



KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA



**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

BUSINESS STUDIES P1

COMMON TEST

JUNE 2024

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MARKS : 150

TIME : 2 Hours

This question paper consists of 11 pages.



INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of **THREE** sections

SECTION A: COMPULSORY

SECTION B: Consists of **THREE** questions

Answer any **TWO** of the **THREE** questions in this section.

SECTION C: Consists of **TWO** questions

Answer **ONE** of the **TWO** questions in this section.

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

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

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

SECTION A (COMPULSORY)**QUESTION 1**

- 1.1 Various options are provided as possible answers to the following questions. Write down the question number (1.1.1–1.1.5) and the correct letter next to it ONLY. Example: 1.1.6 A**

1.1.1 A business has less control over the ... environment.

- A. macro
- B. mecro
- C. market
- D. micro

1.1.2 The way of forming power relations on how businesses can get credit easily is, through....

- A. strategic alliance
- B. persuasion of large investors
- C. influencing company representatives
- D. influencing government representatives

1.1.3 Danganya clinic operates in the ... sector as it offers auxiliary services to the public.

- A. primary
- B. formal
- C. secondary
- D. tertiary

1.1.4 In ... pricing, prices are set lower than the item's cost to attract customers into the shop to buy the product and other items.

- A. bait
- B. skimming
- C. promotional
- D. customer

1.1.5 The ... stage involves issuing production orders to start production.

- A. inspection
- B. follow-up
- C. dispatching
- D. corrective action

(5x2) (10)

1.2 Complete the following statements by using the word(s) in the list below. Write only the word(s) next to the question number (1.2.1–1.2.5) in the ANSWER BOOK.

pricing; takeover; loading; patent; product; go-slow; routing;
merger; copyright; lockout

1.2.1 A ... occurred when Majola Munchies (Pty) Ltd and Shaba Snacks (Pty) Ltd agree to combine to form one business.

1.2.2 Big Boss Manufacturers prevented Milton Manufacturers from producing automatic leather seats as they obtained a ... right for their products.

1.2.3 An industrial action by employees against their employer, in which the work pace is reduced is known as

1.2.4 The ... policy is set after considering the competitive situation in the market environment.

1.2.5 Management uses ... to determine the best and cheapest way to sequence the production process.

(5x2) (10)

- 1.3** Choose a description from **COLUMN B** that matches a term in **COLUMN A**. Write only the letter (A – J) next to the question numbers (1.3.1 to 1.3.5) in the **ANSWER BOOK**, e.g. 1.3.6. K.

COLUMN A	COLUMN B
1.3.1 Networking	A. Employee organisation that focuses on improving working conditions.
1.3.2 Power relationships	B. These goods usually have specific brand names.
1.3.3 Trade unions	C. Benefitting businesses by trying to influence government policies.
1.3.4 Shopping goods	D. A framework that businesses use to manage key processes, and to ensure that they meet the correct standard.
1.3.5 Quality management systems	E. An extent in which a business shows an ability to control its environment and behaviour of other businesses.
	F. Includes the inspection of the final product to ensure that it meets the required standards.
	G. Can be formed when the business has 100 employees or more.
	H. Benefitting businesses by making connections using business website platforms.
	I. These goods are more expensive than convenience goods.
	J. Relationship between the management/ employer and workers/employees.

(5x2) (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, for example QUESTION 2 on a NEW page, QUESTION 3 on a NEW page, et cetera.

QUESTION 2: BUSINESS ENVIRONMENTS

- 2.1 Outline FOUR components of the macro environment. (4)
- 2.2 Read the scenario below and answer the questions that follow.

ISIZIBA ENTERPRISE(IE)

Isiziba Enterprise sells a variety of products to different customers. IE always receives stock late from Smart Wholesalers. The management of IE has difficulty in dealing with unproductive employees.

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Use the TABLE below as a GUIDE to answer QUESTION 2.2.1 – 2. 2.3

CHALLENGES 2.2.1	BUSINESS ENVIRONMENT 2.2.2	EXTENT OF CONTROL 2.2.3

- 2.2.1 Quote TWO challenges for IE from the scenario above. (2)
- 2.2.2 Classify IE's challenges according to the business environments. (2)
- 2.2.3 State the extent of control that IE have over EACH business environment named in QUESTION 2.2.2. (2)
- 2.3 Elaborate on the meaning of lobbying. (6)
- 2.4 Discuss reasons why businesses lobby. (6)
- 2.5 Explain the advantages of networking. (6)

2.6 Identify ways in which businesses can form power relations from the following statements/scenarios:

2.6.1 Businesses invite powerful influential people to sit on their board of directors in order to get advice from those people. (2)

2.6.2 Businesses must invest time and energy to recruit the right person for this job. (2)

2.6.3 Businesses form partnership agreements to benefit from each other's involvement. (2)

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

[40]



QUESTION 3: BUSINESS OPERATIONS

- 3.1 Outline any THREE components of the marketing communication policy. (6)
- 3.2 Define the meaning of distribution. (4)
- 3.3 Read the scenario below and answer the questions that follow.

