



education

MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA

**FURTHER EDUCATION AND TRAINING**

Stanmorephysics.com

**GRADE 10**

**BUSINESS STUDIES P1**

Stanmorephysics.com  
JUNE 2024

**MARKS: 100**

**TIME: 1 ½ hours**

**This question paper consists of 8 pages.**

**INSTRUCTIONS AND INFORMATION**

Read the following instructions carefully before answering the questions.

1. This question paper consists of THREE sections and covers all TWO main topics done in Term 1 and 2.

**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 questions in SECTION C will be marked.

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 (minutes)
<b>A: Objective-type questions COMPULSORY</b>	<b>1</b>	<b>20</b>	<b>20</b>
<b>B: THREE direct/indirect-type Questions CHOICE: Answer any TWO</b>	<b>2</b>	<b>20</b>	<b>40</b>
	<b>3</b>	<b>20</b>	
	<b>4</b>	<b>20</b>	
<b>C: TWO essay-type questions CHOICE: Answer any ONE</b>	<b>5</b>	<b>40</b>	<b>30</b>
	<b>6</b>	<b>40</b>	
<b>TOTAL</b>		<b>100</b>	<b>90 minutes</b>

7. Begin the answer to EACH question on a NEW page, e.g. QUESTION 1 – new page, QUESTION 2 – new page.
8. Write neatly and legibly.

## SECTION A (COMPULSORY)

### QUESTION 1

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

1.1.1 The ... of the business explains what a business aims to achieve taking into consideration its purpose.

- A mission statement
- B Vision
- C Objective
- D Strategy

1.1.2 Intermediaries operate in the ... sector of the economy.

- A Primary
- B Secondary
- C Tertiary
- D private

1.1.3 The ... environment of a business will be influenced if interest rates increase.

- A economic
- B political
- C technological
- D social

1.1.4 The use of electronic equipment to assist with various administrative tasks:

- A handling of information
- B collection of information
- C information technology
- D office practice

1.1.5 The ... Act was introduced to prevent consumers from exploitation by businesses.

- A Labour Relations Act (LRA)
- B National Credit Act (NCA)
- C Employment Equity Act (EEA)
- D Consumer Protection Act (CPA)

5×2 (10)

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

COLUMN A	COLUMN B
1.3.1 Legal environment	A inspection of the final product to ensure that it meets the required standards
1.3.2. General Management	B the general increase in the prices of goods and services in the economy
1.3.3. Organisational structure	C are all laws and regulations in place to control business operations
1.3.4 Quality control	D ensures the smooth running of other business functions
1.3.5 Inflation	E are all actions taken by government that affects daily business activities
	F it shows who report to whom and which department fall under which managers
	G inspections done during and after production to ensure required standards have been met
	H it shows the personality of the business
	I the charges people and businesses pay for the cost of borrowing money
	J ensures that the business can generate enough income to cover the cost of raising capital

(5 x 2) (10)

**TOTAL SECTION A: 20**



**SECTION B**

Answer **ANY TWO** questions in this section.

**QUESTION 2: BUSINESS ENVIRONMENTS**

- 2.1 List TWO organisational resources. (2)
- 2.2 Outline the reasons why competition pose a challenge to businesses. (4)
- 2.3 Read the scenario below and answer the questions that follow.

**THABISA'S FINANCIAL SERVICES (TFS)**

Thabisa's Financial Services (TFS) is situated in Johannesburg CBD. Lately TFS has been experiencing challenges with their internet connectivity. Another financial advisor, Boithumelo's Inc, has set up a practice in the same office block as TFS.

- 2.3.1 Identify TWO components of business environments mentioned in the scenario above. (4)
- 2.3.2 Classify each component according to the business environment. (2)

Use the table below as a GUIDE to answer QUESTION 2.3.1. and 2.3.2

<b>COMPONENTS (2.3.1.)</b>	<b>BUSINESS ENVIRONMENTS (2.3.2.)</b>
1.	
2.	

- 2.4 Explain the interrelationship between the business and its immediate external environment in the following:
- 2.4.1. Business and consumer (2)
- 2.4.2. Business and suppliers (2)
- 2.5 Advise businesses on the reasons why the social environment pose challenges to businesses. (4)

**[20]**

**QUESTION 3: BUSINESS OPERATIONS**

- 3.1 Name any TWO types of organisational structures. (2)
- 3.2 Outline the difference between fixed and working capital. (4)
- 3.3 Read the scenario below and answer the questions that follow.

**MEL COMMUNICATION (MC)**

MEL Communication requires additional capital to expand their business. Maynards Bank granted MC a loan that they will use to buy a vehicle. In addition, an investor also offered MC money to expand in exchange for a share in the business.

- 3.3.1 Identify the TWO sources of financing applicable to MC. Motivate your answer by quoting from the scenario above.

Use the table below as a guide to answer QUESTION 3.3.1

SOURCE OF FINANCING	MOTIVATIONS
1.	
2.	

