



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
EDUCATION

MOPANI WEST DISTRICT

Stanmorephysics.com

GRADE 11

BUSINESS STUDIES P1
MID YEAR EXAMINATION
MAY/JUNE 2023
Stanmorephysics.com
QUESTION PAPER

TOTAL MARKS: 150

DURATION: 2 hours

This question paper consists of 9 pages

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of **THREE** sections and covers **TWO** main topics:
(Business Environments and Business Operations)

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 **any ONE** of the two questions in this section.

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

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

3. Number the answers carefully 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 written 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 (Minutes)
A: Objective-type questions COMPULSORY	1	30	30
B: THREE direct/indirect * type questions CHOICE: Answer any TWO.	2	40	30
	3	40	30
	4	40	30
			30
	5	40	30

C: TWO essay-type questions CHOICE: Answer any ONE.	6	40	30
TOTAL		150	120

7. Begin the answer to EACH question on a NEW page, e.g. QUESTION 1 – new page,
 * QUESTION 2 – new page, etc.
 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. Choose the answer and write only the letter (A – D) next to the question number (1.1.1 to 1.1.5) in the ANSWER SCRIPT, e.g. 1.1.6 D
- 1.1.1 Easy loans offer small loans to people who cannot get credit from banks. This is an example of a challenge of the ... environment.
- A market
 - B macro
 - C micro
 - D primary
- 1.1.2 Johnny Furniture Ltd bought the controlling shares of Arnold Manufacturers. This refers to ...
- A a merger
 - B a takeover
 - C an alliance
 - D information management
- 1.1.3 Walters Cooldrinks changes their packaging continually; this is known as ...
- A packaging for double use.
 - B packaging for resale.
 - C speciality packaging.
 - D kaleidoscopic packaging.
- 1.1.4 Only a few suppliers/sellers control the prices of products.
- A Oligopoly
 - B Monopoly
 - C Perfect competition
 - D Monopolistic competition

1.1.5 Businesses use ... when sales staff have face-to-face contact with potential customers.

- A personal selling
- B advertising
- C sales promotion
- D publicity

(5 x 2) (10)

1.2 Complete the following statements by using the word(s) provided 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.

patent, joint promotion, demographics, SABS, logo, full control, psychographics, ISO, no control, sales promotion

1.2.1 Businesses have ... over micro lending.

*

1.2.2 Kadim Enterprises used ... when they gave away free samples of the new hand lotion they are introducing.

1.2.3 The --- is an exclusive right granted for a new invention.

1.2.4 Physical characteristics of the target market e.g. gender, age, and the level of education.


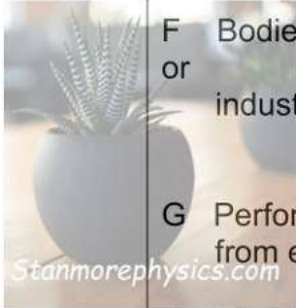
1.2.5 --- is an institution regulating quality standards in South Africa.

*

(5 x 2) (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, for example 1.3.6 K.

COLUMN A	COLUMN B
1.3.1 Regulators	A Developing and publishing standards for products and * services
1.3.2 Lockout	B Works out the time required to perform each activity and by when the process needs to be completed
1.3.3 Grading	C Bodies exercising control over customers and employees
1.3.4 Quality circles	
1.3.5 Scheduling	

 	<p>D Performed by the employee in an attempt to have their demands met</p> <p>E The process of developing a uniform set of criteria to ensure the production of quality products</p> <p>F Bodies that control certain aspects of a business or industry.</p> <p>G Performed by employers to keep employees from entering the workplace</p> <p>H Works out how big your lot sizes will be.</p> <p>I The process of sorting individual units of a product into categories according to their quality</p> <p>J Developing solutions after analysing problems with the production process</p>
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(5 x 2) (10)

TOTAL SECTION A: 30

SECTION B

Answer ANY TWO questions in this section.

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



QUESTION 2 BUSINESS ENVIRONMENTS

2.1. Name any THREE examples of contemporary legislation that may affect business operations. (3)

2.2. Elaborate on the meaning of Acquisition. (4)

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

GOODY'S FURNITURE (GF)

Goody's furniture employed workers who are always absent from work despite several warnings. The government has increased import tariffs, making it difficult for GF to continue importing designer furniture from Turkey and purchase their furniture from Interior furniture Manufacturers who are usually out of stock

Use the table below to present your answer(s)

CHALLENGES 2.3.1.	BUSINESS ENVIRONMENTS 2.3.2	EXTENNT OF CONTROL 2.3.3
a.		
b.		
c.		

