
- Any other relevant answer relating to characteristics of Non-profit company

NOTE: Mark only the first two (2).

(4)

4.2. Forms of ownership

4.2.1 Co-operative ✓✓

Partnership ✓✓

(2)

4.2.2 Disadvantages of Co-operative

- Difficult to grow ✓ a co-operative. ✓
- Shares are not freely ✓ transferable. ✓
- Very few promotion positions ✓ for staff. ✓
- Decisions are often difficult to reach ✓ and time-consuming. ✓
- It can be difficult to get a loan ✓ because their main objective is not always to make a profit. ✓
- The success of co-operatives depends on the support ✓ of the members. ✓
- Any other relevant answer relating to disadvantages of a co-operative

Disadvantages of the Partnership

- Partners might still find it difficult to raise capital ✓ as not all partners contribute cash. ✓
- Partners are jointly and severally liable for the actions of the other partners. ✓
- The partnership has no independent legal existence distinct from the partners ✓, it will be dissolved upon registration or death of one of the partners. ✓
- Partners do not have a separate legal personality ✓ the partners are personally liable for debts and losses incurred. ✓
- Different personalities and options of partners can lead to conflict ✓ and disagreements. ✓
- A partnership has unlimited liability ✓ which means that partners risk losing their personal possessions. ✓
- Discussion between partners can slow down decision-making ✓ and they may disagree on important business decisions. ✓
- Partnership lacks continuity, if one of the partners dies/retires, the partnership needs to dissolve ✓ and a new agreement has to be drawn up ✓
- Any other relevant answer relating to disadvantages of a partnership.

4.3. Socio economic issues

4.3.1. Counterfeiting ✓✓

4.3.2. Gambling ✓✓

(4)

4.4 Purpose of inclusivity in the workplace

- It seeks to redress the inequalities of the past ✓✓
- Try to ensure that the physical business setting makes provision for individuals with disabilities ✓✓
- Ensure that workplaces are created where people of different races, genders and religions can work together to the benefit of the business. ✓✓
- Ensure that their workforce is representative of the demographics of the country ✓✓
- The goal of inclusivity is to ensure that the business implements fair labour practices ✓✓

- Any other relevant answer related to the purpose of inclusivity in the workplace

(6)

[20]

BREAKDOWN OF MARKS

| QUESTION 4 | MARKS |
|--------------|-----------|
| 4.1 | 4 |
| 4.2.1 | 2 |
| 4.2.2 | 4 |
| 4.3.1 | 2 |
| 4.3.2 | 2 |
| 4.4 | 6 |
| TOTAL | 20 |



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SECTION C**QUESTION 5: BUSINESS VENTURES (FORMS OF OWNERSHIP)****5.1 Introduction**

- A clear distinction between profit and non-profit companies should be made a priority when choosing a form of ownership ✓
- Understanding the advantages of a public company helps in making informed decision. ✓
- Being knowledgeable about the characteristics of a private company beforehand may be helpful in the running of the business. ✓
- It is important to provide information on the positive impact of private company to ensure the sustainability of the business ✓
- Any other relevant answer related to the meaning of profit and non-profit company, advantages of public company, characteristics of private company and positive impact of private company

(2x1) (2)**5.2 Profit and Non-profit company**

| PROFIT COMPANY | NON-PROFIT COMPANY |
|--|---|
| <ul style="list-style-type: none"> • This company is formed with one aim of making a profit ✓✓ | <ul style="list-style-type: none"> • This company is formed for charity purposes or to promote social and cultural activities ✓✓ |
| <ul style="list-style-type: none"> • A company incorporated for financial gain for its shareholders. ✓✓ | <ul style="list-style-type: none"> • It relies on donations and grants from investors ✓✓ |
| <ul style="list-style-type: none"> • Profit organisations are responsible for paying taxes based on their profit. ✓✓ | <ul style="list-style-type: none"> • Non-profit organisations are not required to pay taxes on net income ✓✓ |
| <ul style="list-style-type: none"> • Name ending of the business depends on whether the company is public or private ✓✓ | <ul style="list-style-type: none"> • Name ending of the business have- NPC ✓✓ |
| <ul style="list-style-type: none"> • Any other relevant answer related to profit company | <ul style="list-style-type: none"> • Any other relevant answer related to non-profit company |
| Sub Max 6 | Sub Max 6 |

Max (12)**NOTE:**

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Please Turn Over

1. **The answer does not have to be in tabular form.**
2. **Award full marks if differences are clear**
3. **Award either profit company or non-profit company a maximum of TWO marks (Max 4)**