- 3.4 Explain the importance of quality in promoting the image of the business. (4)
- 3.5 Suggest ONE quality indicator of each of the following business functions::
- 3.5.1 Marketing function (2)
- 3.5.2 Administration function (2)

**[20]**

**QUESTION 4: MISCELLANEOUS TOPICS****BUSINESS ENVIRONMENTS**

- 4.1 Give TWO examples of intermediaries. (2)
- 4.2 Identify the business sector represented by EACH of the following statements:
- 4.2.1. Zuzo's Taxi's transport people from all over, within South Africa
- 4.2.2 Karla turned her home into a mini factory to manufacture healthy readymade meals. (4)
- 4.3 Explain why the macro environment can be a challenge for businesses. (4)

**BUSINESS OPERATIONS**

- 4.4 Outline reasons why the business may need financing. (2)
- 4.5 Read the scenario below and answer the question that follows

**LUCIA SCHOOL WEAR (LS)**

Lucia School wear specialises in the manufacturing of school uniforms. Lucia is in charge of setting the vision and mission statements of the business. Lucia appointed Debbie who serves as a supervisor to other employees.

- 4.5.1 Identify the levels of management that are represented by Lucia and Debbie.

Use the table below as a guide to answer this question.

NAMES	LEVELS OF MANAGEMENT
1. Lucia	
2. Debbie	

- 4.6 Evaluate the impact of the National Credit Act (NCA) on businesses. (4)

**[20]****TOTAL SECTION B: 40**



**SECTION C**

Answer **ANY ONE** question in this section

**QUESTION 5: BUSINESS ENVIRONMENTS (ENVIRONMENTS AND SECTORS)**

There are many external factors that affect the running of the business. These factors also affect the micro and market environment. Businesses operating in South Africa are divided into the formal and informal sectors. State owned businesses form part of the public sector.

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

- Outline the components of the micro environment.
- Explain the following components of the market environment:
  - Suppliers
  - Competitors
  - Consumers
- Distinguish between the formal and the informal sector.
- Advise businesses on the importance of the public sector.

**[40]****QUESTION 6: BUSINESS OPERATIONS (BUSINESS FUNCTIONS)**

Businesses realise the importance of coordinating activities within business functions. Incorrect purchasing procedures and stock levels can lead to the failure of a business. General management controls all the other business functions. Businesses that are credit providers must be aware of their responsibilities as credit providers.

Write an essay on business functions and National Credit Act in which you address the following aspects:

- Outline the importance of stock control for a business.
- Explain the meaning of the following management tasks:
  - Planning
  - Risk management
  - Leading
- Discuss any **THREE** steps of the purchasing procedure.
- Advise businesses on the responsibilities of credit providers according to the National Credit Act (NCA).

**[40]**

<b>TOTAL SECTION C:</b>	<b>40</b>
<b>GRAND TOTAL:</b>	<b>100</b>





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**MARKING GUIDELINE**

Stanmorephysics.com

**MARKS: 100**

**This marking guideline consists of 24 pages.**

**NOTES TO MARKERS**

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1. A comprehensive marking guideline has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:



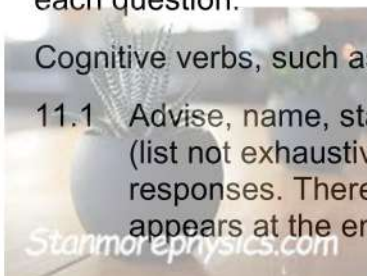
- Uses a different expression from that which appears in the marking guideline
- Comes from another source
- Original
- A different approach is used

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

2. Candidates' responses must be in full sentences for SECTION B and C. However, this would depend on the nature of the question.
3. 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.)
4. The word 'sub-max' is used to facilitate the allocation of marks within a question or sub-question.
5. 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.
6. 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 guideline. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
7. In an indirect question, the theory as well as the response must be relevant and related to the question.
8. Incorrect numbering of questions or sub-questions in SECTIONS A and B will be severely penalised. Therefore, correct numbering is strongly recommended in all sections.
9. No additional credit must be given for repetition of facts. Indicate with an R.
10. Note that no marks will be awarded for indicating Yes/No in evaluation type questions requiring substantiation or motivation. (Applicable to SECTIONS B and C).
11. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guidelines and the context of each question.

Cognitive verbs, such as:

- 11.1 Advise, name, state, mention, 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.



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- 11.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, 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 are achieved.
12. Mark only the FIRST answer where candidates offer more than one answer for SECTION B questions that require only one answer.

13. **SECTION B**

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

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

- 13.2 If two facts are written in one sentence, award the candidate FULL credit. Point 13.1 above still applies.

- 13.3 If candidates are required to provide their own examples/views, brainstorm this to finalise alternative answers.

13.4 **Use of the cognitive verb and allocation of marks:**

If the number of facts is specified questions that require candidates to 'explain/discuss/ describe' will be marked as follows:

- Fact 2 marks (or as indicated in the marking guideline)
- Explanation 1 mark

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

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 marks allocated in the marking guideline.

