



BUSINESS STUDIES GRADE 11

TERM 1

CONTROLLED TEST

2026

MARKS: 100

DURATION: 1HR

Stanmorephysics.com

This 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 TWO main topics.
 - a. SECTION A: COMPULSORY
 - b. SECTION B: Consists of THREE questions.
 1. Answer any TWO of the three questions in this section.
 - c. SECTION C: Consists of TWO questions.
 2. Answer ONE of the two questions in this section.
2. Read the instructions for each question carefully and take particular note of what is required.
3. Number the answers correctly according to the numbering system used in this question paper. NO marks will be awarded for answers that are numbered incorrectly.
4. Except where other instructions are given, answers must be 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	20	10
B: THREE direct/indirect type questions CHOICE: Answer any TWO.	2	20	15
	3	20	15
	4	20	15
C: TWO essay-type questions CHOICE: Answer any ONE.	5	40	20
	6	40	20
TOTAL		100	60

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
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 numbers (1.1.1-D) in the ANSWER BOOK.

1.1.1 The organizational culture of the business is a component for the...environment

- A. Market
- B. Micro
- C. Physical
- D. Macro

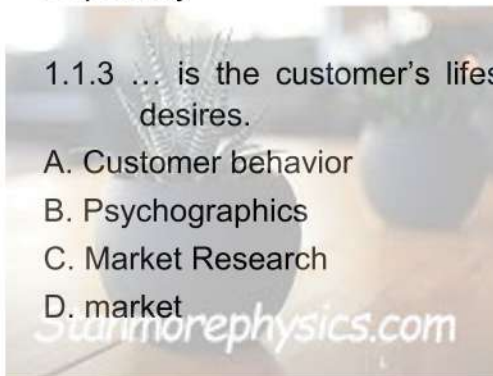
1.1.2 Global Mining operates in the ... sector.

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



1.1.3 ... is the customer's lifestyle and behaviour, such as attitude, interests and desires.

- A. Customer behavior
- B. Psychographics
- C. Market Research
- D. market



1.1.3 This ... element does not form part of the triple-bottom line.

- A. Profit
- B. People
- C. Planet
- D. Price

1.1.5 ... makes it difficult to secure formal employment because most jobs require reading and writing skills.

- A. Lack of education
- B. Unemployment
- C. Communication skills
- D. Illiteracy

(5x2=10)

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

lobbying; piracy; socio-cultural vision; crime; forward
demographics; backward; mission statement; networking

1.2.1 ... is the illegal use of another person's work.

1.2.2 The ... factors include language, customs, income levels and preferences associated with beliefs.

1.2.3 Brian Manufacturers predicts what the future will look like. This is known as...

1.2.4 Businesses in the ... link sell goods and services to other businesses in the same sector.

1.2.5 A coordinated activity where people who have a similar objective meet and exchange information and ideas is known as ...

(5X2=10)

SECTION: [20]

SECTION B

Choose **TWO** questions from this section.

QUESTION 2

2.1 Name **THREE** types of industrial actions. (3)

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

GABIES EVENTS COORDINATOR (GBC)

Gabies Events Coordinator is a business that specializes in events organising for weddings, conferences and birthdays. They have recently recruited new employees who are not getting along and always getting into fights. They get their supplies from Ribbons & Balloons Ltd who have not been delivering on time. The increase in interest rates has made it difficult for them to obtain a loan.

2.2.1 Quote **THREE** challenges faced by GBC in the scenario above. (3)

2.2.2 Classify **EACH** challenge according to the **THREE** business environments. (3)

2.2.3 State the extent of control GBC has over **EACH** business environment identified in QUESTION 2.2.2. (3)

Use the table below as a guide to answer QUESTION 2.2.1-2.2.3 above.

CHALLENGES 2.2.1	BUSINESS ENVIRONMENTS 2.2.2	EXTENT OF CONTROL 2.2.3

2.3 Discuss Globalisation as a challenge of the macro environment. (4)

2.4 Recommend ways in which businesses can overcome competition in the market. (4)

[20]

QUESTION 3

3.1 Elaborate on the meaning of *economic crime* as a contemporary socioeconomic issue. (2)

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

DOMINO CONSTRUCTIONS (DC)

Domino Constructions is a company specialising in surveying, architecture, and building. They recently decided to develop their systems and make it easy to store and retrieve information easily. DC has also looked at how to quickly respond to challenges from both internal and external environments by putting proper plans in place.