2.3.1. Quote THREE challenges for GF from the scenario above. (3)

2.3.2. Classify GF's challenges according to the THREE business environments. (3)

- 2.3.3. State the extent of control GF has over EACH business environment named * in QUESTION 2.3.2. (3)
- 2.4 Outline the roles of trade unions. (6)
- 2.5. Explain the following ways in which businesses can adapt to challenges of the business environments:
- 2.5.1. Information management (4)
- 2.5.2. Strategic responses (4)
- 2.6. Discuss the relationship between the primary, secondary and tertiary sectors. (6)
- 2.7 Suggest ways in which businesses can overcome competition in the market. (4)

[40]

QUESTION 3: BUSINESS OPERATIONS

- 3.1 Elaborate on the meaning of marketing (2)
- 3.2 Outline categories of consumer goods/products (4)
- 3.3 Read the scenario below and answer the questions that follow:

TOP MANUFACTURERS (TM)

TOP Manufacturers ensures that products are produced according to the same standards regarding appearance and size. TM is required to obtain funds to ensure that business activities could operate effectively in pursuit of organisational objectives

- 3.3.1 Identify TWO marketing activities applied by TM. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 3.3.1.

MARKETING ACTIVITIES	MOTIVATIONS
1.	
2.	

(6)

- 3.3.2 Explain TWO other marketing activities that could be applied by TM. (8)

3.3 Outline promotional pricing as one of pricing techniques used to determine the prices of products . (4)

3.4. Read the scenario below and answer the questions that follow:

CHEAP STORES (CS)

The management of Cheap Stores mentioned that they have adjusted their prices due to an increase in transport and labour costs. They further stated that their prices also depend on the income levels of their buyers.

3.4.1. Identify TWO factors that influence CS pricing. Motivate your answer by quoting from the scenario above.

Use the table below as a guide to answer QUESTION 3.4.1. (6)

FACTORS INFLUENCING PRICING	MOTIVATIION

3.4.2. Discuss ONE other factor that influence pricing. (4)

3.5. Explain the role of intermediaries in the distribution process. (6)

[40]

QUESTION 4 MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 Elaborate on the meaning of power relationships. (2)

4.2 Outline TWO components of the micro environments. (4)

4.3 Describe the advantages of networking. (6)

4.4 Explain the reasons why businesses lobby.. (4)

4.5 Recommend ways in which business can have a direct influence on the environment. (6)

BUSINESS OPERATIONS

4.6 Elaborate on the meaning of distribution (2)

- 4.7 Outline the channels of distribution. (4)
- 4.8. Read the scenario below and answer the questions that follow

MIKE FURNITURE SUPPLIERS (MFS)

Mike Furniture Suppliers uses different pricing techniques to attract old and new customers. The business shared the following pricing techniques with the rest of the team in the business:

- He charged lower prices for the furniture when the shop was newly opened to attract customers.
- He sets prices based on what other furniture shops are charging customers.

- 4.8.1 Identify TWO pricing techniques used by MFS. Motivate your answer by quoting from the scenario. (6)

Use the table below as a guide to answering QUESTION 4.8.1

PRICING TECHNIQUES	MOTIVATIONS
1.	
2.	

- 4.8.2 Advise MFS on other TWO pricing techniques that they can be considered in their business. (6)

[40]

TOTAL SECTION B : 80



SECTION C

Answer ONE question in this section.

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

QUESTION 5: BUSINESS ENVIRONMENTS

Businesses need to have a good relationship with the trade unions in order to prevent strike actions which have a negative impact on businesses. The work environment can be affected by ethical misconduct and piracy and therefore needs to be identified and reported by businesses. Solutions to piracy needs to be implemented to protect intellectual property.

Socio-economic issues such as dumping, exhaustion of natural resources and strikes negatively impact business operations. Businesses must ensure that their practices are fair and in line with Labour Relations Acts to avoid unnecessary disputes by unions.

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

- Outline the functions of trade unions.
- Explain the negative impact of the following socio-economic issues on businesses:
 - Strike
 - Lack of skills
- Discuss the purpose of the Labour Relations Act.
- Advise businesses on the following solutions to piracy:
 - Copyright
 - Trademark

(40)

QUESTION 6: BUSINESS OPERATIONS

Businesses must implement proper production planning. However, they must not neglect the safety in their factories and must abide by the regulations of the Occupational Health and Safety act (No. 85 of 1993).

