



education

Department:
Education
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

PROVINCIAL ASSESSMENT

GRADE 10

BUSINESS STUDIES

MARCH 2024

Stanmorephysics.com

MARKS: 100

TIME: 1hour 30 minutes

This question paper consists of 8 pages

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

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

SECTION A: COMPULSORY

SECTION B: Consists of THREE questions.

Answer any TWO of the three questions in this section.

SECTION C: Consists of TWO questions.

Answer only ONE of the two questions in this section.

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

Note that ONLY the answer to the first TWO questions selected in SECTION B and the answers to the FIRST question selected in SECTION C will be marked.

- Number the answers correctly according to the numbering system used in this question paper. No marks will be awarded for answers that are numbered incorrectly.

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

- Use the mark allocation and nature of each question to determine the length and depth of an answer

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

SECTION	QUESTION	MARKS	TIME (Minutes)
A: Objective type questions COMPULSORY	1	20	15
B: THREE Direct/Indirect type questions CHOICE: Answer any TWO	2	20	45
	3	20	
	4	20	
C: TWO essay type questions CHOICE: Answer any ONE	5	40	30
	6	40	
TOTAL		100	90 Minutes

- Begin the answer to EACH question on a NEW page, e.g. QUESTION 1 – new page, QUESTION 2 – new page

- You may use a non-programmable calculator.

- Write neatly and legibly.

SECTION A (COMPULSORY)

QUESTION 1

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

1.1.1 The basic tasks of management are...

- A Leading and communication
- B planning and organising
- C motivation and communication
- D Production and stock

1.1.2 The ... is an example of a civil society.

- A employers' organisations
- B customers organisation
- C non-government organisation(NGOs)
- D government organisation

1.1.3 Peter obtained a loan from DKN Bank to start his engineering business:

- A Borrowed capital
- B Working capital
- C Fixed capital
- D Own capital

1.1.4 The ... is responsible for finding the suitable qualified employees.

- A marketing
- B general management
- C public relations
- D human resources function

1.1.5 ... is the ability of the product or service to satisfy a specific need.

- A Quantity
- B Quality control
- C Quality
- D Quality assurance

(5 x 2) (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 to 1.2.5) in the ANSWER BOOK.		
	<div style="border: 1px solid black; padding: 5px; text-align: center;"> National Consumer Commission; social; Intermediaries; media; leading; suppliers; brochures; economic; controlling; Consumer Tribunal; </div>		
1.2.1	Wholesalers and retailers serves a ... to bridge the gap between producers and consumers.		
1.2.2	Management of IO Properties engage in the ... as they guide employees in the right direction to achieve goals.		
1.2.3	The... is responsible for promoting compliance with the NCA and CPA through advocacy and enforcement.		
1.2.4	A challenge of the PESTLE that affects businesses' profitability due to high interest rates, is known as the ... factor.		
1.2.5	An excellent way of distributing information cost-effectively is known as ... (5 x 2)		(10)
TOTAL SECTION A:			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 ENVIRONMENTS

- 2.1 List TWO factors that influence the organisational structure. (2)
- 2.2 Elaborate on the meaning of the macro-environment. (4)
- 2.3 Read the scenario below and answer the questions that follow.

DOLLY MANUFACTURERS (DM)

Dolly Manufacturers specialises in the manufacturing of fashionable ladies' sneakers and jeans. Dolly also wants to sell men's jackets and trousers in the future. DM wants to become a world-class manufacturing business. The management of DM firstly identified the needs of their customers before they start producing their products.

Identify any TWO components of the micro- environment that applies to DM. Motivate your answer by quoting from the scenario.

Use the table below as a GUIDE to answer QUESTION 2.3

COMPONENTS OF THE MICRO- ENVIRONMENT	MOTIVATIONS
1	
2	

- 2.4 Explain how physical environment as a component of macro poses a challenge to the business (4)
- 2.5 Advise businesses on the relationship between micro, market and macro. (4)

[20]

QUESTION: 3

- 3.1 Name FOUR sources of finance. (4)
- 3.2 Outline the difference between management and leadership. (4)
- 3.3 Read the scenario below and answer the questions that follow.