3.2.1 Identify TWO ways in which DC is adapting to challenges of the business environment. Motivate your answer by quoting from the scenario above. (6)

Use the table below as a GUIDE to answer QUESTION 3.2.1

WAYS TO ADAPT	MOTIVATION

3.3 Explain the link between the primary, secondary and tertiary sector. (6)

3.4 Discuss any TWO types of lobbying. (6)

[20]

QUESTION 4 (MISCELLANEOUS QUESTIONS)

4.1 State any TWO challenges of the micro-environment. (2)

4.2 Read the case study below and answer the questions that follow.

NINGY MANUFACTURES (NM)

Ningy Manufactures, specialises in sports gear for different sporting codes. They manufacture quality sports gear for their customers. NM buy their varied materials and cottons from Oakdene Suppliers.

4.2.1 Name TWO business sectors represented in the scenario above. Motivate your answer by quoting from the scenario, (4)

Use the table below as a GUIDE to answer the above.

BUSINESS SECTOR	MOTIVATION

4.3 Identify the following statements below as ways in which Greyling (Pty) Ltd can adapt to challenges in the business environment. (4)

4.3.1 Greyling (Pty) Ltd bought some shares of Hamps Limited against their will.

4.3.2 They agreed to unite with Fix-It Plumbers and form one company.

4.4 Explain the negative impact of population growth. (4)

4.5 Suggest ways in which businesses can be involved in the macro environment. (6)

[20]

SECTION B TOTAL: 40

SECTION C

Answer only **ONE** question from this section.

QUESTION 5 (CHALLENGES AND INFLUENCES OF THE BUSINESS ENVIRONMENTS)

Businesses are influenced by the environment they exist in. It is easy for businesses to manage and control the micro-environment. All environments pose challenges to businesses, and they must find a way of adapting to these challenges.

- Elaborate on the meaning of the micro, market and macro environments.
- Explain the reasons why businesses have more control over the microenvironment.
- Discuss **THREE** challenges of the market environment.
- Suggest the benefits/advantages of businesses that are involved in macro environment.

(40)

QUESTION 6 (CONTEMPORARY SOCIO-ECONOMIC ISSUES)

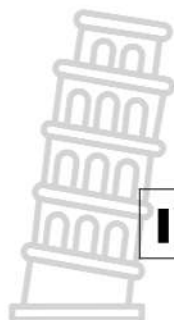
Trade unions play a very important role in businesses. They have functions to perform on behalf of employees in promoting good working relations between employer and employee within the business. Businesses also experience contemporary issues which have a negative impact on their daily operations.

- Elaborate on the meaning of trade unions.
- Explain the functions of trade unions.
- Discuss **THREE** ways in which businesses can deal with piracy.
- Advise businesses on the negative impact of the following socioeconomic issues.
 - Dumping
 - Unavailability of natural resources
 - Low-income levels.

(40)

TOTAL: 100

GOODLUCK!!



INSERT NAME OF THE SCHOOL

BUSINESS STUDIES

GRADE -11

TERM -1

**CONTROLLED TEST
MARKING GUIDELINES**

2026

MARKS: 100

DURATION: 1 HR

This paper consists of 17 pages.

NOTES TO MARKERS

The notes to markers are provided for quality assurance purposes to ensure the following:

- Fairness, consistency, and reliability in the standard of marking
- To facilitate the moderation of candidates' scripts at the different levels
- To streamline the marking process considering the broad spectrum of markers across the entire province
- To implement appropriate measures in the teaching, learning and assessment of the subject at schools/institutions of learning

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

Marker:	Red
Senior Marker/HOD	Green
DSA/ Lead Teacher	Brown
Teacher moderator /SA	Orange
Provincial moderator	Pink
Provincial Dep Chief Moderator	Lilac
Provincial Chief Moderator	Lime
All levels	Sky blue

2. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
3. Comprehensive marking guidelines have been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct, but:
 - Uses a different expression from that which appears in the marking guidelines.
 - Comes from another source.
 - Is original.
 - Uses a different approach.

NOTE: There is only ONE correct answer to questions 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 words '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/moderation purposes.
7. Sub-totals to questions must be written in the right-hand margin. Circle the sub- totals 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 penalized if the latter is not clear.
10. No additional credit must be given for merely repeating facts. Indicate with an 'R'.
11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
 - a. When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. Positive: *'COIDA eliminates time and costs spent✓ on lengthy civil court proceedings.'*✓
 - b. When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. *'COIDA eliminates time and costs spent✓ on lengthy civil court proceedings✓, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'*✓

NOTE:

1. The above could apply to 'analyze' as well.
2. Note the placing of the tick (✓) in the allocation of marks.

12. The allocation of marks must be informed by the nature of the question, cognitive verb used, the mark allocation in the marking guidelines and the context of each question.