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

- Outline loading as an aspect that must be considered during production planning

- Explain the advantages of production planning
- Discuss precautionary measure that businesses should take when handling machinery
- Recommend ways in which businesses can comply with the Occupational Health and Safety Act.

(40)

TOTAL SECTION C : 40

*

GRAND TOTAL : 150





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MARKING GUIDELINES
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TOTAL MARKS: 150

This Marking guideline consists of 23 pages

NOTES TO MARKERS

1. The notes to markers are provided for quality assurance purposes .
2. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
3. A comprehensive marking guideline has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:
 - Uses a different expression from that which appears in the marking guideline
 - Comes from another credible source
 - Original
 - A different approach is used

NOTE: There is only ONE correct answer in SECTION A.

4. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
5. The word 'Sub-max' is used to facilitate the allocation of marks within a question or sub question.
6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.
7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
8. In an indirect question, the theory as well as the response must be relevant and related to the question.
9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.
10. No additional credit must be given for repetition of facts. Indicate with an 'R'.
11. The 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:

11.1 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.

11.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, analyse, evaluate, critically evaluate (list not exhaustive) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.

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

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SECTION A (COMPULSORY)**QUESTION 1**

1.1.

1.1.1 B ✓✓

1.1.2 B ✓✓

1.1.3 D ✓✓

1.1.4 A ✓✓

1.1.5 A ✓✓

(5 x 2) (10)

1.2.

1.2.1 no control.

✓✓

1.2.2 sales promotion ✓✓

1.2.3 patent ✓✓

1.2.4 demographics ✓✓

1.2.5 SABS. ✓✓

(5 x 2) (10)

1.3

1.3.1. A ✓✓

1.3.2. G ✓✓

1.3.3. I ✓✓

1.3.4. J ✓✓

1.3.5. B ✓✓

(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**QUESTION 2 BUSINESS ENVIRONMENTS**

2.1. THREE Contemporary legislation that pose a challenge to business.

- Labour Relations Act (LRA) ✓
- Basic Conditions of Employment Act (BCEA) ✓
- Compensation for Occupational Injuries and Diseases Act (COIDA) ✓
- Skills Development Act (SDA) ✓
- Consumer Protection Act (CPA) – National Credit Act (NCA) ✓
- Employment Equity Act (EEA) ✓
- Broad Based Black Economic Empowerment (BBBEE) ✓

NOTE: Mark ONLY the first THREE

(3 x 1) (3)

2.2. **Meaning of Acquisitions.**

- This happens when a business buy another business ✓ at an agreed price. ✓
- The acquired business often continues to operate ✓ as a subsidiary of the acquiring business. ✓
- It usually occurs to companies ✓ that are not listed on the JSE. ✓
- Any other relevant answer related to the explanation of acquisition.

Max (4)

2.3.

CHALLENGES 2.3.1.	BUSINESS ENVIRONMENT 2.3.2	EXTENT OF CONTROL 2.3.3
a. Goody's furniture employed workers who are always absent from work despite several warnings ✓	Micro ✓	Full control ✓
b. The government has increased import tariffs, making it difficult for GF to continue importing designer furniture from Turkey ✓	Macro ✓	No control ✓
c. Purchase their furniture from Interior Furniture Manufacturers who are usually out of stock ✓	Market ✓	Limited/little control or No control but influence ✓

	Sub max (3)	Sub max (3)	Sub max (3)
			Max (9)

2.4. Roles of trade unions

- Serves as mechanism through which employees have a collective voice in the workplace. ✓✓
- Unions communicate to the company's management the members' grievances such as unfair dismissal, low wages and conditions of services. ✓✓
- They ensure that the employers include employees in the decision making process. ✓✓
- They ensure that employees are treated fairly and respected. ✓✓
- Unions are involved with social dialogue regarding poverty alleviation, job creation and wealth distribution. ✓✓
- Any other relevant answer related to the roles of trade unions.

Max (6)

2.5. Ways in which businesses can adapt to challenges of the business environments:

2.5.1 Information management

- Information must be found/recorded/stored/easily retrieved✓ and effectively used ✓.
- Businesses need to implement an effective information management system✓ which is accessible and useful to all staff ✓.
- They should invest large capital into information technology (IT) system✓ to update business operations✓.
- Modern IT solutions enable businesses to satisfy customer needs✓ faster and better✓.
- Any other relevant answer related to the meaning of information management.