RISOZAN MANUFACTURERS (RM)

Risozan manufacturers (RM) produces antique furniture at affordable prices. Their customer base is predominantly located in Durban and Johannesburg. RM uses courier companies to get their products to customers. RM has also insured all their antique furniture, to safe guard themselves from any unforeseen circumstances.

- 3.3.1 Identify TWO marketing activities from the scenario above. Motivate your answer by quoting from the scenario. (6)

Use the table below to as a guide to answer QUESTION 3.2.1

MARKETING ACTIVITIES	MOTIVATION
1.	
2.	

- 3.3.2 Discuss the role of the marketing function. (6)
- 3.4 Read the scenario below and answer the questions that follow.

TITAN TRADERS (TT)

Titan traders (TT) buys and sells a variety of goods. Both the marketing manager and public relations officer of TT, has advised the general manager to use the various form of mass media to communicate/advertise their products.

- 3.4.1 Elaborate on the meaning of publicity. (4)
- 3.4.2 Advise businesses on the role of public relations in publicity. (4)
- 3.5 Explain the meaning of intermediaries. (6)
- 3.6 Suggest reasons why manufacturers may prefer to make use of direct distribution methods. (4)

[40]

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 Name any TWO examples of contemporary legislation that may affect the business. (2)

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

EARLYBIRD TELEVISIONS(ET)

Earlybird Televisions(ET) specialise in the manufacturing of smart televisions sets. They signed a contract with Kay Distributors (KD) to deliver their products to customers. ET wants to implement strategies for sustainable growth in the market.

4.2.1 Identify the type of the business sector in which ET and KD operate. Motivate your answer by quoting from the scenario above. (6)

Use the table below as a GUIDE to answer QUESTION 4.2.1

	BUSINESS SECTOR	MOTIVATION
Earlybird Televisions (ET)		
Kay Distributors (KD)		

4.3 Explain the negative impact of strikes on businesses. (6)

4.4 Advise businesses on the purpose of Labour Relations Act. (4)

BUSINESS OPERATIONS

- 4.5 State any ONE factors that influence pricing. (1)
- 4.6 Read the scenario below and answer the questions that follow.

HURRAY MANUFACTURERS (HM)

Hurray Manufacturers (HM), manufactures and sells party accessories. The manager of HM adds a profit percentage to the cost of an item, when determining the price at which the item will be sold. HM also makes sure the packaging used suits the item being sold.

- 4.6.1 Identify the pricing technique used by HM from the scenario above.
Motive your answer by quoting from the scenario. (3)

Use the table below as a guide when answering QUESTION 4.6.1.

PRICING TECHNIQUE	MOTIVATION
1.	

- 4.6.2 Explain the following pricing techniques:
- 4.6.2.1 Penetration pricing (4)
- 4.6.2.2 Psychological pricing (4)
- 4.7 Discuss the requirements of a good trade mark. (6)
- 4.8 Advise businesses on the importance of pricing. (4)

TOTAL SECTION B: [40]
[80]

SECTION C

Answer **ONE** question in this section.

NOTE: Clearly indicate the QUESTION NUMBER of the chosen question.

The answer to EACH question must start on a NEW page, for example
QUESTION 5 on a NEW page, QUESTION 6 on a NEW page, etcetera.

QUESTION 5: BUSINESS ENVIRONMENTS

Businesses operations are influenced by the three business environments. The components of the micro environment are easily controlled by businesses as it is within their operations. A business sometimes is unable to control the challenges it faces from the market environment and have to find ways to adapt to these challenges. It is important for businesses to overcome competition in the market.

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

- Elaborate on the meaning of micro environment.
- Explain why businesses have more control over the micro environments / less control over market environment.
- Discuss any FOUR challenges of the market environment.
- Recommend ways in which businesses can overcome competition in the market.

[40]

QUESTION 6: BUSINESS OPERATIONS

It is important for business to understand the reasons as to why they must manage safety in the workplace. Business managers should also know the requirements for a safe environment. Precautionary measures should be taken when handling machinery. All businesses should ensure that they comply with Occupational Health and Safety Act (OHSA).

Write an essay on production function, in which you take the following into account:

- Outline the reasons why businesses must manage safety in the workplace.
- Explain the requirements for a safe environment.
- Discuss precautionary measures that businesses should take when handling machinery.
- Suggest ways in which businesses can comply with the Occupational Health and Safety Act.

**[40]****TOTAL SECTION C: [40]****TOTAL MARKS: [150]**



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JUNE 2024

MARKING GUIDELINE

MARKS : 150

TIME : 2 Hours

These marking guidelines consist of 25 pages.