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



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14. SECTION C

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

Introduction	<b>Maximum: 32</b>
Content	
Conclusion	
Insight	<b>8</b>
<b>TOTAL</b>	<b>40</b>

14.2 Insight consists of the following components:

<b>Layout/ Structure</b>	Is there an introduction, body, proper paragraphs and a conclusion?	<b>2</b>
<b>Analysis and interpretation</b>	Is the candidate able to breakdown the question into headings/sub-headings/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')	<b>2</b>
<b>Synthesis</b>	Are there relevant decisions/facts/responses made based on the questions?  Marks to be allocated using this guide: No relevant facts: 0 (Two '-S') Some relevant facts: 1 (One '-S') Only relevant facts: 2 (Zero/No '-S')  <b>Option 1:</b> Where a candidate answers 50% or more of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis.  <b>Option 2:</b> Where a candidate answers less than 50% of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis  <b>Option 3:</b> Where a candidate answers less than 50% of the question with no relevant facts; two '-S' appear in the left margin. Award ZERO mark for synthesis.	<b>2</b>
<b>Originality</b>	Is there evidence of examples, recent of information, current trends and developments?	<b>2</b>
<b>TOTAL FOR INSIGHT:</b>		<b>8</b>
<b>TOTAL MARKS FOR FACTS:</b>		<b>32</b>
<b>TOTAL MARKS FOR ESSAY (8 + 32)</b>		<b>40</b>

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**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 allocated for layout, if the headings 'Introduction, Conclusion,' etc. in 'Insight' are not supported by an explanation.
4. With effect from November 2017 a candidate will be awarded a maximum of **ONE (1)** mark for headings/sub-headings and **ONE (1)** mark for interpretation (16 or more out of 32 marks). This applies specifically to the analysis and interpretation part of insight.

- 14.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, S and/or O').
- 14.4 The breakdown of marks is indicated at the end of the suggested answer / marking guideline for each question.
- 14.5 Mark all the relevant facts until the SUB MAX/MAX mark in a subsection has been attained. Write SUB MAX/MAX after maximum marks have been obtained.
- 14.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follow: (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
<b>TOTAL</b>	<b>40</b>

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- 14.7 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 sub-headings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought.



(See MARK BREAKDOWN at the end of each question.)

- 14.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.

- 14.9 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.

- 14.10 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.

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.

- 14.11 With the effect from November 2017, the maximum of TWO (2) marks for facts shown as heading in the memo, will not necessarily apply to each question.

This would also depend on the nature of the question.



**QUESTION** *Downloaded from Stanmorephysics.com*

1.1

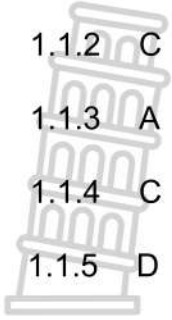
1.1.1 B ✓✓

1.1.2 C ✓✓

1.1.3 A ✓✓

1.1.4 C ✓✓

1.1.5 D ✓✓

**(5 X 2) (10)**

1.2

1.2.1 C ✓✓

1.2.2 D ✓✓

1.2.3 F ✓✓

1.2.4 A ✓✓

1.2.5 B ✓✓

**(5 X 2) (10)****TOTAL OF SECTION A [20]****BREAKDOWN OF MARKS**

QUESTION 1	MARKS
1.1	10
1.2	10
<b>TOTAL</b>	<b>20</b>

Section 2  
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Mark the **FIRST TWO** answers **ONLY**.

**QUESTION 2: BUSINESS ENVIRONMENTS**

**2.1 Organisational resources**

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

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

**Max (2)**

**2.2 Reasons why competition poses a challenge to businesses**

- Competition keeps prices down and reduces the business profitability. ✓✓
- A business may close down if it is unable to compete with other businesses. ✓✓
- Competition reduces the business target market. ✓✓
- It forces businesses to find new ways to produce an existing-products or develop new products/ services. ✓✓
- Competition is a challenge because it is not within control of the business. ✓✓
- Consumers will buy from the business where they get the most value for money and they could choose the competitor. ✓✓
- Business could find that they are unable to make sufficient profit when the demand is not high enough. ✓✓
- Businesses could find it hard to differentiate itself from its competitors to gain a competitive advantage. ✓✓
- New entrants with better products can also enter the market and divide the market even more thus decreasing the businesses market share. ✓✓
- Any other relevant answer related to reasons why competition poses a challenge to businesses.

**Max (4)**

**2.3 Business environments**

**Components of business environments from the scenario**

<b>COMPONENTS (2.3.1)</b>	<b>BUSINESS ENVIRONMENTS (2.3.2)</b>
Competitor ✓✓	Market ✓
Technological ✓✓	Macro ✓
Submax 4	Submax 2

- NOTE:**
1. Mark the first TWO (2)
  2. The business environment must be linked to the components
  3. Do not award marks for components that are not identified from the scenario.
  4. Award marks for components even if the business environments are incorrect.