Cognitive verbs, *such as*:

- a. 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.
- b. Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, analyze, 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 assessment is conducted according to established norms so that uniformity, consistency and fairness are achieved.

13. Mark only the FIRST answer where candidates offer more than one answer for questions in SECTIONS B and C which require one answer.

14. **SECTION B**

14.1 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.

- NOTE:**
1. This applies only to questions where the number of facts is specified.
 2. The above also applies to responses in SECTION C (where applicable).

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

14.3 If candidates are required to provide their own examples/views, brainstorm this at the marking center to finalize alternative answers.

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

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

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

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



14.4.2 If the number of facts required is not specified, the allocation of marks must be informed by the nature of the question and the maximum mark allocated in the marking guideline.

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

15. **SECTION C**

15.1 The breakdown of the mark allocation for the essay-type questions is as follows:

Introduction	Maximum: 32
Content	
Conclusion	
Insight	
TOTAL	40

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, paragraph and a conclusion?	2
Analysis and interpretation	<p>Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked?</p> <p>Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')</p>	2
Synthesis	Are there relevant decisions/facts/responses made based on the questions?	2
	Option 1: Only relevant facts: 2 marks (No '-S') Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis.	
	Option 2: Some relevant facts: 1 mark (One '-S') Where a candidate answers less than 50% (only one sub-question) 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.	
Option 3:	Some relevant facts: 1 mark (One '-S') Where a candidate answers FOUR sub-questions, but one/two/three sub-questions with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.	
Option 4:	No relevant facts: 0 mark (Two '-S') Where a candidate answers less than 50% (only one sub-question) of the questions with no relevant facts; two '-S' appears in the left margin. Award a ZERO mark for synthesis.	
Originality	Is there evidence of one example per topic/subtopic based on recent information, current trends, and developments?	2
TOTAL FOR INSIGHT:		8
TOTAL FOR FACTS: TOTAL		32
MARKS		40
FOR ESSAY (8 + 32):		

- NOTE: 1. No marks will be awarded for content repeated from the introduction and conclusion.**
2. The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.
3. No marks will be awarded for layout, if the headings INTRODUCTION and CONCLUSION are not supported by an explanation.

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



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

- 15.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)
- 15.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 15.9 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 guidelines.
- 15.10 15.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences, and vague answers.
- 15.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (✓) will be separated and indicated next to each fact,
e.g. *'Product development is a growth strategy where businesses aim to introduce new products into existing markets.'*✓
- This will be informed by the nature and context of the question, as well as the cognitive verb used.

SECTION A

QUESTION 1

Multiple Choice

1.1.1 B ✓ ✓

1.1.2 D ✓ ✓

1.1.3 B ✓ ✓

1.1.4 D ✓ ✓

1.1.5 D ✓ ✓

(5x2=10)

1.2.1 Piracy ✓ ✓

1.2.2 socio-cultural ✓ ✓

1.2.3 vision ✓ ✓

1.2.4 forward link ✓ ✓

1.2.5 networking ✓ ✓

(5x2=10)

SECTION B

QUESTION 2

2.1 Strikes ✓

Go-slow ✓

Lock-out. ✓

Mark the FIRST THREE (3).

(3x1)(3)

2.2.1



CHALLENGES	BUSINESS ENVIRONMENTS	EXTENT OF CONTROL
-They recently recruited new employees who are not getting along and always getting into fights. ✓	Micro ✓	Full ✓
- They get their supplies from Ribbons and Balloons Ltd who have not been delivering on time. ✓	Market ✓	Limited/less/Partial control ✓
- The increase in interest rates has made it difficult for them to obtain a loan. ✓	Macro ✓	No control ✓
(Sub-max 3)	(Sub-max 3)	(Sub-max 3)

NOTE:

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

(9)

2.3 Globalisation/International trade

- Globalisation refers to the exchange of products/services/capital and labour ✓ across boundaries/countries. ✓
- Local businesses are competing with international businesses ✓ for



local consumers. ✓

- Businesses should be aware of global networks✓ and their effects. ✓
- The overseas migration of skilled labour✓ can result in local skills shortage. ✓
- This means more competition✓ for businesses that are already under pressure to compete locally. ✓



- Some international businesses dump their product lines in South Africa ✓ at the price lower than those at which local businesses can afford to sell them. ✓
- Dumping makes it difficult for local businesses to be competitive ✓ in global market. ✓
- The benefits of globalisation is that it has led to the faster and easier transfer ✓ of knowledge and skills between countries. ✓
- Any other relevant answer related to Globalisation as a challenge of the macro environment.