DIRANG BULDERS LTD (DBL)

Dirang Builders Ltd allows their customers to buy their products on credit. The management of DBL does not discriminate against customers. They also ensure that all contracts are written in plain and understandable language. They also ensures the full participation of previously disadvantaged individuals in the economy

- 3.3.1 Quote TWO consumer rights according to the National Credit Act from the scenario above. (2)
- 3.3.2 Explain the purpose of the Consumer Protection Act (CPA). (4)
- 3.4 Advise businesses on the importance of stock control. (6)

[20]

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

- 4.1 Name any TWO types of organisational resources. (2)
- 4.2 Identify the business functions applicable in EACH statements below.
- 4.2.1 Jabu, the senior manager, draws up budgets to ensure accurate application of monetary resources. (2)
- 4.2.2 The departmental manager advertises bags in the national newspaper to increase their market share. (2)
- 4.3 Explain matrix as a type of organisational structure. (4)

BUSINESS OPERATIONS

- 4.4 Outline the importance of quality (4)
- 4.5 Read the scenario below and answer the questions that follow.

KOBUS MOTOR SPARES (KMS)

Kobus Motor Spares is a large business that sells different car parts across the country. They perform checks during and after the production process.

- 4.5.1 Identify the quality concept implemented by KMS in the scenario above (2)
- 4.6 Advise businesses on the purpose of the public relations. (4)

TOTAL SECTION B: [20] 40

SECTION C

Answer ANY ONE question in this section.

NOTE: Clearly indicate the QUESTION NUMBER of the chosen question. The answer to the question must start on a NEW page, e.g. QUESTION 5 on a NEW page OR QUESTION 6 on a NEW page.

QUESTION 5: BUSINESS ENVIRONMENTS (MICRO & MARKET ENVIRONMENT)

A clear understanding of the meaning and components of the market environments are essential for businesses. A well-defined business culture is key for every business success. Competition is an aspect of market environment that poses challenges to businesses.

Write an essay on the micro and market environment in which you include the following aspects:

- Elaborate on the meaning of market environment.
- Explain the importance of a business organisational culture.
- Discuss FOUR components of market environment.
- Suggest the reasons why competition poses a challenge to businesses.

[40]

QUESTION 6: BUSINESS OPERATIONS (PURCHASING FUNCTIONS)

Purchasing function plays an important role in ensuring that raw materials are available at all times. Businesses should know activities of purchasing function to prevent stoppages during production process. Sometimes businesses are forced to buy raw materials on credit due to financial constraints and protected by the National Credit Act in this regard.

Write an essay on purchasing function in which you include the following aspects:

- Outline the purpose of purchasing function.
- Explain the activities of purchasing function.
- Discuss the responsibilities of credit providers.
- Advise businesses on the purpose of the National Credit Act.

[40]

TOTAL SECTION C: 40
GRAND TOTAL: 100



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MARKING GUIDELINES

Stanmorephysics.com

MARKS: 100

This marking guideline consist of 17 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 province
- (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
In-school moderator :	Green
District/Sub district :	Orange
Provincial moderator:	Pink

2. Candidates' responses must be in full sentences for SECTION B and C. However, this would depend on the nature of the question.
3. Comprehensive marking guideline have 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 other sources
 - Original
 - A different approach is used

NOTE: There is only ONE answer in SECTION A.

4. Take note of other relevant answers provided by candidate and allocate marks accordingly. (In case where the answer is unclear or indicates some understanding, part marks should be awarded, for example, one mark instead of the maximum of two marks.)
5. The word 'Sub-max' is used to facilitate the allocation of marks within a question or sub question.
6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.

7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
8. In an indirect question, the theory as well as the response must be relevant and related to the questions.
9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidates's responses. Candidates will be penalised if the latter is not clear.
10. No additional credit must be given for repetition of facts. Indicate with 'R'.
11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
- 11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** 'COIDA eliminates time and costs spent ✓ on lengthy civil court proceedings.' ✓
- 11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. 'COIDA eliminates time and costs spent ✓ on lengthy civil court proceedings, ✓ because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.' ✓
- NOTE:** 1. The above could apply to 'analyse' as well.
2. Note the placing of the tick (✓) in the allocation of marks.
12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the memorandum and the context of each question. Cognitive verbs, *such as*:
- 12.1 Advise, name, state, mention, recommend, suggest, (list not exhaustive) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.
- 12.2 Describe, explain, discuss, elaborate, justify, devise, 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 is achieved.