NOTES TO MARKERS

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

1. For marking and moderation purposes, the following colours are recommended:

Marker:	Red
Senior Marker: Deputy	Green
Chief Marker: Chief	Brown
Marker: Internal	Pink
Moderator: DBE	Orange
Moderator:	Turquoise

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

2.1 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.'✓

2.2 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.

3. 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:

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

3.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, justify, 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.

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

5. SECTION B

- 5.1 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 applies only to questions where the number of facts is specified.

- 5.2 If two facts are written in one sentence, award the candidate FULL credit. Point 14.1 above still applies.

5.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers.

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

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

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

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

5.4.2 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.

5.5 **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).**

6. **SECTION C**

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

6.2 Insight consists of the following components:

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? 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-questions) of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum ONE (1) mark for synthesis. Option 3 : Some relevant facts: 1 mark (One '-S') Where a candidate writes FOUR sub-questions, but one/two/three sub-question with irrelevant 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	
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
TTAL 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.

- 6.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, -S and/or O').
- 6.4 The breakdown of marks is indicated at the end of the suggested answer/markings guideline to each question.
- 6.5 Mark all relevant facts until the SUB MAX/MAX mark in a subsection has been attained. Write SUB MAX/MAX after maximum marks have been obtained, but continue reading for originality "O".
- 6.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

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

- 6.7 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.)
- 6.8 If the candidate identifies/interprets the question **INCORRECTLY**, then he/she may still obtain marks for layout.
- 6.9 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.

6.10



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.

6.11

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✓✓

1.1.2 B✓✓

1.1.3 D✓✓

1.1.4 A✓✓

1.1.5 C✓✓

(5 x 2) (10)

1.2

1.2.1 merger✓✓

1.2.2 patent✓✓

1.2.3 go-slow✓✓

1.2.4 pricing✓✓

1.2.5 routing✓✓

(5 x 2) (10)

1.3

1.3.1 H✓✓

1.3.2 E✓✓

1.3.3 A✓✓

1.3.4 I✓✓

1.3.5 D✓✓

(5 x 2) (10)

TOTAL SECTION A: [30]**BREAKDOWN OF MARKS**

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B**Mark ONLY the FIRST TWO questions answered in this Section.****QUESTION 2: BUSINESS ENVIRONMENTS****2.1 Components of the macro environment.**

- Physical / Natural ✓
- Economic environment ✓
- Social/ Cultural/Demographic environment ✓
- Technological environment ✓
- Legal / Political environment ✓
- International / Global environment ✓
- Institutional environment ✓
- Any other relevant answer related to components of the macro environment

Note: Mark the first FOUR components only.**Max (4)****2.2**

CHALLENGES	BUSINESS ENVIRONMENT	EXTENT OF CONTROL
2.2.1	2.2.2	2.2.3
IE always receives stock late from Smart Wholesalers. ✓	Market environment ✓	Less control /Little/Partial/Limited ✓
The management of IE has difficulty in dealing with unproductive employees. ✓	Micro environment ✓	Full control ✓
Sub max (2)	Sub max (2)	Sub max (2)

NOTE:

1. If the business environment is not linked to the challenge, mark the challenge only.
2. Award full marks for the business environment even if the challenge is not quoted in full.
3. The extent of control must be linked to the business environment.
4. Do not award marks for the extent of control if the business environment is not mentioned.
5. Accept responses in any order.

Max (6)

2.3 Meaning of lobbying

- The act/ process of attempting to influence government leaders/ officials✓ to create legislation or change government policy. ✓
- It is an organized process✓ where individuals , businesses, and organisations use their influence to change government policy. ✓
- It is done by different people ✓with similar ideas/ beliefs/ motives or commercial positions. ✓
- It involves an attempt by businesses ✓to try and influence situations to meet their specific needs and objectives. ✓
- Businesses try to influence✓ legislation or the government decision – making process. ✓
- Any other relevant answer related to the meaning of lobbying.

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Max (6)

2.4 Reasons why businesses lobby

- Businesses lobby their regulator or supervisory body✓ in order to try influence prices, policies, regulations and other decisions made by the regulator or the supervisory body. ✓
- Businesses or people lobby or change laws ✓ like, child labour laws, clean air and water laws, municipal regulations, etc. ✓
- Their views are important and heard, ✓ thus making a difference and giving solutions to business challenges. ✓
- Lobbying advances ✓ what the business must deliver on and builds public trust. ✓
- Lobbying helps to find solutions✓ to emerging generic challenges. ✓
- Any other relevant answer related to the reasons why businesses lobby.

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Max (6)

2.5 Importance/Advantages/Benefits of networking

- Businesses can attract new customers✓ resulting to 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 answers related to importance /advantages/benefits of networking.