Sub max (4)

2.5.2. Strategic responses

- Management needs to design strategic responses to various challenges✓ by analysing all information, identifying stakeholders' involved✓.
- Get a clear picture of each stakeholder's viewpoints✓ and requirements✓
- Businesses need to be aware of new competitors in the market✓ and they must be able to strategically respond to threats✓.
- They must make strategic plans to remain sustainable✓ in a competitive market✓.
- Any other relevant answer related to the meaning of strategic response.

Sub max (4)

Max (8)

2.6 The relationship between the primary, secondary and tertiary sector

- The primary sector depends on the secondary sector ✓ for manufactured goods such as machinery/equipment/fertilizers ✓ e.g. a farmer may require seeds from another farm.
- The primary sector is dependent on the tertiary sector ✓ for its customer needs. ✓
- The secondary sector processes the raw materials obtained from the primary sector ✓ into more useful products. ✓
- The secondary sector depends on the primary sector ✓ for raw materials and products. ✓
- The secondary sector depends on other secondary industries ✓ e.g. BMW need tyres from DUNLOP another secondary sector player. ✓
- Secondary sector needs the tertiary sector to sell their processed or manufactured goods ✓ and for services such as banks, insurance, transport and communication. ✓
- The tertiary sector depends on the primary sector for raw materials ✓ that do not need processing by the secondary sector. ✓
- The tertiary sector depends on the secondary sector for manufactured goods ✓ such as office machines/office furniture/stationery etc. ✓
- Any other relevant answer related to the relationship between the primary, secondary and tertiary sector.

Max (6)

2.7 Ways in which businesses can overcome competition in the market

- Offering different products and services than the competitors to satisfy the customer's needs and wants. ✓✓
- Offering more personal services by being responsive to the customer's needs/expectations. ✓✓
- Offering low-cost extras such as improved credit terms/discounts/loyalty schemes etc. ✓✓
- Charging lower prices than that of the other businesses. ✓✓
- Selling products of a superior quality/new products/services that the customers might be interested in. ✓✓
- Well trained/knowledgeable staff members that create a better working atmosphere. ✓✓
- Stepping up the marketing of the business by using promotional ideas such as posters or campaigns on social media. ✓✓
- Updating the image of the business such as painting the front of the premises/ making the business looking modern/inviting. ✓✓

- Keeping up with developments in the sector of the business sector, following consumer trends/investing in new technology. ✓✓
- Improving customer services and ensuring client satisfaction. ✓✓
- Any other relevant answer related on ways in which businesses can overcome competition in the market.

Max. (4)

[40]

**BREAKDOWN OF MARKS**

QUESTION 2	MARKS
2.1	3
2.2	4
2.3	9
2.4.	6
2.5.1	4
2.5.2	4
2.6	6
2.7	4
TOTAL	40

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	3
2.2	4
2.3	9
2.4.1	4
2.4.2	4
2.5.1	2
2.5.2	4

QUESTION 3: BUSINESS OPERATIONS**3.1. Meaning of marketing**

- Marketing is used to deliver value to the customers✓ and satisfying their needs. ✓
- The aim is to link the business products and services✓ with the customer needs and wants. ✓
- Marketing also aims to get the right product or service to the right customer✓ at the right place and at the right time. ✓
- Businesses also establish a target market or maintain market share of a current product ✓ and locate the most appropriate customers through marketing activities. ✓
- Any other relevant answer related to the meaning of marketing.

Max (2)**3.2. Categories of consumer goods****3.2.1 Convenience goods**

- These are low priced goods purchased by consumers without much thought. ✓✓
- Consumers are not willing to spend much effort on buying convenience goods because they differ very little in terms of price/quality and the satisfaction it provides to consumers. ✓✓
- Example of convenience goods: bread/milk/soft drink, etc. ✓
- Any other relevant answer related to convenience goods as a type of consumer goods.

Sub max (2)

3.2.2 Shopping goods

- These goods are more expensive than convenience goods. ✓✓
- Consumers do not buy them very regularly. ✓✓
- They are prepared to spend a considerable amount of time and energy going to various shops until they are sure that they are getting the best value for their money. ✓✓
- Examples of shopping good: television/motor vehicles/clothing, etc. ✓✓
- Any other relevant answer related to shopping goods as a type of consumer goods.

Sub max (2)

Max (4)

3.3. Marketing Activities

3.3.1

MARKETING ACTIVITIES	MOTIVATIONS
1. Standardisation and grading. ✓✓	<ul style="list-style-type: none"> • TOP Manufacturers ensures that products are produced according to the same standards regarding appearance and size. ✓
2. Financing. ✓✓	<ul style="list-style-type: none"> • TM is required to obtain funds to ensure that business activities could operate effectively in pursuit of organisational objectives. ✓
Submax (4)	Submax (2)

NOTE: 1 Award marks for the correct marketing activities even if the quote is incomplete.