Ma x (4)

2.4 Ways in which businesses can overcome competition in the market.

- Businesses must ensure that they produce unique/ differentiated goods or services for the target market. ✓ ✓

Businesses need to provide more personalised services by being responsive to their customer's needs/wants. ✓ ✓

- Goods/services must be priced lower than competitor's goods/services in the market. ✓ ✓
Businesses must produce high-quality goods/services that the customers might be interested in. ✓ ✓

- Create a positive image/publicity through regular engagements in community development projects. ✓ ✓

Businesses must improve on customer services and keep customers happy.

✓ ✓

- Businesses must create a positive outlook by regularly renovating their premises and improving their systems. ✓ ✓
- Businesses must undertake good marketing campaigns that will draw the attention of the target market. ✓ ✓
Businesses must offer low-cost extras such as improved credit terms/loyalty schemes, and so on. ✓ ✓

- Businesses must ensure that they have well-trained and dedicated employees that create a better working atmosphere. ✓ ✓
- Management must ensure that the business differentiates itself from the competitors by tapping into what the customer 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 the lower prices than that of the other businesses. ✓ ✓
- Selling products of a superior quality/new products/services that the customers might be interested in. ✓ ✓
- By being the best employer that has 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 on customer services and keeping them happy. ✓ ✓
- Any other relevant answer related to ways in which businesses can overcome competition.

Max (4)

[20]

QUESTION 3

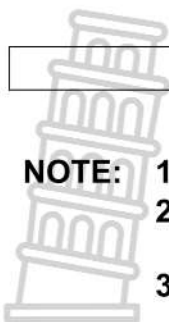
3.1 Meaning of economic crime

- Economic crime ✓ is also known as white collar crime. ✓
- Unlawful use of money that does not belong to a person ✓ . This is classified as fraud. ✓
- Money gain through unlawful business dealings ✓ covered up under a shell company ✓ (or a business with a 'fake' name) for example, business that sell unlawful substance but pose as, for example, a laundry business. This is also known as money laundering.
- A key feature of economic crime is that money is stolen ✓ from a business using intellectual skills and deception. ✓
- Any other relevant answer related to the meaning of economic crime.

Max (2)

3.2.1 Adapting to challenges of the business environment

WAYS TO ADAPT	MOTIVATION
Information systems ✓ ✓	-They recently decided to develop their systems and make it easy to store and retrieve information easily. ✓
Strategic response ✓ ✓	- DC has also looked at how to quickly respond to challenges from both internal and external environments by putting proper plans in place. ✓



Sub-max Max (4)

Sub-max (2)

- NOTE:**
1. Mark the first TWO (2) only.
 2. Award marks for the ways to adapt even if the quotes are incomplete.
 3. Do not award marks for the motivations if the ways to adapt were incorrectly identified.
 4. Accept responses in any order

Max (6)



3.3 The link between the primary, secondary and tertiary sector

- The primary sector depends on the secondary sector for manufactured goods such as machinery/equipment/fertilisers 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 needs tyre 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 link between the primary, secondary and tertiary sector.

Max (6)

3.4 Types of lobbying

Hedging against inflation ✓ ✓

- Hedging is a method that businesses use to try and reduce risk ✓ when they are unsure about possible price increases. ✓
- Businesses use hedging to protect their financial investments ✓ by spreading the risk. ✓
- They can hedge against inflation by investing their surplus assets/money ✓ in investments with intrinsic value, for example gold/oil/property. ✓
- Businesses use hedging by buying bonds, shares, property ✓ or buying precious metals like gold to protect capital from the effects of inflation. ✓
- It is a method that businesses try to reduce the risk ✓ when unsure

about possible price fluctuations. ✓

- Any other relevant answer related to hedging against inflation (Sub-max 3)

Bargaining sessions between management and unions ✓ ✓

- These sessions enable employees ✓ to negotiate with employers as a group to protect employees' rights. ✓
- Bargaining sessions prevent labour strikes ✓ and provide critical information to people in power. ✓
- Businesses make sure that their representatives ✓ are trained/skilled to negotiate on their behalf. ✓



- The purpose of bargaining sessions ✓ is to find a win-win situation for all parties. ✓
- Management will try to convince the union to accept its proposal ✓ and the union will try to persuade management to accept their demands. ✓
- The outcome of a successful bargaining session can protect the business from the negative impact of strikes caused by losses in productivity. ✓
- Businesses need to be fair/transparent ✓ to establish trust and good communication with unions. ✓
- Any other relevant answer related to bargaining sessions between management and unions