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



SECTION A

QUESTION 1

1.1

1.1.1 B ✓✓

1.1.2 C ✓✓

1.1.3 A ✓✓

1.1.4 D ✓✓

1.1.5 C ✓✓

(5 x 2) **(10)**

1.2

1.2.1 intermediaries ✓✓

1.2.2 leading ✓✓

1.2.3 National Consumer Commission ✓✓

1.2.4 economic ✓✓

1.2.5 brochures ✓✓

(5 x 2) **(10)**

TOTAL SETION A: 30

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	10
TOTAL	20

SECTION B

QUESTION 2 BUSINESS ENVIRONMENTS

2.1 Factors that influence the organizational structure

- Size of the company ✓
- Strategic goals of the company ✓
- Resources ✓
- Technology ✓
- Any other relevant answer related to factors that influence the organizational structure

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

2.2 Meaning of macro environment

- This is the environment that is located outside ✓ the business. ✓
- The business cannot control this environment ✓ but it can influence it. ✓
- It is also known as the external environment. ✓
- The macro is always developing ✓ and changing. ✓
- Businesses have no control over this environment ✓ as it poses challenges to businesses. ✓
- Any other relevant answer related to the meaning of macro environment.

Max (4)

2.3 Components of micro environment

COMPONENTS OF THE MICRO ENVIRONMENT	MOTIVATIONS
1. Mission ✓✓	- DM wants to become a world-class manufacturing business. ✓
2. Vision ✓✓	- Dolly also wants to sell men's jackets and trousers in the future. ✓
Sub max (4)	Submax (2)

Max (6)

2.4 Components of macro Physical environment

- The physical location of a business has a large effect ✓ on the success of the business. ✓
- Manufacturing businesses dump their waste materials ✓ that impact negatively on the physical environment. ✓
- The awareness of pollution and environmental damage ✓ provide new challenges for businesses. ✓
- Some natural resources are scarce and expensive ✓ e.g. sources of energy is expensive ✓
- The scarcity of natural resources has a negative impact on the production costs ✓ and results in high prices of goods and services. ✓
- Any other relevant answer related to physical environment as a component of macro environment.

Max (4)

2.5 Interrelation between the micro, market and macro environment



- A change in the macro environment may cause a change in the micro environment which may in turn, create a change in the market environment e.g. an increase in the rate of interest may lead to an increase in the production cost which may reduce consumer spending. ✓✓
- A change in the economic environment may lead to a change in the technological environment and the way in which people spend money. ✓✓
- The legal, political and institutional environment has a large impact on other business environments e.g. politics and laws affect the economic environment. ✓✓
- The business has full control over all elements/features of the micro environment. ✓✓
- The business has less/little control over the market environment but it can influence it. ✓✓
- The business has no control over the macro environment but it must develop strategies to adapt to the challenges that are posed by this environment. ✓✓
- Any other relevant answer related to interrelationship between micro, market and macro environments



Max (4)
[20]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	2
2.2	4
2.3	6
2.4	4
2.5	4
TOTAL	20

QUESTION 3: BUSINESS OPERATIONS

3.1 Sources of finance

- Bank loans ✓
- Bank overdraft ✓
- Venture capital ✓
- Receivable finance ✓
- Asset based loan ✓
- Grants ✓
- Angel funding ✓
- Any other relevant answer related sources of funding

Max (4)

3.2 Difference between leadership and management

LEADERSHIP	MANAGEMENT
- Influences human behaviour. ✓✓	- Guides human behaviour. ✓✓
- Communicates by means of interaction/behaviour/vision/values/charisma. ✓✓	- Communicates through management functions, e.g. line function. ✓✓
- Innovates/Encourages new ideas to increase productivity. ✓✓	- Administers plans/programs/tasks to reach targets. ✓✓
- Inspires staff to trust and support each another. ✓✓	- Controls systems and procedures to get the job done. ✓✓
- Focuses on what and why. ✓✓	- Focuses on how and when. ✓✓
- Focuses on the horizon/long term. ✓✓	- Focuses on the bottom line/short/medium/long term.
- Leaders are born with natural/ instinctive leadership skills. ✓✓	- A person becomes a manager because of the position in which he/she is appointed. ✓✓
- Guides/Leads people to become active participants. ✓✓	- Manages the process of getting things done by exercising responsibility.
- Leaders have power/influence because of his/her knowledge/skills/ intelligence. ✓✓	- Managers have power because of the position of authority into which they are. ✓✓
- Always trying to find more efficient ways of completing tasks. ✓✓	- Enforces rules on subordinates/Ensure that tasks are completed. ✓✓
- Motivational/Inspirational in their approach. ✓✓	- Instructional in their approach. ✓✓
- People orientated. ✓✓	- Task orientated. ✓✓
- Lead by example/trust/respect.	- Manage by planning/organising/leading/control. ✓✓
- Does the right things. ✓✓	- Does things right. ✓✓
- Any other relevant answer related to leadership.	- Any other relevant answer related to management.
Submax (2)	Submax (2)