2 Do not award marks for the motivation if the marketing activities were incorrectly identified.

Max (6)

3.3.2 Other TWO marketing activities

- **Storage** ✓✓
 - Refers to the act of keeping the products at a facility ✓ for safekeeping/preservation after the manufacturing thereof. ✓
 - Storage ensures that sufficient products will be available ✓ to meet the demand for the products. ✓
 - The production of products on a large scale ✓ required the storage of such products. ✓
 - Bridges the gap ✓ between production and consumption. ✓
 - Storage ensures that products are preserved ✓ to meet future demands thereof. ✓
 - Any other relevant answer related to storage as a marketing activity that could be applied by TM.

Marketing activity (2)

Explanation (2)

Submax (4)

- **Transport** ✓✓
 - Refers to the movement of products ✓ from one place to another place. ✓
 - The production of products on large scale requires the transport ✓ thereof to markets all over the country. ✓
 - Transport makes it possible for certain products to be exported ✓ to other countries ✓
 - Transport ensures that the final products reach the consumer ✓ when it is required. ✓

- Different modes of transport are available to manufacturers, ✓ e.g. road, sea, air, pipelines and rail. ✓
- Any other relevant answer related to transport as a marketing activity that could be applied by TM.

Marketing activity (2)

Explanation (2)

Submax (4)

- **Risk-bearing** ✓✓

- Investments in a business opportunity are subject to constant risks, despite positive results predicted. ✓✓
- Entrepreneurs/Shareholders could lose the full investment amount should the business not succeed. ✓✓
- Risk-bearing provides businesses with the opportunity to reduce losses incurred should a business venture not succeed by sharing the risk with another party. ✓✓
- Any other relevant answer related to risk-bearing as a marketing activity that could be applied by TM

Marketing activity (2)

Explanation (2)

Submax (4)

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

2. Do not allocate marks for answers that were identified in QUESTION 3.3.1.

Max (8)

3.4. Promotional pricing

- Businesses offer sales or special offers to attract customers. ✓✓
- It is used when the price is lowered for a short period of time. ✓✓
- At certain times of the year, end of season ranges or old stock may be sold off at discount prices. ✓✓
- Example include special offers/discounts that are valid for a limited period of time/"Buy one, Get one free" type promotions. ✓✓
- Any other relevant answer related to promotional pricing as one of the pricing techniques.

Max (4)

3.5.1 Factors influencing pricing

FACTORS INFLUENCING PRICING	MOTIVATION
a. Input costs✓✓	The management of Cheap Stores mentioned that they have adjusted their prices due to an increase in transport and labour costs ✓
b. Target market✓✓	They further stated that their prices also depend on the income levels of their buyers.✓
Submax (4)	Submax (2)
Max (6)	

3.5.2 Other factors influencing pricing

Demand for the product✓✓

- The higher the demand, the higher the production volume, ✓ the lower the input costs, the lower the final price. ✓
- Any other relevant answer related to the demand for the product as a factor influencing pricing.

Factor (2)

Explanation: (2)

Sub max: (4)

Type of product✓✓

- Luxury products ✓ can be priced higher. ✓
- Any other relevant answer related to the type of product as a factor influencing pricing.

Factor (2)

Explanation: (2)

Sub max: (4)

The pricing technique✓✓

- Promotional pricing could be lower ✓ than demand-oriented pricing. ✓
- Any other relevant answer related to the pricing technique is used to determine the price as a factor influencing pricing.

Factor (2)

Explanation: (2)

Sub max: (4)

Competitive and substitute products ✓✓

- If there are similar products that could replace a product, ✓ a high price may result in a loss of sales to the substitute. ✓
- If the price and demand for complementary goods increase, the other product may increase at the same rate, ✓ for example, prices of computers and keyboards may increase at the same time. ✓
- Any other relevant answer related to the pricing technique is used to determine the price as a factor influencing pricing.

Factor (2)

Explanation: (2)

Sub max: (4)

The economic climate and availability of goods and services ✓✓

- If there is a shortage of a certain product, ✓ people are prepared to pay more for it. ✓
- Any other relevant answer related to the economic climate and availability of goods and services as a factor influencing pricing.