(Sub-max 3)

Influencing supervisory body/regulators ✓ ✓

- There are large number of supervisory bodies ✓ and regulators who operate in the business environment. ✓
- Businesses take an active ✓ role in professional bodies. ✓
- Through their membership/advocacy/submissions ✓ they may be able to influence changes to existing regulations. ✓
- Business managers participate in debates ✓ and discussions that shape public policies. ✓
- Businesses influence and negotiate ✓ with these regulators to protect their own sustainability. ✓
- It is in the best of interest of businesses ✓ to adhere to the guidelines and restrictions of these bodies to stay in businesses. ✓
- Any other relevant answer related to Influencing supervisory body/regulators.

(Sub-max 3)

Mark the first TWO

Max (6)
[20]

QUESTION 4

4.1 Challenges of the micro- environment

- Difficult employees. ✓
- Lack of vision and mission ✓

- Lack of adequate management skills ✓
- Unions ✓
- Strikes and go slows. ✓
- Skills shortages among employees ✓
- High employee turnover ✓
- Employee absenteeism ✓

Mark the first TWO only

(2x1) (2)



4.2.1 Business sectors

BUSINESS SECTORS	MOTIVATION
Secondary sector ✓	- They manufacture quality sports gear for their customers. ✓
Tertiary sector ✓	- NM buy their varied materials and cottons from Oakdene Suppliers. ✓
Sub-max (2)	Sub-max (2)

- NOTE:**
1. Mark the first TWO (2) only.
 2. Award marks for the business sectors even if the quotes are incomplete.
 3. Do not award marks for the motivations if the business sectors were incorrectly identified.
 4. Accept responses in any order

Max (4)

4.3 Statements below as ways adapt to challenges in the business environment

4.3.1 Acquisition ✓ ✓

4.3.2 Merging ✓ ✓

Max (4)

4.4 The negative impact of population growth on businesses

- Excessive growth increases ✓ unemployment and crime. ✓
- The municipal and health services may be expensive ✓ resulting in the consumer having less money to spend on other products. ✓
- More land will be used to build houses ✓ which mean a decrease in agricultural land and a decrease in basic food supply. ✓
- Consumers will have less income ✓ and business will have a decrease in sales. ✓
- As the population of South Africa continues to grow, businesses are challenged ✓ to provide goods and services to meet consumer demands, this may place a lot of financial strain on business. ✓
- Business growth may lead to ✓ the creation of jobs for some people. ✓
- A high population growth ✓ may put strain on the natural resources of the country. ✓

- Any other relevant answer related to negative impact on population growth.

Max (4)

4.5 **Ways in which businesses can be involved in the macro environment.**

- Influencing suppliers by signing long term contracts. ✓ ✓
- Create job opportunity for the people in their communities. ✓ ✓
- Undertake social responsibility programmes to improve the welfare of people in the community. ✓ ✓
- Improve exports markets by expanding into new African markets. ✓ ✓

- Undertake scientific research to improve traditional medicines. ✓ ✓
- Enter Private Public partnership to provide infrastructure in the country. ✓ ✓
- Provide education and training programmes for workers to improve service delivery. ✓ ✓
- Creating new uses for a product by finding new customers. ✓ ✓
- Influencing regulators through lobbying and bargaining. ✓ ✓
- Initiating bargaining sessions between management and unions. ✓ ✓
- Influencing its owners using information contained in annual reports. ✓ ✓
- Negotiating strategic alliance agreement through contractual processes. ✓ ✓
- Knowing government regulations and operating within them. ✓ ✓
- Keeping up with new technologies to improve production and marketing.
- Lowering its impact on the environment. ✓ ✓
- Entering the global market by using the internet to source suppliers and customers. ✓ ✓
- Working within the law to set up contracts. ✓ ✓
- Taking advantage of economic changes such as exchange rate, tax breaks. ✓ ✓
- The business can stay informed about the challenges and developments in the macro environment and can adapt to challenges quickly. ✓ ✓
- Entering the global market by using the internet to source suppliers and customers. ✓ ✓
- Working within the law can assist the business to set up contracts. ✓ ✓
- Getting involved in research/development so that they can continue to operate. ✓ ✓
- Any other relevant answer related to ways in which businesses can be involved in the macro environment.

Max (6)

[20]

SECTION C

QUESTION 5

Challenges and influences of the business environment.