- NOTE:**
1. The answer does not have to be in a tabular format.
 2. The differences do not have to link, but must be clear.
 3. Award a maximum of TWO (2) marks if the distinction is not clear/Mark either leadership or management only.

Max (4)

3.3 Consumer rights

3.3.1 Consumer's rights quoted from the scenario

- The management of DBL does not discriminate against customers. ✓
- They also ensure that all contracts are written in plain and simple language. ✓

(2 x 1) (2)

- NOTE:**
1. Mark the first TWO (2) only.
 2. Only award marks for responses that are quoted from the scenario.

3.3.2 Purpose of Consumer Protection Act(CPA)

- Promotes responsible consumer behaviour. ✓
- Strengthens a culture of consumer rights ✓ and responsibilities. ✓
- Establishes national standards ✓ to protect consumers. ✓
- Establishes a National Consumer Commission (NCC). ✓
- Ensures that consumers have access to information they need ✓ to make informed choices. ✓
- Provides guidelines for better consumer information ✓ and to prohibit unfair business practices. ✓
 - Empowers consumers to take legal action ✓ if their rights are not upheld. ✓
- Promotes consumer safety ✓ by protecting them from hazardous products/ services. ✓
- Promotes fair/accessible and sustainable places ✓ for people to sell their products. ✓
- Promotes consistent laws relating to consumer transaction ✓ and agreement. ✓
- Promotes the rights ✓ and full participation of historically disadvantaged individuals as consumers. ✓
- Protects consumers against contracts that include unfair terms ✓ which limit the liability of suppliers. ✓
- Any other relevant answer related to the purpose of Consumer Protection act (Act).

Max (4)

3.4 Importance of stock control

- Enables businesses to determine the amount/value of stock. ✓✓
- Businesses can check the cost and selling price of products. ✓✓
- Ensure that there is enough stock to meet the normal demand of customers. ✓✓
- Keep the correct levels of stock on hand. ✓✓
- Record the cost prices and selling prices of stock. ✓✓
- Identify theft in the business when physical stock count is compared with the electronic stock control system. ✓✓
- Any other relevant answer related to the importance of stock control.

Max (6)
[20]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	4
3.2.1	2
3.2.2	2
3.3.1	2
3.3.2	4
3.4	6
TOTAL	20

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 Types of organizational resources

- Physical/operating resources. ✓
- Financial /capital resources. ✓
- Human resources. ✓
- Natural resources. ✓
- Technological resources. ✓
- Entrepreneurial resources. ✓

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

4.2 Business functions

4.2.1 Financial function ✓✓

4.2.2 Marketing function ✓✓

Max (4)

4.3 Matrix organizational structure

- This is structured around projects ✓ but employees stay in their departments. ✓
- A project must be completed ✓ up to a certain point. ✓
- The project is then passed on to the next team, ✓ which will carry out the next phase of the project. ✓
- Any other relevant answer related to matrix as a type of organizational structure.

Max (4)

BUSINESS OPERATIONS

4.4 Importance of quality for businesses

- It enables businesses to have a good reputation and promotes brand awareness. ✓✓
- Customers associate image of the business with quality of the product. ✓✓
- Quality products increase sales, profits, business growth and attract prospective investors. ✓✓
- Business gain goodwill and support from the community. ✓✓
- Any other relevant answer related to the importance of quality for businesses.

Max (4)

4.5 Quality

4.5.1 Quality concepts

- Quality assurance. ✓✓

(2 x 1) (2)

4.6 Purposes of public Relations

- Businesses get publicity for promotional events and information through media.
- News conferences may be called to release information which will ensure the survival of the business.
- Employees may volunteer to spend time with people in need at orphanage/hospitals/schools etc.
- Businesses can sponsor community events.