Factor (2)

Explanation: (2)

Sub max: (4)

Max(4)**NOTE: 1. Mark the first answer only.****2. Do not allocate marks for answers that were identified in QUESTION 3.5.2****3.6 The role of intermediaries in the distribution process.**

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

Max (6)



[40]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	2
3.2.1	2
3.2.2	2
3.3.1	6
3.3.2	8
3.4	4
3.5.1	6
3.5.2	4
3.6	6
TOTAL	40

[40]

QUESTION 4 MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS****4.1 The meaning of power relationship**

- Power relations can be described as a measure of a business' ability√ to control its environment and the behaviour of other businesses. √
- Power relations exist in all relationships√ in society. √
- Any other relevant answer related to Power relationship (2)

4.2 TWO components of the micro environments

- The business mission and objectives. √√
- Its management structure.√√
- Its resources and its culture are primarily controlled by the enterprise's management.√√
- Any other relevant answer related to the components of the micro environments.

NOTE: Mark the first TWO (2) only.**(2x2) (4)****4.3. Describe the advantages of Networking**

- Businesses can attract new customers√ resulting in increased market share and profitability. √
- Networking can be an excellent source √ of new perspectives and business ideas. √

- Allows managers to build ✓ new businesses relationships and generate new business opportunities. ✓
- Plays a role in the marketing and expansion ✓ of a business. ✓
- Assists businesses ✓ in making future business decisions. ✓
- Businesses can gain support ✓ when representation to various authorities is planned. ✓
- Any other relevant answer related to advantages of Networking

Max (4)**4.4 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 businessmen's ✓ cause and builds public trust. ✓
- Any other relevant answer related to why businesses lobby.

Max (4)**4.5 Ways in which 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. ✓✓
- Influence its suppliers by signing long term contracts. ✓✓
- Create new uses for a product by finding new customers. ✓✓
- Influence regulators through lobbying and bargaining. ✓✓
- Initiate bargaining sessions between management and unions. ✓✓
- Influence its owners using information contained in annual reports. ✓✓
- Negotiate strategic alliance agreement through contractual processes. ✓✓
- Any other relevant answer related to ways in which business can have a direct influence on the environment.

Max (6)**BUSINESS OPERATIONS****4.6 The meaning of distribution**

- Every business needs to have a distribution policy ✓ so that it knows how and where products need to be distributed. ✓
- Distribution is about how ✓ the business gets its products to its customers. ✓
- Once products have been developed and priced, ✓ they need to be made available to consumers at the right place and at the right time. ✓

- Products need to be distributed from the place where they were manufactured ✓
to the market place. ✓
- Any other relevant answer related to ways in which business can have a direct
influence on the environment.

(1X2) (2)

4.7 Channels of distribution

- Distribution channel is the path which the product is moved from the producer
to the consumer. ✓✓
- It is important that the channel is the most effective and cost efficient for the
product and reaches the target market. ✓✓
- A distribution channel is made up of many businesses that help move the
product from the producer to the final user/consumer. ✓✓
- It starts with the producer and ends with the final consumer. ✓✓
- The main aim of the distribution function is to ensure that the right product is
available at the right time. ✓✓
- Any other relevant answer related to the channels of distribution.

Max (6)

4.8 Pricing techniques

4.8.1

PRICING TECHNIQUES	MOTIVATIONS
1. Penetration pricing. ✓✓	- He charged lower prices for the furniture when the shop was newly opened to attract customers. ✓
2. Competition based/ orientation pricing. ✓✓	• He sets prices based on what other furniture shops are charging customers. ✓

Max (6)

4.8.2 Other TWO pricing techniques that can be considered in MFS.

Cost-based/orientated pricing ✓✓

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

Sub max (3)

Mark-up pricing ✓✓

- It is calculated as a percentage. ✓
- This percentage is calculated from the cost per unit. ✓

Sub max (3)

Customer/target-based pricing√√

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

Sub max (3)

Psychological pricing√√

- This strategy is used when the business wants the consumer to respond on emotional basis rather than a rational one. √
- It is used to give an impression that an item is cheaper than it really is √

Sub max (3)

Bait pricing√√

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

Sub max (3)

Price skimming√√

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

Sub max (3)

(Max 6)**NOTE: 1. Mark the first TWO (2) only****2. Do not award marks for pricing techniques identified in QUESTION 4.8.1****[40]****BREAKDOWN OF MARKS**

QUESTION 4	MARKS
4.1	2
4.2	4
4.3	4
4.4	4
4.5	6
4.6	2
4.7	6
4.8.1	6
4.8.2	6
TOTAL	40

TOTAL SECTION B : 80

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

- A trade union is an organized association of workers in a trade, group of trades, or profession formed to protect their rights and interest ✓
- Strike refers to refusal to work by two or more employees in an effort to pressurize employers to give in to their demands. ✓
- Labour Relations Act provides a sound legal structures that promotes labour peace in the workplace. ✓
- Piracy refers to unauthorized use/reproduction or copying of original music, films, books or computer software, patent rights and trademarks without the consent of the rightful owner. ✓
- Any other relevant introduction related to functions of trade unions/ negative impact of strikes/ lack of skills/ purpose of LRA/ solutions to copyright and trademarks.