**Max (6)**

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## 2.4 Interrelationship between business and immediate external

### 2.4.1. Business and consumer



- Consumers are people who are willing and able to pay ✓ for the business products/services. ✓
- The business needs to market/advertise its goods and services ✓ to ensure that there is a demand for them. ✓
- The business needs to carry out market research ✓ to determine the appropriate type of goods and services and the best price for them. ✓
- The public relations department should ensure that the business has a good image ✓ and that its consumer remains loyal. ✓
- Consumers depend on businesses for their goods and services ✓ to satisfy their needs and wants. ✓
- Businesses depend on consumers for their income ✓ when they buy from them. ✓
- Businesses need to ensure that they produce goods of consistently high quality ✓ to maintain or increase their customer base. ✓
- Without consumers ✓ a business cannot survive. ✓
- Any other relevant answer related to the interrelationship between the business and the consumer.

Max (2)

### 2.4.2. Business and suppliers

- Suppliers provide raw materials, inputs, equipment and business services ✓ that a business needs to produce its products.
- Without raw materials from suppliers ✓ a business cannot produce its goods or services. ✓
- The business needs to ensure that is using the best supplier ✓ to get the best quality for the best price. ✓
- Businesses need to communicate with suppliers ✓ about the latest developments in the technology and products. ✓
- They need to ensure that the suppliers have enough stock ✓ to meet consumer's demand. ✓
- Reliable suppliers are those suppliers that offer raw materials ✓ of the right quality, the right quantity, the right prices and deliver them at the right time. ✓
- Businesses need to honor their commitments to their suppliers by paying for their supplies on time, ✓ so that they maintain a good relationship with their suppliers. ✓
- Businesses can also maintain a good relationship with their suppliers by signing long-term contracts ✓ for their raw materials at fixed prices or buy in bulk to get discount on their raw materials. ✓
- Business need to pay their suppliers, ✓ as they are also customers. ✓
- Any other relevant answer related to the interrelationship between the business and the supplier.

Max (2)



**2.5 Reasons why the social environment pose a challenge to businesses**

- Social issues such as poverty, HIV/Aids, unemployment, low levels of literacy and crime can affect consumers' spending. ✓✓
- Social and cultural diversity have the potential to create conflict in the workplace. ✓✓
- Employees from different cultural backgrounds may have different cultural norms/preferences/beliefs etc. ✓✓
- South Africa has a large number of people who are poorly educated and unskilled. This means that businesses may have few customers. ✓✓
- Social issues affect consumer spending and business profitability. ✓✓
- Serious health issues have a negative effect on employee productivity. ✓✓
- Customers may not be able to afford products because of low income levels. ✓✓
- Businesses may not be conversant with the local language of their customers. ✓✓
- Any other relevant answer related to the reasons why the social environment pose a challenge to businesses.

**Max (4)**

BREAKDOWN OF MARKS	
<b>2.1.</b>	<b>2</b>
<b>2.2.</b>	<b>4</b>
<b>2.3.1.</b>	<b>4</b>
<b>2.3.2.</b>	<b>2</b>
<b>2.4.1.</b>	<b>2</b>
<b>2.4.2.</b>	<b>2</b>
<b>2.5.</b>	<b>4</b>
<b>TOTAL</b>	<b>20</b>

**QUESTION 3: BUSINESS OPERATIONS****3.1 Types of organisational structures**

- Functional organisational structure ✓
- Project organisational structure ✓
- Matrix organisational structure ✓

**NOTE: Mark the first TWO (2) only.****(2 x 1) (2)****3.2 Difference between fixed and working capital**

FIXED CAPITAL		WORKING CAPITAL	
-	Money pays fixed assets, e.g. land and buildings etc. ✓✓	-	Money pays for day to day activity, e.g. trading stock, raw materials, etc. ✓✓
-	Finance long term capital needs of the business. ✓✓	-	Finance the short term capital of the business. ✓✓
-	Examples: capital market, selling shares, mortgage bonds etc. ✓✓	-	Examples: money market, credit allowed by suppliers, short terms loans etc. ✓✓
-	Any other relevant answer related to fixed capital. ✓✓	-	Any other relevant answer related to working capital. ✓✓
Sub max 2		Sub max 2	

**NOTE: 1. The answer does not have to be in tabular format.****2. The difference does not have to link, but must be clear.****3. Award a maximum of TWO (2) marks if the difference is not clear mark either fixed capital or working capital.****Max (4)****3.3 Sources of financing from the scenario**

SOURCE OF FINANCING	MOTIVATIONS
1. Asset-based loan ✓✓	Maynards Bank granted MC a loan that they will use to buy a vehicle. ✓
2. Venture Capital ✓✓	In addition, an investor also offered MC money to expand in exchange for a share in the business. ✓
Submax 4	Sub max 2

**NOTE: 1. Mark the first TWO (2) only.****2. Do not award marks for the motivation if the sources of financing were incorrectly identified.****3. Award marks for the sources of financing even if the quote is incomplete.****Max (6)**

**3.4. Importance of quality in promoting the image of the business**

- 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 attracts prospective investors. ✓
- Businesses gain goodwill ✓ and support from the community. ✓
- Any other relevant answer related to importance of quality in promoting the image of the business.