5.1 Introduction

- The business operations depend on the influence it has over the micro, market and macro environments. ✓
- Businesses have full, limited or no control over the challenges from the business environments. ✓
- Businesses need to be innovative and find ways to get involved in the macro-environment. ✓



- Many businesses enjoy the direct benefits of getting involved in the macro environment. ✓
- Any other relevant introduction related to the business environment.

(2x1)(2)

5.2 Meaning of the micro, market, and macro environments

5.2.1 Meaning of the micro-environment.

- It is the environment within which a business operates ✓ and consists of the business itself. ✓
- It is the decision-making environment ✓ because management make decisions that help the business achieve its goals. ✓
- It can also be referred to as the immediate environment in which a business operates ✓ and includes all the internal factors of the business. ✓
- Any other relevant answer related to the meaning of the micro-environment.

Submax Max (4)

5.2.2 Meaning of the market Environment.

- Challenges and influences ✓ outside the business. ✓
- Businesses have little or no control ✓ over the environment. ✓
- All elements that determine the reasons ✓ for the existence of a business. ✓
- Includes all forces/stakeholders that have a direct effect ✓ on the functioning of the business. ✓
- Any other relevant answer related to the meaning of the market-environment.

Submax Max (4)

5.2.3 Meaning of the macro environment/External environment.

- The micro-environment includes all the forces/events ✓ and circumstances that affects the business and its market environment. ✓
- This is the environment that is located ✓ outside the business. ✓
- The business cannot control this environment ✓, but it can influence it. ✓
- The macro environment is always developing ✓ and changing ✓
- Businesses have no control over this environment as it poses ✓ challenges to businesses. ✓
- Any other relevant answer related to the meaning of the macro-environment.



Submax Max (4)

Max (12)

5.3 Reasons why businesses have full control over the micro-environment.

- Business owners and managers have a great deal of control ✓ over the internal/micro-environment of business, which covers day-to-day decisions. ✓
- They choose the suppliers they purchase/which employees ✓ they hire/the products they sell, and where they sell those products. ✓
 - They use their skills and resources to create goods and services ✓ that will satisfy existing and prospective customers. ✓
 - Establish and revising its vision, mission statement, ✓ goals and objectives in line with current trends. ✓

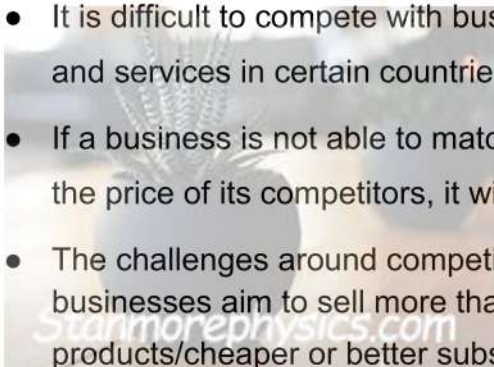


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- Engages strategic management systems ✓ and ensures that plans are implemented and revised when necessary. ✓
 - Establish policies, procedures and management structures ✓ that could move the business in the right direction. ✓
 - Ensuring that all the business resources are used efficiently ✓ and effectively to the benefits of the business. ✓
- 
- Ensuring that all employees understand the culture of the business ✓ and are working towards the agreed goals and values that accommodate all the stakeholders of the business. ✓
 - Leading employees, organising and directing those activities, ✓ and controlling their action to achieve the goals and objectives of the business. ✓
 - Any other relevant answer related to why businesses have full control over micro-environment.

Max (12)

5.4 Challenges of the market environment

Competition ✓ ✓

- Competition refers to businesses that produce or sell ✓ the same kind of goods or render similar services. ✓
 - Increased competition forces businesses to decrease ✓ their prices and so their profit margins decrease. ✓
 - This leads to some businesses closing down ✓ because they are not able to cover their cost of production. ✓
 - Other businesses which sell similar substitute products ✓ pose a problem to/threaten the success of a business. ✓
 - It is difficult to compete with businesses selling ✓ the same products and services in certain countries. ✓
 - If a business is not able to match the quality of service/products ✓ and the price of its competitors, it will lose its customers. ✓
 - The challenges around competitors can be industry rivalry ✓ where businesses aim to sell more than competitors/new entrants with better products/cheaper or better substitutes. ✓
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- Businesses could find that they are unable to make sufficient profit ✓ when the demand is not high enough to support the supply of the same goods/ services. ✓
- Essential for a business to have a regular supply ✓ of all the materials that are inputs in the production process. ✓
- Dissatisfied customers can damage the reputation ✓ and threaten the future of the business. ✓
- Any other relevant answer related to competition