Max (6)**2.6 Ways businesses can form power relations**

2.6.1 Persuasion of large investors ✓✓ (2)

2.6.2 Company representatives' influence ✓✓ (2)

2.6.3 Strategic alliance/Partnership agreements ✓✓ (2)

Max (6)**2.7 Ways in which the business can have a direct influence on the environment**

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

Max (6)**[40]**

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1.	4
2.2.1	2
2.2.2	2
2.2.3	2
2.3	6
2.4	6
2.5.1	2
2.5.2	2
2.5.3	2
2.6.1	2
2.6.2	2
2.6.3	2
2.7	6
TOTAL	40

QUESTION 3: BUSINESS OPERATIONS**3.1 Components of the marketing communication policy**

- Sales promotion✓✓
- Advertising✓✓
- Publicity✓✓
- Personal selling✓✓

Max (6)**Note: Mark the first THREE only.****3.2 Meaning of distribution**

- Distribution (place) is the fourth P✓ of the marketing mix. ✓
- Distribution is about how the business gets its goods/services✓ to its customers. ✓
- Products either get sold directly to customers✓, or intermediaries (middlemen) are used. ✓
- Any other relevant answer related to meaning of distribution.

Max (4)**3.3****3.3.1**

MARKETING ACTIVITIES	MOTIVATION
1. Transport✓✓	RM uses courier companies to get their products to customers. ✓
2. Risk-bearing✓✓	RM has also insured all their antique furniture, to safe guard themselves from any unforeseen circumstances. ✓
Sub max (4)	Sub max (2)

Max (6)**NOTE : 1. The answer does not have to be in tabular format.****2. Awards marks for the marketing activities even if there is no motivation.****3. Do not award marks for motivations, if marketing activities were incorrectly identified.**

3.3.2 Role of the marketing function

- Identify the needs of customers✓ and determine the value they place on getting those needs satisfied. ✓
- Share information gathered from customers with the production function✓ to ensure that the products/services offered meet the customers' expectations ✓
- Promote the products/services that the business offers✓ to potential clients/customers. ✓
- Provide feedback from customers✓ about the business' products/services and identify areas of improvement. ✓
- Shape the experience customers have after the products/services✓ are delivered to them. ✓
- Any other relevant answer related to role of the marketing function.

Max (6)

3.4

3.4.1 Meaning of publicity

- Publicity can be described as a free form of non-personal communication✓ that a business and its products and services can receive through various forms of mass media. ✓
- Publicity creates public awareness of the business✓, its products and services through media coverage and other forms of communication. ✓
- It refers to unpaid communication in the mass media✓ about the business and its operations. ✓
- Publicists help manage the publicity of the business✓ to increase positive publicity and reduce the impact of negative publicity on the business. ✓
- It is a form of mass communication that is not paid for by the business ✓ and involves gaining responses from customers through the placement of commercially significant news in the mass media. ✓
- Publicity is not paid for by the business✓ and comes from journalists and other members of the press. ✓
- It is often considered to be part of the public relations✓ of the business. ✓
- Publicity places the business in front of the media outlets✓ for the business to showcase its products and services. ✓

- Publicity is important because it helps the business increase awareness✓ while establishing a worthwhile business from which to purchase products and services. ✓
- Publicity provides the authority of an independent voice✓, as the business cannot control the message provided about the business from members of the media. ✓
- Any other relevant answer related to meaning of publicity.

Max (4)

3.4.2 Role of public relations in publicity

- Public relations aims to present a favourable image of the business and its products and services. ✓✓
- Public relations strives for members of the external stakeholders to view the business in a positive light. ✓✓
- There is a direct link between public relations and publicity. ✓✓
- Public relations is concerned with strategic management of information to ensure that the business achieves specific communication goals. ✓✓
- Public relations plays a critical role in developing positive publicity and minimising the effects of negative publicity on the business. ✓✓
- The business can decide to manage its own public relations function or outsource public relations services from an outside vendor because of specialised knowledge. ✓✓
- The public relations function develops sound relationships with members of the media. ✓✓
- The public relations function provides regular information to the media about the business, its products, services and general business activities. ✓✓
- The public relations function and marketing function are interconnected and aim to establish and build brand loyalty. ✓✓
- Any other relevant answer related to role of public relations in publicity.

Max (4)

3.5 Meaning of intermediaries

- All the people that fall into the distribution process✓ between the producer and the consumer. ✓
- They are middlemen and act as negotiators and mediators✓ between the producer and the consumer. ✓
- Intermediaries can be wholesalers, ✓ retailers, agents and brokers. ✓

- They are responsible for the transportation, storage and delivery✓ of the goods and services. ✓
- The organisations involved in the distribution channel✓ are known as intermediaries. ✓
- Any other relevant answer related to the meaning of intermediaries.