**Max (4)****3.5 Quality indicators****3.5.1 Marketing function**

- Increasing their market share. ✓✓
- Winning customers by satisfying their needs/wants. ✓✓
- Differentiating products in order to attract more customers. ✓✓
- Constantly reviewing value issues. ✓✓
- Communicating effectively with customers to get feedback about their experience of products sold/services rendered. ✓✓
- Using pricing techniques to ensure a competitive advantage. ✓✓
- Using aggressive advertising campaigns to sustain/increase the market share. ✓✓
- Any other relevant answer related to quality indicators for the marketing function.

**Max (2)****3.5.2 Administration function**

- Use modern technology efficiently. ✓✓
- All systems and processes are documented. ✓✓
- Easy to recall/find information/documentation. ✓✓
- Handle complaints quickly and effectively. ✓✓
- Fast and reliable data capturing and processing systems. ✓✓
- Make relevant information available for quick decision-making. ✓✓
- All documentation is kept neatly and orderly in a safe place. ✓✓
- Financial documents are kept up to date and recorded accurately. ✓✓
- Any other relevant answer related to quality indicators for the administration function

**Max (2)****[20]**

BREAKDOWN OF MARKS	
<b>3.1.</b>	<b>2</b>
<b>3.2.</b>	<b>4</b>
<b>3.3.</b>	<b>6</b>
<b>3.4</b>	<b>4</b>
<b>3.5.1</b>	<b>2</b>
<b>3.5.2</b>	<b>2</b>
<b>TOTAL</b>	<b>20</b>



**QUESTION 4: MISCELLANEOUS TOPICS****BUSINESS ENVIRONMENTS****4.1 Examples of intermediaries**

- Wholesalers✓
- Retailers✓
- Agents✓
- Financial institutions✓
- Insurance brokers✓
- Transport✓
- Any other relevant answer related to examples on intermediaries.

**NOTE: Mark the first TWO (2) only.****(2x1) (2)****4.2 Business sectors****4.2.1 Tertiary sector ✓✓****(2)****4.2.2 Secondary sector ✓✓****(2)****4.3. Macro environment as a challenge**

- The macro environment is always developing ✓ and changing. ✓
- Management in businesses have no control ✓ over the macro environment. ✓
- A change in one of the environments in the macro environment can affect any of the other environments, ✓ which will then impact on businesses. ✓
- For example, the deadly Corona virus affected the entire world ✓ and had a negative impact on the social environment as well as the economic environment. ✓
- Any other relevant answer related to why the macro environment can be a challenge for businesses.

**Max (4)****BUSINESS OPERATIONS****4.4 Reasons why business need financing**

- Money for starting up a business – borrowing money in order to start a business. ✓✓
- Money to cover the running costs of a business while waiting for outstanding payments. ✓✓
- Money to replace machinery, equipment and computers. ✓✓
- Money for expansion, to grow a successful business. ✓✓
- Any other relevant answer related to why businesses may need financing.

**Max (2)**

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4.3. Levels of management from the scenario.

NAMES	LEVELS OF MANAGEMENT
1. Lucia	Top level management ✓✓
2. Debbie	Lower level management ✓✓
	Sub max (4)

**NOTE:** 1. Mark the first TWO (2) only.  
2. Do not award marks for the level of management if not linked to the correct name from the scenario.

Max (4)

4.6. **Impact of the National Credit Act on businesses**

**Positives/Advantages**

- Lower bad debts ✓ resulting in better cash flow. ✓
- Protects business ✓ against non-paying consumers. ✓
- Increases cash sales ✓ as credit can only be granted to qualifying customers. ✓
- Prevents reckless lending ✓ by financial institutions. ✓
- Ensures that businesses settle their debts on time ✓ so that they can obtain good credit scores. ✓
- Ensures that credit process is transparent ✓ e.g. both businesses and customers know their responsibilities. ✓
- Any other relevant answer related to the positive impact of the National Credit Act on businesses.

**AND/OR**

**Negatives/Disadvantages**

- Businesses are forced to budget ✓ to keep more cash/have enough cash on hand for stock purchases. ✓
- Businesses can no longer take the risk of selling poor quality goods ✓ at high prices. ✓
- Businesses can no longer ✓ carry out credit marketing. ✓
- Leads to loss of sales ✓ as many businesses may no longer qualify to buy on credit. ✓
- Businesses can only buy limited stock ✓ as credit is not available resulting loss of customers. ✓
- The Act complicates the purchasing process ✓ due to too much administration work in the credit providing process. ✓
- The purchasing department must know the terms and conditions ✓ of credit granting and the National Credit Act. ✓
- It may take longer to purchase goods ✓ and this could influence the overall efficiency of the business. ✓
- The Act compels businesses to sell quality products ✓ or businesses may be forced to reimburse the consumer. ✓
- Any other relevant answer related to the negative impact of the National Credit Act on businesses.