(2 x 1) (2)**5.2 FUNCTIONS OF TRADE UNIONS**

- Improves conditions of employment. ✓✓
- Ensures that all employees are treated equally in the workplace ✓✓
- Representing the interest of general society and minority groups through media and negotiations. ✓✓
- Influencing government decisions. ✓✓
- Representing employees corporately and individually. ✓✓
- Improving material benefits of their members. ✓✓
- Establishing minimum economic and legal conditions/influencing economic policy and law. ✓✓
- Playing a role as moral institutions that will uplift the weak and oppressed and give them the dignity and justice they deserve. ✓✓
- Protecting workers from unfair labour practices and unfair dismissal. ✓✓
- Take legal action on behalf of members when necessary. ✓✓
- Any other relevant answer related to the functions of trade unions.

Max (10)**5.3 THE NEGATIVE IMPACT ON BUSINESSES****5.3.1 STRIKES**

- Strikes scares off/ potential investors. ✓
- Businesses may be forced to close down/ especially those located in townships. ✓
- May results in losses of production/ as employees stay absent from work during strikes. ✓

- Many businesses suffer losses✓ as a result of damage to property. ✓
- They can lead to violence/assaults/looting/destruction of property✓ and Intimidation of workers who do not strike. ✓
- Economy can be jeopardised✓ since production is lost. ✓
- Expense of increased salaries and wages✓ is often passed on to the consumer, which causes inflation. ✓
- Businesses loose income✓ because productivity is low. ✓
- Any other relevant answer related to the negative impact of strikes on businesses

Sub max (8)

5.3.2 LACK OF SKILLS

- Businesses cannot find candidates with adequate skills✓ and experience.✓
- Businesses end up appointing a candidate who lacks certain skills✓ resulting in poor products and services.✓
- Training employees is expensive✓ and productivity will be affected as it takes time for newly trained employees to learn his/her new jobs.✓
- The cost of labour becomes expensive✓ as some businesses recruit candidates from abroad.✓
- Any other relevant answer related to the negative impact lack of skills as a socioeconomic issue.

Sub max (8)

Max (16)

5.4 THE PURPOSE OF LABOUR RELATIONS ACT (LRA)

- Provide a framework where the employees, trade unions and employers work together✓ to discuss matters relating to employment, e.g. wages, conditions of employment. ✓
- Promotes orderly negotiations✓ and employee participation decision making in the workplace.✓
- Promotes resolution✓ of labour disputes.✓
- Promotes fair employment✓ practices.✓
- Outlines the relationship ✓ between employees and employers.✓
- 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.✓
- Allows workplace forums✓ where employees may participate in decision making.✓

- Establishes the Commission for Conciliation, Mediation and Arbitration (CCMA) ✓ to resolve labour disputes through statutory conciliation, mediation and arbitration. ✓
- Endorses the right to strike against retrenchments ✓, and facilitates labour disputes. ✓
- Clarifies the transfer of contracts ✓ of employment procedures. ✓
- Establishes Labour Courts and Labour Appeal Courts ✓ to deal with labour issues. ✓
- Any other relevant answer related to the purpose of the Labour Relations Act (LRA)

Max (12)

5.5 ADVISE TO BUSINESSES ON THE FOLLOWING SOLUTIONS TO PIRACY:

5.5.1 COPYRIGHT

- Businesses can sue someone who infringes the copyright. ✓✓
- They can also sue someone who sells or distributes works that he/she knew were infringements of copyright. ✓✓
- They can take legal action against people who copy their products. ✓✓
- Any other relevant answer related to copyright as solution to piracy

Sub max (4)

5.5.2 TRADEMARKS

- Businesses can have trademarks to identify themselves and their products. ✓✓
- They must register their trademarks with the Register of Trademarks at the Companies and Intellectual Property registration. ✓✓
- A registered trademark is protected forever provided it is renewed every ten years and a renewal fee is paid. ✓✓
- Claim damages from someone who infringes the trade mark. ✓✓
- Any other relevant answer related to trademarks as solution to piracy.