Max (6)

3.6 Reasons why manufacturers may prefer to make use of direct distribution method

- Manufacturers have control over the product and marketing. ✓✓
- They achieve better end-user price as there are no intermediary costs. ✓✓
- The business does not need to share its profit margin with intermediaries. ✓✓
- Products become very expensive once all the intermediaries have added their own mark-ups. ✓✓
- There is direct contact with the target market for feedback and improvements✓✓
- Sales staff provide customer information for future market research. ✓✓
- Selling through the internet allows smaller businesses to market their products all over the world. ✓✓
- Businesses' websites can serve as both a distribution method and a promotion method. ✓✓
- Well trained sales staff are able to promote products effectively and establish good relationships with customers. ✓✓
- Suitable intermediaries may not be available/intermediaries may not be willing to sell the particular product on behalf of the manufacturer. ✓✓
- Any other relevant answer related to reasons why manufacturers may prefer to make use of direct distribution method.

Max (4)

**BREAKDOWN OF MARK ALLOCATION**

3.1	6
3.2	4
3.3.1	6
3.3.2	6
3.4.1	4
3.4.2	4
3.5	6
3.6	4
TOTAL	40

QUESTION 4: MISCELLANEOUS**BUSINESS ENVIRONMENTS****4.1 Examples of contemporary legislation**

- National Credit Act ✓
- Consumer Protection Act ✓
- Employment Equity Act ✓
- Broad Based Black Economic Empowerment Act ✓
- Basic Conditions of Employment Act ✓
- Labour Relations Act ✓
- Skills Development Act ✓
- Compensation for Occupational Injuries and Diseases Act/COIDA ✓

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

4.2.1

	BUSINESS SECTOR	MOTIVATION
Earlybird Televisions	Secondary sector✓✓	Earlybird Televisions(ET) specialise in the manufacturing of smart televisions sets. ✓
Kay Distributors	Tertiary sector✓✓	They signed a contract with Kay Distributors (KD) to deliver their products to customers. ✓
	Sub max (4)	Sub max (2)

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

2. Awards marks for business sectors even if there is no motivation.

3. Do not award marks for motivations, if business sectors were incorrectly identified.

Max (6)

4.3 Negative impact of strikes on businesses

- Strikes leads to loss of productivity ✓ and decreases economic growth. ✓
- Loss of revenue ✓ and financial loss on business operations. ✓
- Looting, destruction of business property/infrastructure ✓ and intimidation of non-striking workers. ✓
- Businesses has to hire employees to replace striking workers✓ and increases the training costs of new employees. ✓
- Businesses may lose market shares/customers to competitors ✓ during the period of a strike. ✓
- Strikes can lead to business to shut down ✓ spells disaster to both parties. ✓
- The image/reputation of the business✓ might be damaged. ✓
- Limited availability ✓ of labour. ✓
- Relations between management and workers ✓ are negatively affected. ✓
- The supplies of goods and services ✓ are interrupted. ✓
- Prices sometimes increase ✓ to offset the costs incurred by the strike. ✓
- May lead to unhealthy working relationships✓ between management and workers. ✓
- Any other relevant answers related to the negative impact of strikes on businesses.

Max (6)

4.4 Purpose of the Labour Relations Act (LRA)

- The act provides the structure for governing the relations between an employer and their employees. ✓✓
- It encourages collective bargaining processes to take place in the workplace. ✓✓
- It also encourages the establishment of workplace forums to support employees in decision-making. ✓✓
- The act further encourages fair labour practices between the employer and its employees ✓✓
- It makes provision for the establishment of the Labour and Labour Appeal Courts and allows for the establishment of the Commission for Conciliation, Mediation, and Arbitration (CCMA) for dispute resolutions. ✓✓
- The transfer of employment contracts between the existing and new employers is explained. ✓✓
- Provides a framework where the employees, trade unions, and employers work together to discuss matters relating to employment, e.g. wages, and conditions of employment. ✓✓
- Promotes orderly negotiations and employee participation in decision-making in the workplace. ✓✓
- Promotes resolution of labour disputes. ✓✓
- Provides simple procedures for the registration of trade unions and employers' organizations. ✓✓
- Regulates the rights of trade unions and facilitates collective bargaining. ✓✓
- Regulates the effectiveness of bargaining councils and statutory councils. ✓✓
- Establishes workplace forums to promote the interest of all employees in the workplace whether they belong to the trade union or not. ✓✓
- Endorses the right to strike against retrenchments, and facilitates labour disputes. ✓✓
- Clarifies the transfer of contracts of employment procedures. ✓✓
- Any other relevant answer related to the purpose of the Labour Relations Act (LRA)

Max (4)

BUSINESS OPERATIONS**4.5 Factors that influence pricing**

- Input cost✓
- Demand for the product✓
- Target market✓
- Type of product✓
- Availability of substitute products ✓
- The economic climate and availability of goods

(1 x 1) (1)**Note: Mark the first ONE only.****4.6.1**

PRICING TECHNIQUE	MOTIVATION
1. Cost-based/orientated pricing✓✓	• The manager of HM adds a profit percentage to the cost of an item, when determining the price at which the item will be sold. ✓

NOTE : 1. The answer does not have to be in tabular format.**2. Awards marks for the pricing technique even if there is no motivation.****3. Do not award marks for motivation, if pricing technique is incorrectly identified.****Sub Max (3)****4.6.2.1 Penetration pricing**

- Penetration pricing happens when products are sold at very low prices✓ to attract consumers to products that are being introduced into the market. ✓
- The aim is to convince customers to buy the product✓, and 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. ✓
- Any other relevant answer related to penetration pricing.