Max (4)

**TOTAL SECTION B**

[20]  
40





BREAKDOWN OF MARKS	
4.1	2
4.2.1	2
4.2.2	2
4.3	4
4.4	2
4.5	4
4.6	4
<b>TOTAL</b>	<b>20</b>

**SECTION C**

Mark the **FIRST** answer only.

**QUESTION 5: BUSINESS ENVIRONMENTS (ENVIRONMENTS AND SECTORS)****5.1 Introduction**

- The micro-environment includes all the forces/events and circumstances that affects the business and its market environment. ✓
- The market environment is located outside the business and the business cannot control this environment, only influence. ✓
- Businesses in South Africa are classified based on their business and economic activities. ✓
- In South Africa, most businesses are privately owned but some businesses are state-owned. ✓
- Any other relevant introduction related to the components of the micro and market environment/differences between the formal and informal sectors/ the importance of the public sector.

**Any (2 x 1) (2)**

**5.2 Components of the micro environment**

- Vision, Mission, Objectives, Goals, Strategy ✓✓
- Organisational resources ✓✓
- Leadership and management ✓✓
- Eight business functions ✓✓
- Organisational structure ✓✓
- Organisational culture. ✓✓
- Any other relevant answer related to the components of the micro environment.

**Max (8)**

**5.3 Components of the market environment****5.3.1 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. ✓

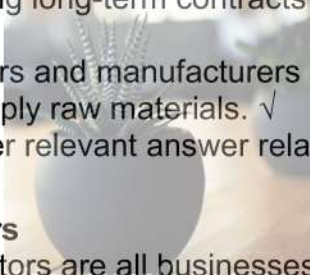


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- 
- Consumers will purchase the product/services from another business ✓ if a supplier is unable to supply a particular product/services. ✓
  - Businesses usually choose suppliers provide the best quality of goods, ✓ correct quantity and deliver goods at the agreed upon times and at the best price. ✓
  - If suppliers fail to provide businesses with quality resources, ✓ then the businesses will not be able to meet their goals/objectives. ✓
  - Businesses need to ensure ✓ that they identify reliable suppliers in the market. ✓
  - Businesses can establish a good relationship with their suppliers ✓ by signing long-term contracts for their raw materials at fixed prices. ✓
  - Producers and manufacturers are some examples of suppliers ✓ as they supply raw materials. ✓
  - Any other relevant answer related to the meaning of suppliers.

Sub max 6

### 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. ✓
  - Businesses will be forced to offer quality products or services at the lowest possible prices ✓ or else they will lose their customers to their competitors. ✓
  - Businesses should monitor the activities of their competitors ✓ so that they could produce goods or services that are of better quality than their competitors. ✓
  - Competition is influenced by the following Porter's Five Forces model: ✓ New entrants to the market, Power of suppliers, Power of consumers, Threats of substitute products/services, 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 the meaning of competitors.

Sub max 6

### 5.3.3 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 have ✓ 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. ✓
- Customer's preferences and taste does change as time goes by, ✓ so it is essential for businesses to conduct market research to ensure that their target market's changing needs are continuously met. ✓
- If customers are not happy with the products or services ✓ of a business, they will turn to a competitor. ✓
- Any other relevant answer related to the meaning of consumers.

Sub max 6

**Max (16)****5.4 Difference between formal and informal sector**

<b>Formal sector</b>	<b>Informal sector</b>
Industries in this sector ✓ are legally registered. ✓	This sector is ✓ not legally registered ✓
Fall between ✓ the mainstream of the economy. ✓	Fall outside ✓ the mainstream economy ✓
It is registered ✓ and pays tax. ✓	It is not registered ✓ and does not pay tax. ✓
Made up of ✓ small, medium and large businesses. ✓	Small scale ✓ operations ✓
Employees are protected ✓ as they receive unemployment funds, disability funds, injured on duty funds. ✓	Employees are not protected ✓ and can be exploited ✓
They are controlled by the laws and regulations ✓ of the government. ✓	They are not tracked ✓ by any form of government. ✓
Higher capital ✓ is required in this sector. ✓	Low capital ✓ needed for operation. ✓
Output can be measured ✓ into the country's GDP. ✓	Estimates should be made to measure ✓ contribution into the country's GDP. ✓
Usually more ✓ labour intensive. ✓	Usually more ✓ skill intensive. ✓
Usually include ✓ manufacturing, banking, insurance and large retail companies. ✓	Usually include ✓ street vendors, spaza shops, hairdressers and other home based activities. ✓
Employees ✓ have a steady income. ✓	Employees' ✓ income is inconsistent. ✓
Not easy to enter this sector ✓ as businesses had to be legally registered. ✓	Easy to enter the sector ✓ as there are no legal formalities needed. ✓
Higher capital is required ✓ in this sector. ✓	Low capital needed ✓ for operation. ✓
Sub max (6)	Sub max (6)