Challenge (2)
Discussion (2)
Sub-max (4)



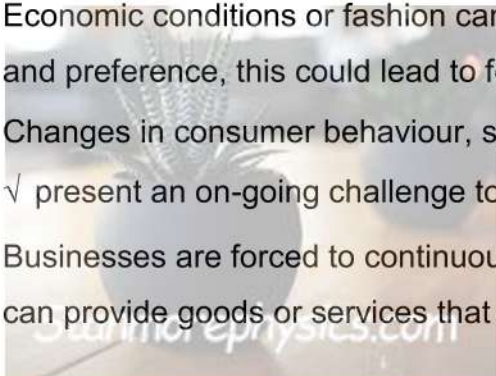
Shortage of supply ✓ ✓

- Businesses that experience shortage of supply may lose customers ✓ as they may buy from other businesses. ✓
- Raw materials may be unavailable ✓ when drought cause poor harvest. ✓
- Imported goods may not arrive when the country of origin ✓ has transport/political problems. ✓
- Every business needs raw materials ✓ to produce its goods or services ✓ .
- Without the availability of raw materials ✓ , a business cannot produce its product or services to meet the demands of its target market. ✓
- Business depends on suppliers ✓ for their raw materials/inputs. ✓
- If the supply of raw material or inputs is disrupted, ✓ the business productivity and profitability will also decrease. ✓
- If the supplier is incapable of delivering raw material on time, in the right quantities, and of the right quality and price, ✓ it will cause a business to lose customers, not meet its sales targets and suffer a decrease in profits. ✓
- Any other relevant answer related to shortage of supply

Challenge (2)
Discussion (2)
Sub-max (4)

Changes in consumer behaviour ✓ ✓

- A business is dependent on its customers ✓ to purchase its products. ✓
- Consumers are influenced by many factors ✓ and are mostly unpredictable in their buying behaviour. ✓
- Economic conditions or fashion can cause changes ✓ in consumer taste and preference, this could lead to fewer sales. ✓
- Changes in consumer behaviour, spending habits, tastes and preferences ✓ present an on-going challenge to businesses. ✓
- Businesses are forced to continuously study these changes ✓ so that they can provide goods or services that consumers always need. ✓





- Business, therefore, needs to work harder in their marketing efforts/s√ or adapt their products or service to meet the requirements of the target market.√
- Changes in consumers' needs may lead√ to stockpiling and reduced profit margins.√
- Any other relevant answer related to changes in consumer behaviour



Challenge (2)
Discussion (2)
Sub-max (4)

Demographics √ √

- Demographics refers to the statistics of the population√ such as gender, age, race, level of education and level of income.√

- The consumer market is diverse in the cultural and social background ✓ which has a direct influence on the choices they make. ✓
- The challenges include collecting/interpreting information ✓ about the target market and to use the data to develop a marketing strategy. ✓
- The challenge faced by businesses is that there are constant changes ✓ in the demographic characteristic of their target market. ✓
- For example, people living longer, and this could lead ✓ to an increased demand of goods and services. ✓
- When lots of people emigrate, ✓ it could lead to a decrease in the number of consumers and skilled labour. ✓
- Any other relevant answer related to demographics

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Challenge (2)
Discussion (2)
Sub-max (4)

Psychographics ✓ ✓

- Psychographics refers to customers' ✓ lifestyles and behaviour. ✓
- It includes their attitudes, ✓ interests, opinions, desires, and lifestyles. ✓
- Businesses must be aware ✓ of their customers' lifestyles and behaviour. ✓
This will enable them to run more effective marketing campaigns. ✓ However, it could be difficult to determine the psychographics of a target market because customers' lifestyles and behaviours change frequently. ✓
- Consumers' attitudes, interests, opinions, ✓ and lifestyles determine the characteristics of the consumer. ✓
- It is difficult to determine the demographics/psychographics ✓ of the target market because they change frequently. ✓
- Any other relevant answer related to psychographics

Challenge (2)
Discussion (2)
Sub-max (4)

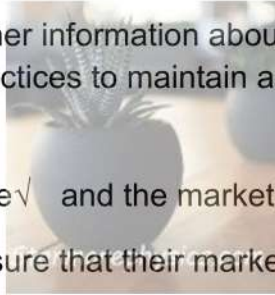
Socio-cultural factors ✓ ✓

- Social-cultural factors describe the common ✓ behaviour and attitudes of a particular society. ✓

- As society changes so will the cultural values and practices of individuals.
- Socio-cultural factors include language, customs, income levels and preferences associated with particular culture.
- Businesses must be aware of change and that they can avoid threats and take advantage of the new opportunities that the change may present.