Sub max (4)

4.6.2.2 Psychological pricing

- Psychological pricing uses the customers' emotional response✓ to encourage sales. ✓
- The idea behind it is that customers will read the slightly lower price✓ and consider it to be lower than the price is. ✓
- For example, the avocados and apples are priced at R6,99 and R24,99 respectively✓, instead of R7,00 and R25,00. The customers mentally view the item as cheaper. ✓
- Any other relevant answer related to psychological pricing.



Sub max (4)

Max (8)

4.7 Requirements of a good trade mark

- A trademark must be attractive✓ for the consumer. ✓
- It is important that it suits✓ the product. ✓
- The trademark must be suitably designed✓ for the target market. ✓
- It must be different✓ from its competitors. ✓
- It must also promote the image✓ of the enterprise. ✓
- Enterprises use it for display✓ and therefore it must be suitable for display purpose. ✓
- It must be possible to link the product✓ to its promotion strategy. ✓
- It must indicate the name and contact details✓ of the manufacturer. ✓
- Any other relevant answer related to requirements of a good trade mark.

Max (6)

4.8 Importance of pricing

- It defines the value of the product in terms of production costs and customer use. ✓✓
- It is a tangible price point that lets customers know whether the product will be worth their time and investment. ✓✓
- The pricing process needs to consider flexibility/discount/territory/life cycle status/allowance. ✓✓
- The price of a product can influence the consumers' attitude towards the product or the brand. ✓✓
- Pricing too high may have a negative impact/decrease in sales. ✓✓
- If the price is too low, consumers may perceive the product as being of poor quality. ✓✓

- The price of a product must make provision for transport costs. ✓✓
- The price of a product should take the VAT into account. ✓✓
- Any other relevant answer related to importance of pricing.

Max (4)

[40]

**BREAKDOWN OF MARK ALLOCATION**

4.1	2
4.2.1	6
4.3	6
4.4	4
4.5	1
4.6.1	3
4.6.2.1	4
4.6.2.2	4
4.7	6
4.8	4
TOTAL	40

SECTION C**QUESTION 5: BUSINESS ENVIRONMENTS****5.1 Introduction**

- Managers should be able control the micro environment, to ensure the efficient running of the business.. ✓
- Business managers should be advised of why they have more control over the micro environment and less control over the market environment, in order to manage the business properly. ✓
- Businesses should be able to identify the challenges of the market environment, in order to stay ahead of their competitors. ✓
- Business must find different ways to overcome competition in the market. ✓
- Any other relevant introduction related to the business environment.

Any (2x1)(2)**5.2 Meaning of the micro environment**

- The micro environment is the internal business environment✓ it includes everything inside the business. ✓
 - All the internal affairs of the business are managed by directors✓ or the owners of the business. ✓
 - The micro environment✓ is also known as the internal operating system. ✓
 - A business has full control / complete control✓ over the micro environment. ✓
- Any other relevant answer related to the meaning of the micro environment.

Max (8)**5.3 Reasons why businesses have full control over the micro-environment**

- Businesses establish✓ and revise its vision, mission statement, goals, and objectives in line with current trends. ✓
- Businesses engages strategic management systems✓ and ensures that plans are implemented and revised when necessary. ✓
- They establish policies, procedures, and management structures✓ that could move the business in the right direction. ✓

- They also ensure that all the business' resources✓ are used efficiently and effectively to the benefit of the business. ✓
- Businesses are ensuring that all employees understand the culture of the business,✓ and are working toward the agreed goals and values that accommodate all the stakeholders of the business. ✓
- Businesses are leading employees, organising and directing their activities, and controlling their actions✓ to achieve the goals and objectives of the business. ✓
- Any other relevant answer related to reasons why businesses have full control over the micro-environment.

Max (10)**OR****Reasons why businesses have limited control over the market environment.**

- A business only has limited control over the market environment ,✓ but in some cases , it is possible to influence and shape some components in this environment.. ✓
- Market environment for a business includes✓ company related influences.✓
- The market environment refers to influences that have an impact on the success✓ in forming and keeping a sustainable business such as competition and suppliers✓
- Businesses can influence their competitors✓ by increasing the quality of their products✓ in relation with competitor prices✓
- The opposite can also be that suppliers' raw materials✓ can influence the quality of business products✓
- Any other relevant answer related to reasons why businesses have limited control over the market environment.