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

2. The difference does not have to link, but must be clear.

3. Award a maximum of SIX (6) marks if the difference is not clear. Mark either formal or informal sector.

Max (12)

### 5.5 Importance of the public sector

- 
- Offers affordable services that the private sector does not provide. ✓✓
  - Aims to meet the needs of society. ✓✓
  - Public sector businesses do not aim to make profit. ✓✓
  - Provides people with job opportunities. ✓✓
  - Improves the general standard of living of all people. ✓✓
  - Controls pollution and protects/conserves natural resources such as water, wildlife and precious stones. ✓✓
  - Ensures that wealth of the country is spread equally among the rich and the poor. ✓✓
  - Offers valuable services such as public roads/ public hospitals/public schools etc. ✓✓
  - Provides public goods and services such as water and electricity to meet the needs of its people ✓✓
  - Provides infrastructure that supports private sector. ✓✓
  - Intervenes in the economy to limit anti-competitive behaviour. ✓✓
  - Any other relevant answer related to the importance of the public sector.

Max (10)

### 5.6 Conclusion

- Businesses must have a better understanding of the relationship between the business environments. ✓✓
- Competition forces businesses to maximize its potential and this benefits customers because they end up getting excellent services from businesses.
- Developing countries tend to have a larger informal sector than developed countries. ✓✓
- The public sector provided services to the public to ensure that all people of South Africa has access to basic infrastructure. ✓✓
- Any other relevant conclusion related to the components of the micro and market environment/differences between the formal and informal sectors/ the importance of the public sector.

Any(1x2) (2)



BREAKDOWN OF MARK ALLOCATION		
DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Components of the micro environment	8	
Meaning:	16	
Suppliers		
Competitors		
consumers		
Difference between formal and informal sectors	12	
Purpose of public sector	10	
Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/ Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

\*LASO – For each component:  
Allocate 2 marks if all requirements are met.  
Allocate 1 mark if some requirements are met.  
Allocate 0 marks where requirements are not met at all

**QUESTION 6: BUSINESS OPERATIONS****6.1 Introduction**

- The owner must know how much stock is available to prevent overstocking or shortages. ✓
- The management tasks are tools used by an organisation to help complete projects more efficiently by organising and prioritising related tasks. ✓
- The purchasing function plays an important role in buying quality raw materials and services for the business. ✓
- The NCA provides credit provides with clear guidelines regarding their rights and responsibilities as credit providers. ✓
- Any introduction related to importance of stock control/management tasks/purchasing procedure/responsibilities of credit providers.

**Any (2x1) (2)**

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### 6.2 Importance of stock control for a business

- 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 (10)**

### 6.3. Management tasks

#### 6.3.1. Planning

- The process of setting goals ✓ and developing strategies. ✓
- It includes getting all the information you need ✓ for planning. ✓
- Top management ✓ formulates strategic plans. ✓
- Middle management ✓ formulates tactical plans. ✓
- Lower management ✓ formulates operational plans. ✓
- Analysing the information ✓ and set long term goals. ✓
- Considering different plans ✓ to achieve the goals. ✓
- Choosing the best plan ✓ and decide on the action to be taken. ✓
- Management looks ahead at the future ✓ to determine objectives. ✓
- Planning is done in all departments by all employees ✓ with the objectives of the company in mind. ✓
- Process of setting goals ✓ and making plans to achieve these goals. ✓
- Deciding on the backup plan ✓ if chosen plan becomes impossible. ✓
- Implementing ✓ the chosen plan. ✓
- Follow up to make sure the plan is successful, ✓ adjust it or change to the backup plan. ✓
- Any other relevant answer related to planning as a management task.

**Sub max (6)**

#### Risk management

- 6.3.2.**
- Identifies possible risk by finding risk-bearing activities (i.e. activities which could go wrong) ✓ within the organisation. ✓
  - Assists businesses to in analyse each possible risk ✓ to assess how likely it is that the risk will happen. ✓
  - Evaluates the potential impact of risk ✓ in terms of financial liability. ✓
  - Controls/Monitors the risk by studying reports and trends in the environment ✓ so that measures can be taken to prevent it from happening. ✓
  - Handles the risk by determining what actions to take should the event happen ✓ using available resources and contingency plan and communication with stakeholders. ✓
  - Any other relevant answer related to risk management as a management task.