Submax (4)

Max (8)

5.6 CONCLUSION

- Unions communicate to the company's management the members' grievances such as unfair dismissal, low wages and conditions of services. ✓✓
- Fair labour practices promote peace and harmony in the workplace. ✓✓
- Socio economic issues pose a threat to the growth of businesses and the economy of a country. ✓✓
- Piracy undermines the music/movie industry as they lose money, it makes industry feel reluctant to develop new talents as the element of risk is too high ✓✓
- Any other relevant conclusion related to functions of trade unions/ negative impact of strikes/ lack of skills/ purpose of LRA/ solutions to copyright and trademarks.

Max (2)
[40]

QUESTION 5 BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Functions of trade unions	10	
The negative impact of Strike and Lack of Skills on businesses	16	
Purpose of Labour Relations ACT(LRA)	12	
Solutions to piracy	8	
Conclusion	2	
INSIGHT		
Layout/ Structure	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 only some requirements are met.

Allocate 0 marks where requirements are not met at all

QUESTION 6 : BUSINESS OPERATIONS**6.1 INTRODUCTION**

- Production planning refers to setting goals for the production department and establishing policies/programmes and procedures to achieve these goals. ✓
- Production planning include actual production, inventory/stock, factory layout and production costs. ✓
- Safety precautions are essential in every workplace especially when dealing with chemicals/dangerous machinery/harmful substances. ✓
- The Occupational Health and Safety Act establish and maintain a safe work environment that is without risk to the health of the workers. ✓
- Any other relevant introduction that relates to loading/ advantages of production planning/ precautionary measures when handling machinery/ ways to comply with the Occupational Health and Safety Act. (2x1) (2)

6.2 LOADING AS AN ASPECT DURING PRODUCTION PLANNING

- Involves planning who will be responsible for each activity identified during the routing process. ✓✓
- Involves allocating every person/machine to their task. ✓✓

- Loading calculates the amount of time each machine will need to operate during a day. ✓✓
- It also indicates which machines are not being used to their full capacity. ✓✓
- It is linked to the output required to fulfil orders and prevent the overloading of employees and machines. ✓✓
- Any other relevant answer related to loading as an aspect during production planning

Max (10)

6.3 ADVANTAGES OF PRODUCTION PLANNING

- Planning allows an entrepreneur to ensure that every machine and worker ✓ is used to their full capacity and not left with nothing to do. ✓
- The company can ensure that it has the correct amount of supplies and stock ✓ at a given time. ✓
- This reduces wastage ✓ and unnecessary storage costs. ✓
- Planning will prevent time being wasted ✓ and increase the number of final products. ✓
- Planning process involves quality checks ✓ and ensures that the correct quality is reached in the shortened possible time. ✓
- Any other relevant answer related to the advantages of production planning.

Max (10)

6.4 PRECAUTIONARY MEASURES WHEN HANDLING MACHINERY.

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

Max (14)

6.5 WAYS TO COMPLY WITH THE OCCUPATIONAL HEALTH AND SAFETY ACT

- Workers must be provided with protective gear to protect themselves against potential dangerous situations. ✓✓
- First aid boxes must be readily available at the workplace and in the factory. ✓✓

- Fire extinguishers must be readily available at the workplace and in the factory. ✓✓
- Machinery must be maintained at regular intervals and repaired promptly. ✓✓
- Implement the SAFE steps as follows: ✓✓
 - S: spot the hazard
 - A: assess the risk
 - F: fix the problem
 - E: evaluate the results

Max (10)**6.6 CONCLUSION**

- Every business should establish its own workplace safety policy which stipulate precautions and procedures related to equipment. ✓✓
- An employer can face penalties/prosecution and even criminal charges is not complying to OHSA. ✓✓
- Production planning consist of Planning, Routing, Loading and Scheduling. ✓✓
- Hazards refer to any agent that can cause harm of damage humans, property or the environment. ✓✓
- Any other relevant conclusion that relates to loading/ advantages of production planning/ precautionary measures when handling machinery/ ways to comply with the Occupational Health and Safety Act.

**Max (2)
(40)****QUESTION 6 BREAKDOWN OF MARK ALLOCATION**

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Loading during production planning	10	
Advantages of production planning	10	
Precautionary measures when handling machinery	14	
Ways to comply with OHSA	10	
Conclusion	2	
INSIGHT		
Layout/ Structure	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 only some requirements are met.

Allocate 0 marks where requirements are not met at all

TOTAL SECTION C : 40**GRAND TOTAL : 150**