5.3 Advantages of Public Company

- Public companies enjoy the ability to raise funds✓ through the sale of the company's stock to the public✓
- The business has its own legal identity✓ and can own assets/property. ✓
- Managed by at least three competent✓, highly skilled directors. ✓
- Directors bring creative ideas✓ which encourage innovation/high productivity✓
- The ability to raise large amounts of capital✓ in public exchanges enables the company to carry out capital-intensive activities✓
- No limitation on the number of shareholders✓ so growth/expansion is not limited ✓
- Shareholders have limited liability✓ for the debt of the company and may lose only the amount invested in the business✓
- The management of the company can improve✓ since directors are accountable to shareholders and are also profit driven✓
- The public has access to information via Johannesburg stock exchange and this could motivate them to buy shares from a company. ✓
- Any other relevant answer relating to advantages of public company

Max (12)

5.4 Characteristics of Private Company

- A company can continue to trade even if one shareholder dies/resigns ✓, therefore it does not lack continuity. ✓
- It is managed at least by one competent highly skilled director ✓ which leads to maximised profit ✓
- Shareholders must agree to the sale of transfer of shares. ✓ first priority is given to existing shareholders ✓
- Information in a private company is only available to shareholders. ✓ it cannot be publicly shared ✓
- The company has its own legal identity ✓ and shareholders have no direct legal implications/limited liability. ✓
- A large amount of capital can be raised ✓ since there is no limit on the number of shareholders. ✓

- It is possible to sell a private company ✓ as it is a legal entity in its own right. ✓
- The management of the company can improve ✓ since directors are appointed by shareholders. ✓
- The company can access long-term capital ✓ and therefore has good long-term growth opportunities. ✓
- The company is a separate legal person so it may purchase assets in its name, they operate on a limited liability ✓
- Any other relevant answer relating to characteristics of private company

Max (12)

5.5 Positive impact of the Private Company

- A company can continue to trade even if one shareholder dies/resigns ✓✓
- It is managed at least by one competent highly skilled director ✓✓
- Shareholders must agree to the sale of transfer of shares ✓✓
- Shareholder's liability is restricted to the number of shares they own ✓✓
- Information in a private company is only available to shareholders ✓✓
- Not required to file annual financial statements with the commission ✓✓
- Shareholders can appoint the most capable directors to manage their company ✓✓
- The company has its own legal identity and shareholders have no direct legal implications/limited liability ✓✓
- A large amount of capital can be raised since there is no limit on the number of shareholders. ✓✓
- It is possible to sell a private company as it is a legal entity in its own right.
- The management of the company can improve since directors are appointed by shareholders. ✓✓
- The company can access long-term capital and therefore has good long-term growth opportunities. ✓✓
- Any other relevant answer relating to positive impact of private company

Max (10)

5.6 Conclusion

- The ability to clearly provides empowerment when making a decision to start a business. ✓✓
- Business owners must be clear about how the public company can help to achieve the business objectives. ✓✓

- Knowledge of the characteristics of the private company may help the prospective shareholder with its management and may benefit the business by raising more share capital.✓✓
- An intensive study of the positive benefits of the business may lead to the success of the business when they are optimally implemented.✓✓
- Any other relevant answer related to the meaning of profit and non-profit company, advantages of public company, characteristics of private company and positive impact of private company



(Any 1x2) (2)
[40]

BREAKDOWN OF MARK ALLOCATION

| Details | Maximum | Total |
|---|---------|-------|
| Introduction | 2 | 32 |
| Differences between profit and non-profit companies | 12 | |
| Advantages of a Public Company | 12 | |
| Characteristics of Private Company | 12 | |
| Positive impact of the Private Company | 10 | |
| Conclusion | 2 | |
| Insight | | |
| Layout | 2 | 8 |
| Analysis/interpretation | 2 | |
| Synthesis | 2 | |

LASO - For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

QUESTION 6: BUSINESS ROLES (SOCIO ECONOMIC ISSUES)

6.1 Introduction

- Social responsibility is one of the important aspects of the business operations, that businesses must pay attention to✓
- Socio economic issue may have a huge impact on the business operations, therefore the management of the business must make an effort to fully understand those challenges.✓
- Different socio-economic issues affect the business in different way, management must work with employees to minimise the impact.✓
- Businesses must deal with the negative impact of HIV that may affect the business✓

- Any other relevant answer related to meaning of social responsibility, reasons why socio-economic issues pose challenge to the business, impact of socio-economic issues in the business, negative impact of HIV/AIDS in the business

Any (2x1) (2)

6.2 Meaning of Social responsibility

- Individuals take responsibility for the effects of their behaviour and lifestyle on the environment and on others. ✓✓
- Social responsibility means that each person has a duty to act in the best interests of their environment and society as a whole. ✓✓
- An ethical viewpoint that says every individual/organisation has an obligation to benefit society as a whole. ✓✓
- An ethical viewpoint that says every organization has an obligation to benefit society as a whole. ✓✓
- The responsibility of every organization to contribute towards the well-being of the community and the environment in which they live. ✓✓
- Any other relevant answer relating to social responsibility.