- Produce annual reports that review business activities and achievements.
 - Brochures can be used to distribute information.
 - Networking a popular form of public relations direct contact with employees or telephonic communication.
 - Attend network events and talk about the business product.
 - Use corporate social responsibility as a public relations activity involving communities to get positive exposure.
 - Any other relevant answer related to the purpose or importance of public relations.
- Max (4)**
[20]

BREAKDOWN MARKS

QUESTION 4	MARKS
4.1	2
4.2.	4
4.3	4
4.4	4
4.5.1	2
4.6	4
TOTAL	20

SECTION C

Mark the **FIRST** question **ONLY** in this section.

QUESTION 5: BUSINESS ENVIRONMENT: (MICRO AND MARKET ENVIRONMENTS)

5.1 Introduction

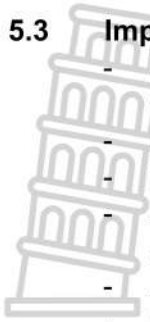
- Organisational culture defines and differentiate the business from others. ✓
- Businesses need to interpret the meaning of market environment so that they use it to classify challenges they face. ✓
- Components of market environment helps businesses to locate challenges and be able to respond to them effectively. ✓
- Competition is where businesses are selling products to similar or same customers in the same area. ✓
- Any other relevant introduction related to the importance of an organizational culture/meaning of market environment/components of market environment/reasons why competition pose a challenge for businesses.

Any (2 x 1) (2)

5.2 Meaning of the market environment

- The market environment refers to the immediate external ✓ component that directly affect the ability of the business to operate, ✓ for the business to be successful it must be able to influence the components of this environment. ✓
- It is also known as the industry environment ✓ and is immediately outside the micro environment. ✓
- It has a large impact on the business operations ✓ because it includes customers who drives sales in the business ✓.
- Business do not have direct control on the market environment. ✓
- It includes customers, competitors, intermediaries etc. ✓ as its components. ✓
- Any other relevant answer related to meaning of market environment.

5.3 Importance/purpose of an organizational culture



- It includes the values and beliefs of the business ✓ and how it conducts its operations. ✓
- It promotes employee commitment ✓ and loyalty to the business. ✓
- It gives a summary of expected behaviour ✓ for newly appointed employees. ✓
- A good business culture that is followed by all employees ✓ may give a business a competitive advantage over its competitors. ✓
- An excellent business culture may attract investors ✓ to invest in the business. ✓
- It clearly defines the entire business ✓ to all the stakeholders. ✓
- It helps businesses retain its employees and customers ✓ as it distinguishes one business from the other. ✓
- A strong business culture has the power to turn employees into ambassadors ✓ of the business. ✓
- It defines business' internal and external identity ✓ including its conduct. ✓
- It breaks down boundaries between teams, ✓ guides decision-making, and improves productivity. ✓
- It provides guidelines to decision-making ✓ that intends to benefit the business. ✓
- It regulates how employers and employees conduct themselves ✓ during working hours. ✓
- The purpose of an organizational culture is to define the business' internal and external identity ✓ and core values. ✓
- Any other relevant answer related to the importance/purpose of business organizational cultures.

Max (12)

Max (8)

5.3 Components of market environment


5.3.1 Consumers ✓✓

- The market refers to all the people who have money ✓ to buy goods and services. ✓
- These people are known as consumers or customers. ✓
- Customers are the buyers of products and services ✓ offered by businesses. ✓
- Their spending decision is influenced by cultural, social, personal ✓ and psychological factors. ✓
- Businesses should understand their customers' needs and wants ✓ in order to build a good relationship with them. ✓
- The more customers the business has ✓ the more money they have flowing through the business. ✓
- The government is also a customer ✓ as it buys goods/services from businesses through contracts and tenders. ✓
- Any other relevant answer related to consumers as a component of market environment.