**Sub max (6)**



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### 6.3.3. Leading

- The process of leading is to guide, motivate and inspire others ✓ to achieve goals. ✓
- Refers to inspiring employees to carry out their task ✓ to the best of their abilities. ✓
- Establishing a productive ✓ working climate. ✓
- Motivating employees ✓ to achieve the goals set. ✓
- Guiding employees in the right direction ✓ so that the business can achieve its goals. ✓
- Activating workers to use their skills and resources ✓ to their best ability. ✓
- Providing employees with directions ✓ on how things should be done. ✓
- Respecting and treating employees so that they work willingly ✓ to achieve the business goals. ✓
- Leaders set up proper communication channels ✓ so that the workers are always informed ✓ and there is clear transfer of information. ✓
- Any other relevant answer related to leading as a management task.

Sub max (6)  
Max (16)

## 6.4 Steps in the purchasing procedure

### 6.4.1 Determine the need for the product/requisition ✓✓

- Liaise with the financial department to establish the budget ✓ for the purchasing of goods and services. ✓
- Determine the product/material/resource needs ✓ of the businesses. ✓
- Find the right quality/ quantity of goods and services ✓ at the right price and at the right time. ✓
- Any other relevant answer related to determining the need for the product/requisition

Step (2)  
Explanation (2)  
Sub max (4)

### 6.4.2 Determine the price of the product ✓✓

- Find the best price ✓ by obtaining quotes/tenders or making enquiries. ✓
- Any other relevant answer related to determining the price of the product.

Step (2)  
Explanation (2)  
Sub max (4)

### 6.4.3 Select/Choose a suitable supplier ✓✓

- The purchasing department should choose reliable suppliers ✓ for its raw materials/products. ✓
- Evaluation criteria based on quality of raw material/ prices/delivery time ✓ should be used to select the best suitable supplier. ✓
- The purchasing department should conduct a thorough investigation ✓ about potential suppliers/their reputation and reliability. ✓
- Any other relevant answer related to choosing the supplier

Step (2)



Explanation (2)  
Sub max (4)6.4.4 **Place an order**✓✓

- The purchasing department should place an order in writing ✓ so that goods delivered can be compared with the order. ✓
- Confirm the prices of the products on order ✓ to avoid surprises when payments are made. ✓
- Any other relevant answer related to placing an order.

Step (2)  
Explanation (2)  
Sub max (4)6.4.5 **Collect or receive the order**✓✓

- The purchasing department should ensure that the right orders are received ✓ and recorded. ✓
- The quality and quantity of stock received should be checked ✓ against the order. ✓
- The purchasing department should keep a copy of a delivery note ✓ for record-keeping purposes. ✓
- Any other relevant answer related to the collection or receiving of the order.

Step (2)  
Explanation (2)  
Sub max (4)6.4.6 **Pay the supplier**✓✓

- Purchasing department instructs the financial department to pay the supplier ✓ after delivery of the order. ✓
- The supplier must provide copies of the requisition form ✓ to the purchasing department. ✓
- Purchasing department must provide a delivery note ✓ to the financial department. ✓
- The supplier sends the invoice to the financial department ✓ for final payment after satisfactory delivery. ✓
- Any other relevant answer related to paying the supplier.

Step (2)  
Explanation (2)  
Sub max (4)6.4.7 **Distribution of stock**✓✓

- The purchasing department should ensure proper distribution of stock/raw materials ✓ to all relevant departments. ✓
- Distribution of stock should be in line with prerequisite orders ✓ from each department to avoid stock loss. ✓
- Any other relevant answer related to distribute stock.

Step (2)  
Explanation (2)  
Sub max (4)

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#### 6.4.3 Complete the order ✓✓

- Ensure that all the correct documentation is in place and filed for future reference. ✓
- Any other relevant answer related to completing the order.

Step (2)  
Explanation (2)  
Sub max (4)

- NOTE:**
1. Mark the first THREE (3) only.
  2. Steps can be in any order.

**(3x4) (12)**

#### 6.5 Responsibilities of credit providers

- Credit providers should conduct a credit assessment on the consumers' affordability. ✓✓
- Check the most recent pay slip or bank statement to ensure 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 response related to the responsibilities of credit providers.

**Max (8)**

#### 6.6 Conclusion

- Businesses should keep sufficient stock available at all times to meet the demand of customers. ✓✓
- A well-managed purchasing function can lead to the success and growth of the business. ✓✓
- Management tasks should be carried out at different levels of the business, and are carried out to ensure that the vision, mission, and goals of the business are met. ✓✓
- The purchasing department must know the terms and conditions of credit granting and the National Credit Act. ✓✓
- Any conclusion related to importance of stock control/management tasks/purchasing procedure/responsibilities of credit providers.

**Any (1x2) (2)**

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### BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Importance of stock control	10	
Meaning:	16	
Planning		
Risk management		
Leading		
Purchasing Procedure	12	
Responsibilities of credit providers	8	
Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/ Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

\*LASO – For each component:  
 Allocate 2 marks if all requirements are met.  
 Allocate 1 mark if some requirements are met.  
 Allocate 0 marks where requirements are not met at all

**TOTAL SECTION C: 40**  
**GRAND TOTAL 100**