Max (8)

6.3 Reasons why socio-economic issues pose a challenge to businesses.

- Businesses may not be well supported by customers because of their limited disposable income. ✓✓
- Absenteeism of employees affected by HIV/AIDS will result in a decrease in productivity of the business. ✓✓
- Counterfeiting will to a business lose lot of profit due to customers buying cheap goods. ✓✓
- Bootlegging and crime may lead to loss of profit for businesses in the long run. ✓✓
- Businesses may feel pressurised to offer corporate social responsibility projects in disadvantaged communities. ✓✓
- This in turn could lead to increased business costs and decreased profitability. ✓✓
- Socio economic issues affect consumer spending due to poverty and unemployment. ✓✓
- Challenges place an extra burdens and expenditure of the business as they need to come up with policies that will address socio economic issues affecting the business. ✓✓
- Business located in places with high crime rate will have to spend more on security. ✓✓

- Business that employed employees that are addicted in gambling may be less productive✓✓
- Any other relevant answer related to why socio-economic issues pose challenge to business

Max (14)**6.4 Impact of the following socio-economic issues on businesses****6.4.1 Bootlegging**

- Businesses will be affected negatively✓ due to loss of sales. ✓
- The business will sell fewer authentic products, ✓ which will lead to lower profits for the business. ✓
- Businesses expenditure may be increased ✓ due to legal costs if legal action needs to be implemented. ✓
- Business image will be tarnished ✓ because of low quality product sold in the name of the business✓
- Increase expenses✓ when business take legal actions✓
- Any other relevant answer related to impact of bootlegging

(Sub Max 6)**6.4.2. Crime**

- Violence and crime have an upsetting effect✓ on people and their mental health. ✓
- Staff productivity✓ is reduced at work therefore reduce profitability of the business.✓
- Employees may require counselling after the occurrence✓ of an incident thereby increasing business costs. ✓
- Incidences that may occur will result in higher security costs✓ for the business. ✓
- Customers may not support businesses in crime hotspots due to feeling unsafe✓ and this could result in decreased profits for the business. ✓
- Loss of profit✓ due to stolen goods from business✓
- Insurance costs become expensive✓ and decrease business profit✓
- Any other relevant answer related to the impact of crime on businesses.

(Sub Max 6)**(Max 12)****6.5 Negative impact of HIV/Aids on businesses.**

- Being infected with HIV can lead to: reduced productivity of affected employees✓✓
- Increased employee absenteeism because of medical appointments for doctor or clinic visits. ✓✓
- Profit will be lower as productivity decreases✓✓
- Trained and experienced employees often die due to complications caused by HIV✓✓
- This in turn creates additional expenses for businesses when they need to hire and train new employees. ✓✓
- Businesses face high levels of nonattendance of employees who become ill or request to attend funerals✓✓
- Business needs to invest money in programmes to educate the workers regarding AIDS✓✓

- Employees may experience low morale because of sick colleagues, this could lead to a decrease in productivity as workloads increase✓✓
- The business will be affected adversely and this could lead to a decline in profit✓✓
- Lose skilled workers, causes an increase in staff turnover for the business✓✓
- Staff morale might be low as they are concerned about their health thus lowering productivity✓✓
- Any other relevant answer related to negative impact of HIV/Aids on businesses.

(Max 12)

6.6 Conclusion

- The Social responsibility may gain the recognition that may help then in the near future operations✓✓
- The socio-economic must be addressed by the business because they can cause more challenges for the business operations.✓✓
- Crime and bootlegging will impact businesses negatively so business must involve all stakeholders to address it. ✓✓
- The business that optimally support their employees with regards to HIV/AIDS matters may ensure sustainability in the business.✓✓
- Any other relevant answer related to meaning of social responsibility, reasons why socio-economic issues pose challenge to the business, impact of socio-economic issues in the business, negative impact of HIV/AIDS in the business

Any (1x2) (2)

BREAKDOWN OF MARK ALLOCATION

| Details | Maximum | Total |
|---|---------|-------|
| Introduction | 2 | 32 |
| Meaning of Social responsibility | 8 | |
| Reason why socio-economic issues pose a challenge to businesses | 14 | |
| Impact of Strike and Counterfeiting as socio-economic | 12 | |
| Negative impact of HIV/Aids on businesses | 12 | |
| Conclusion | 2 | 8 |
| Insight | | |
| Layout | 2 | |
| Analysis/interpretation | 2 | |
| Synthesis | 2 | |
| Originality/ examples | 2 | 40 |
| TOTAL MARKS | | |



LASO - For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