Component (2)
Explanation (2)
Sub max (4)

5.3.2 Competitors ✓✓

- Competitors are all businesses that provide similar products or services ✓ for more or less the same target market. ✓
- Businesses also compete with other businesses ✓ for skilled employees/raw material/equipment/finance etc. ✓

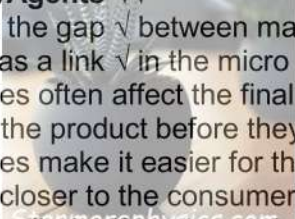
- 
- Competition also comes from businesses ✓ that produce possible substitute goods. ✓
 - Competition is influenced by the following Porter's Five Forces model: ✓
 - o New entrants to the market ✓
 - o Power of consumers ✓
 - o Power of suppliers ✓
 - o Threats of substitute products/services ✓
 - o Competitive rivalry ✓
 - Competition is beneficial to customers ✓ because it keeps prices down. ✓
 - Competition also promotes innovation ✓ and encourages businesses to be more productive. ✓
 - Any other relevant answer related to competition as a component of market environment.

Component (2)

Explanation (2)

Sub max (4)

5.3.3 Intermediaries/Agents ✓✓

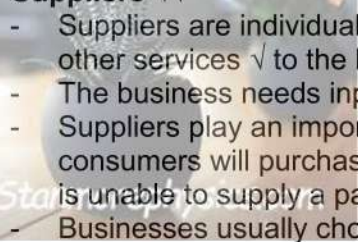
- 
- They bridge the gap ✓ between manufacturer and the consumer. ✓
 - They serve as a link ✓ in the micro environment and the market environment. ✓
 - Intermediaries often affect the final price of goods and services ✓ as they place a mark-up on the product before they sell it to consumers. ✓
 - Intermediaries make it easier for the consumer to access the product ✓, by selling the product closer to the consumer's location. ✓
 - Many intermediaries/Agents receive a commission ✓ on the sale of products. ✓
 - Some of the examples of intermediaries are: ✓
 - o Retailers
 - o Agents and wholesalers
 - o Financial institutions and insurance brokers
 - The intermediaries of a business are all those businesses that play a role in distributing/promoting the goods and services ✓ to customers. ✓
 - Any other relevant answer related to intermediaries as a component of market environment.

Component (2)

Explanation (2)

Sub max (4)

5.3.4 Suppliers ✓✓

- 
- Suppliers are individuals/agents who provide the raw materials, transport and other services ✓ to the business. ✓
 - The business needs inputs from suppliers ✓ to produce goods and services. ✓
 - Suppliers play an important role in the success or failure of a business ✓ e.g. consumers will purchase the product/services from another business if a supplier is unable to supply a particular product/services. ✓
 - Businesses usually choose suppliers ✓ that provide the best goods of quality. ✓
 - Producers and manufacturers are some examples of suppliers ✓ as they supply raw materials. ✓
 - Any other relevant answer related suppliers as a component of market environment.

Component (2)

Explanation (2)

Sub max (4)



5.3.5 Civil society/Other organisations ✓✓

- Civil societies are those organisations that deal with social problems. ✓
- These organisations include non-government organisations (NGO's)/community based organisations(CBO's) unions/regulators/strategic allies etc. ✓
- A CBO could affect the operation of a business ✓ through lobbying. ✓
- Any other relevant answer related to civil society as a component of market environment.

Component (2)
Explanation (2)
Sub max (4)

NOTE: Mark the first FOUR (4) only.

Max (16)

5.5 Reasons why competition poses a challenge to businesses

- Competition keeps prices down and reduces the business profitability. ✓✓
- It forces businesses to find new ways to produce an existing products or develop new products/services. ✓✓
- A business may close down if it is unable to compete with other businesses. ✓✓
- Competition reduces the business market share and its target market. ✓✓
- Make use of language expert to make changes to the report. ✓✓
- Make necessary adjustments in line with the aim of the report. ✓✓
- Any relevant answer related to the areas to improve presentation.

Max (10)

5.6 Conclusion

- Organisational culture helps businesses have a good profile that may attract customers and potential funders. ✓✓
- Failure to analyse the meaning of market environment may result in businesses not to able to compete with others and to lose profits. ✓✓
- Components of market environment helps businesses to be able to understand the nature of challenges they face so that they can come up with strategies that influence positive results to the favour of the business. ✓✓
- Competition forces businesses to maximize its potential and these benefit customers because they end up getting excellent service from businesses. ✓✓
- Any other relevant conclusion related to the importance of an organizational culture/meaning of market environment/components of market environment/reasons why competition pose a challenge for business.