Max (10)**5.4 Challenges of the market environment****5.4.1 Shortages of supply✓✓**

- Essential for a business to have a regular supply ✓ of all the materials that are inputs in the production process. ✓
- Any shortage ✓ can have a seriously negative effect on production and profits. ✓
- Dissatisfied customers can damage the reputation ✓ and threaten the future of the business. ✓
- The business needs to plan and communicate ✓ well so that any change in goods and services needed is fulfilled on time. ✓
- Any other relevant answer related to shortage of supply.

Challenge(2)
Explanation(2)
Submax. (4)

5.4.2 Competition ✓✓

- Other businesses which sell similar/substitute products ✓ pose a problem to/threaten the success of a business. ✓
- Consumers will buy ✓ from the business where they get the most value for their money. ✓
- If a business is not able to match the quality of service/products ✓ and the price of its competitors, it will be in real danger. ✓
- Businesses could find that they are unable to make sufficient profit ✓ when the demand is not high enough to support the supply of the same goods/ services. ✓
- The business must ensure that it differentiates itself from its competitors ✓ in order to gain a competitive advantage. ✓
- The challenges around competitors can be industry rivalry ✓ where businesses aim to sell more than competitors, new entrants with better products/cheaper or better substitutes ✓
- Businesses should be aware of competitors ✓ and their prices/influences/operation. ✓
- Any other relevant answer related to strong competition.

Challenge(2)**Explanation(2)****Submax. (4)****5.4.3 Changes in consumer behaviour ✓✓**

- A business is dependent on its customers ✓ /to purchase its products. ✓
- Consumers are influenced by many factors ✓ / and are mostly unpredictable in their buying behaviour. ✓
- Consumers' preferences and tastes can change ✓ / as fashions change and as technology advances. ✓
- Changes in consumer behaviour, spending habits, tastes and preferences ✓ present an ongoing challenge to businesses. ✓
- The challenges include keeping up with changes in consumer tastes and demand by doing research ✓, finding ways to influence consumer demand /and /conducting /advertising /campaigns /and consumer surveys. ✓
- Businesses should be aware of and understand changes in demand ✓ and the behavioural patterns of consumers and adjust accordingly. ✓
- Any other relevant answer related to changes in consumer behaviour.

Challenge(2)**Explanation(2)****Submax. (4)**

5.4.4 Demographics and psychographic ✓✓

- Consumers' attitude, interest, opinions and lifestyle ✓ determine the characteristics of the consumer. ✓
- It is difficult to determine the demographics/psychographics of the target market ✓ because they change frequently. ✓
- Business should be aware of the diversity of the markets ✓ and the cultural and social influences on the choices people they make. ✓
- The challenges include collecting/interpreting information about the target market ✓ and to use the data to develop a marketing strategy. ✓
- Business need to study the attitudes, tastes and desires ✓ of the market. ✓
- The demographics and psychographics can change quickly and businesses need to change just as quickly ✓ if they want to retain their customers. ✓
- Any other relevant answer related to demographics and psychographic.

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Challenge(2)**Explanation(2)****Submax. (4)****5.4.5 Socio-cultural factors ✓✓**

- Social-cultural factors describe the common behaviour and attitudes ✓ of a particular society. ✓
- As society changes ✓ so will the cultural values and practices of individuals. ✓
- Business must be aware of change ✓ and that they can avoid threats and take advantage of the new opportunities that the change may present. ✓
- Business should be aware of social trends and influential campaigns ✓ that promote buying. ✓
- The challenge is to gather information about changes ✓ and to respond to them by adapting practices to maintain and increase its customer base. ✓
- Any other relevant answer related to socio-cultural factors.

Challenge(2)**Explanation(2)****Submax. (4)****Max (16)****Mark the first FOUR (4) only.**

5.5 Ways in which businesses can overcome competition in the market

- Businesses must ensure that they produce unique/ differentiated goods or services for the target market. ✓✓
- Businesses need to provide more personalised services by being responsive to their customer's needs/ wants. ✓✓
- Goods / services must be priced lower than competitor's goods/ services in the market. ✓✓
- Businesses must produce high quality goods / services that the customers might be interested in. ✓✓
- Create a positive image / publicity through regular engagements in community development projects. ✓✓
- Businesses must improve on customer services and keep customers happy. ✓✓
- Businesses must create a positive outlook by regularly renovating their premises and improving their systems. ✓✓
- Businesses must undertake good marketing campaigns that will draw the attention of the target market. ✓✓
- Businesses must offer low-cost extras such as improved credit terms/discounts/loyalty schemes etc. ✓✓
- Businesses must ensure that they have well-trained and dedicated employees that create a better working atmosphere. ✓✓
- Any other relevant answer to the ways in which businesses can overcome competition in the market

Max (12)

5.6 Conclusion

- General managers have full control over all components/departments of the micro environment and should ensure the efficient running of the business. ✓✓
- Businesses can influence the business environments in one way or the other, and need to take into consideration the components of the market environment. ✓✓
- Businesses must pay careful attention to challenges that are posed by market environment and devise strategies to overcome those challenges. ✓✓
- Businesses that find ways to overcome competition in the market, will be able to maintain a competitive advantage. ✓✓
- Any other relevant conclusion related to the business environments

Any (1x2) (2)

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Meaning of micro environment	8	
Reasons why businesses have more control over the micro environment/less control over market environment	10	
Challenges of the market environment	16	
Ways in which businesses can overcome competition in the market	12	
Conclusion	2	
INSIGHT		8
Layout	2	
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 some requirements are met.