Any (1 x 2) (2)
[40]



BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Meaning of market environment	8	
Importance of a business organizational culture	12	
Components of market environment	16	
Reasons why competition poses a challenge to business	10	
Conclusion	2	
INSIGHT		
Layout	2	Max 8
Analysis	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

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QUESTION 6: BUSINESS OPERATIONS (PURCHASING FUNCTION)

6.1 Introduction

- Purchasing function is responsible for ensuring that businesses do not run out of raw materials/stock needed in the business. ✓
 - Keeping good relationship with suppliers is important for businesses as it enables businesses not to run out of stock. ✓
 - It should ensure that ordered goods are delivered at agreed price, right quantities, and right quality. ✓
 - National Credit Act was introduced by the government to prohibit action of reckless lending to consumers. ✓
 - Any other relevant introduction answer related to purpose and activities of purchasing functions, responsibilities of credit providers and purpose of national credit Act.
- Any (1 x 2) (2)**

6.2 Purpose of purchasing function

- They maintain the quality of raw materials that are used to produce goods and services in the business. ✓✓
- Continuously looking for best/reputable suppliers. ✓✓
- Make regular contact with other business departments to determine their needs. ✓✓
- Send damaged goods back to the supplier and see to it that it is replaced. ✓✓
- Negotiate the best possible term payments with suppliers. ✓✓
- Receive confirmation that all goods were according to specifications and the price invoiced as the quoted price. ✓✓
- Manage stock to ensure sufficient levels of stock to carry out business operations. ✓✓
- To ensure the availability of raw materials at all times. ✓✓

- Any other relevant answer related to the purpose of purchasing function.

Max (10)

6.3 Activities of the purchasing function

- Find out the needs ✓ of other business department. ✓
- Look for suitable new and better suppliers. ✓
- Ensure that there is enough stock available ✓ and for continuous production and sales. ✓
- Place orders with suppliers ✓ and follow up on them. ✓
- Record the cost prices and selling prices ✓ of stock. ✓
- Keep the correct stock levels ✓ of stock on hand. ✓
- Get the best price for the quality ✓ that purchasing function require. ✓
- Buy the right amount of stock/quantity ✓ so that the business does not run out of stock. ✓
- Purchasers should have expert knowledge of the product ✓ they need to buy and about the market in which they operate. ✓
- Buy goods from the best supplier ✓ who supply the goods at the right time and place. ✓
- Ensure that ordered products ✓ are delivered on time. ✓
- Send damaged products back to the supplier ✓ and see to it that they are replaced. ✓
- Any other relevant answer related to activities of purchasing function.

Max (16)

6.4 Responsibilities of credit providers

- Credit providers should conduct a credit assessment ✓ on the consumers' affordability. ✓
- Check most recent pay slip or bank statement ✓ to ensure that the consumer has an income. ✓
- Check the consumer's monthly debt-repayment obligations ✓ in terms of credit agreements. ✓
- Take into account other expenses ✓ of the consumers. ✓
- Consider the consumer's debt-repayment ✓ history. ✓
- Any other relevant answer related to responsibilities of credit providers

Max (10)

6.5 Purpose of the National Credit Act(NCA)

- Promotes the social and financial interest of consumers. ✓✓
- Promote a fair but competitive credit market. ✓✓
- Prevent discrimination and ensure credit is available to all consumers. ✓✓
- Ensure that consumers know what is included in their credit contracts. ✓✓
- Makes provision for the establishment of the National Credit Regulator (NCR). ✓✓
- Ensure registrations of credit bureau and debt counselling services. ✓✓
- Any other relevant answer related to the purpose of National Credit Act.

Max (10)

Conclusion

- A well-managed purchasing function can lead to business success and growth. ✓✓
- Activities within the purchasing function should be effectively coordinated to avoid stock shortages. ✓✓



- Credit providers should make sure that all necessary documents have submitted and scrutinized before granting a credit to the customer. ✓✓
 - The National Credit Act plays a major role in the financial industry. ✓✓
 - Any other relevant conclusion related to the purpose of purchasing function/activities of purchasing function/responsibilities of credit provider/purpose of National Credit Act.
- Any (1 x 2) (2)

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Purpose of the purchasing function	10	
Activities of the purchasing function	16	
Responsibilities of credit provider	10	
Purpose of the National Credit Act	10	
Conclusion	2	
Insight		
Layout	2	8
Analysis	2	
Synthesis	2	
Originality/examples	2	
TOTAL MARKS		40

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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

TOTAL SECTION C: 40

GRAND TOTAL: 150