Allocate 0 marks where requirements are not met at all.

QUESTION 6: BUSINESS OPERATIONS**6.1 Introduction**

- 
- Businesses must ensure that safety in the workplace is managed properly. ✓
 - It is important for all businesses to understand the requirements that should be met to ensure a safe environment. ✓
 - Employees should know the safety precautions when handling machinery. ✓
 - Managers should ensure that businesses comply with the Occupational Health and Safety Act (OHSA). ✓
 - Any other relevant introduction related to reasons why businesses must manage safety in the workplace/requirements for a safe environment/precautionary measures that businesses should take when handling machinery/ways businesses can comply with the Occupational Health and Safety Act.

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Any (2 x 1) (2)**6.2 Reasons why businesses must manage safety in the workplace**

- Workplace accidents can result in injuries and deaths, and can result in possible financial trouble for the business. ✓✓
- The publicity of workplace accidents will negatively impact a business' image. ✓✓
- Regular or serious workplace accidents may even cause investors to withdraw their money and invest it in another company. ✓✓
- Employees may lose confidence in the business and leave it to join safer companies. ✓✓
- Potential employees may decide not to accept a job offer at a business where many accidents have occurred. ✓✓
- Any other relevant answer related to reasons why businesses must manage safety in the workplace.

Max (10)**6.3 Requirements for a safe environment**

- A safety policy✓ - businesses should draw up their safety policy and enforce necessary control measures. ✓

- Visible warning signs✓ - the necessary safety warnings and signs should be visible in the workplace✓.
- The business should inform employees✓ of any dangers in the workplace. ✓
- First aid kits✓ - businesses are required to have an up-to-date first aid kit in an easily accessible place. ✓
- According to law, at least one employee should be trained in first aid✓, and he/ she should be available on site. ✓
- Safe working environment✓ - there should be no hazardous substances that can cause damage, disease, or injury to employees or visitors. ✓
- Information, instructions, and training✓ should be provided to all employees. ✓
- Workers should be informed✓ of the potential safety and health hazards. ✓
- Any other relevant answer related to requirements for a safe environment.

Max (14)**6.4 Precautionary measures that businesses should take when handling machinery**

- Every employee must be familiar✓ with the safety procedures of the business. ✓
- Management must strive to develop a culture✓ of safety in the workplace. ✓
- The business must ensure that all machinery and equipment✓ are correctly installed and safe to use. ✓
- All the 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✓. This includes items like overalls, safety helmets, masks, heavy-duty safety boots, and welding goggles when working with machinery and equipment. ✓
- Hard hats should always be worn on construction sites✓ by all persons on the site. ✓
- Any other relevant answer related to precautionary measures that businesses should take when handling machinery.

Max (12)**6.5 Ways businesses can comply with Occupation Health and Safety Act (OHSA)**

- Provide workers with protective gear to protect themselves against potentially dangerous situations. ✓✓
- Ensure that first aid boxes are readily available at the workplace and in the factory. ✓✓

- Make fire extinguishers available at the workplace or in the factory. ✓✓
- These fire extinguishers need to be serviced regularly. ✓✓
- Machinery must be maintained at regular intervals and repaired promptly. ✓✓
- Any other relevant answer related to ways businesses can comply with Occupational Health and Safety Act (OHSA).

Max (10)

6.6 Conclusion

- Managers that are aware of the reasons why safety should be managed in the workplace, will run successful businesses. ✓✓
- Businesses should follow the necessary requirements to ensure a safe working environment. ✓✓
- Managers should advise employees on preventative measures when handling machinery. ✓✓
- Businesses should comply with OHSA to avoid penalties. ✓✓
- Any other relevant conclusion related to reasons why businesses must manage safety in the workplace/requirements for a safe environment/precautionary measures that businesses should take when handling machinery/ways businesses can comply with the Occupational Health and Safety Act.

Any (1 x 2) (2)

BREAKDOWN OF MARKS

Details	Maximum	Total
Introduction	2	Max 32
Reasons why businesses must manage safety in the workplace	10	
Requirements for a safe environment	14	
Precautionary measures that businesses should take when handling machinery	12	
Ways businesses can comply with OHSA	10	
Conclusion	2	
INSIGHT		
Layout	2	Max 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 some requirements are met.

Allocate 0 marks where requirements are not met at all.