- Businesses should be aware of social trends and influential campaigns that promote buying.
- The challenge is to gather information about changes and to respond to them by adapting practices to maintain and increase its customer base.
- It affects the product line and the marketing campaign of a business.
- Businesses need to ensure that their marketing campaigns are not offensive to cultural groups.



- Socio-cultural factors have an impact on the market environment. ✓
They shape the way people live, work, produce and consume. ✓
- The challenge business face is to that of clear understanding factors ✓
that drive socio-cultural changes to respond appropriately. ✓
- Any other relevant answer related to socio-cultural factors

Challenge (2)
Discussion (2)
Sub-max (4)

Mark the first THREE (3)
only.

Max (12)

5.5. Benefits of businesses that are involvement in macro environment.

- Businesses will gain good publicity and so attract and retain loyal customers. ✓ ✓
- They will attract and retain skilful employees in their communities. ✓ ✓
- Government tenders and contracts are normally given to businesses that are involved in the macro environment. ✓ ✓
- Businesses that support their communities normally get some tax rebates. ✓ ✓
- Businesses that get involved in the macro environment can anticipate likely challenges and devise strategies to turn them into opportunities. ✓ ✓
- Top investors are attracted to businesses that are involved in the macro environment. ✓ ✓
- It prevents environment damage by decreasing the business carbon footprint. ✓ ✓
- Knowing peoples age, customs, traditions, and preferences will make it easier for businesses to appeal to customers. ✓ ✓
- The business can more accurately predict future events, threats and opportunities that may arise. ✓ ✓
- The business can contribute to a healthier, more skilled and productive workforce. ✓ ✓
- It can protect natural resources and meet consumer needs in a sustainable way. ✓ ✓



- The business can contribute to wealthier consumers. ✓ ✓
- Reduced industrial conflict and increase productivity. ✓ ✓
- The business can accurately promote a cause that is a concern to the society. ✓ ✓
- The business can contribute its expertise and resources that can influence the public opinion. This is called advocacy. ✓ ✓
- Any other relevant answer related to the benefits of businesses that are involvement in macro environment.

Max (10)

5.6 Conclusion

- Businesses can influence the business environments in one way or the other and need to take into consideration the components of the market environment. ✓✓
- Businesses must pay careful attention to challenges that are posed by business environment and devise strategies to overcome those challenges. ✓✓
- Businesses that get involved in macro environment may win the public and gain more support that will lead to good business reputation. ✓✓
- Any other relevant conclusion related to the business environments.

(1x2) (2)

DETAILS	MAXIMUM		TOTAL
Introduction	2		32
Meaning of the micro, market and macro environments	12		
Reasons why businesses have more control over the micro-environment	12		
Challenges of the market environment	12		
Benefits/advantages of businesses that are involved in macro environment.	10		
Conclusion	2		
INSIGHT			
Layout		2	8
Analysis /Interpretation		2	
Synthesis		2	
Originality/examples		2	
Total marks			40

[40]

QUESTION 5 BREAKDOWN OF MARKS

QUESTION 6

CONTEMPORARY ISSUES AND SOCIO-ECONOMIC ISSUES.

6.1 Introduction

- Socio-economic issues affect people and the economy in a negative way. ✓
- Socio economic issues can influence the efficiency of the business/ the way products are marketed /distributed and the level of revenue collected ✓
- Socio-economic issues force the entrepreneur and the business to make strategic management decisions that require the ability to understand the nature of these factors. ✓
- Businesses will succeed in their operations if they comply with certain legislation like the LRA. ✓
- Employees have a right to strike, however the strikes need to be legal ✓
- Any other relevant introduction related to trade unions/Labour Relations Act/socio-economic issue. ✓

Any (2x1) (2)

6.2 Meaning of trade unions.

- A trade union is an organisation that protects and lobbies for the rights ✓ of workers and represent their interest in negotiations with employers. ✓
- It is a group of employees who associate together ✓ in a particular industry such as mining/steelworks/etc. with the purpose of protecting the rights of their members. ✓
- Members of a trade union pay membership fees on monthly, ✓ quarterly or annual basis to fund union programmes and activities. ✓
- Shop stewards represent trade union members ✓ and are elected by the members. ✓
- Any other relevant answer related to the meaning of trade unions

Max (8)

6.3 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 functions of trade unions

Max (10)

6.4 Ways in which businesses can deal with piracy.

6.4.1 Patent ✓ ✓



- A patent prevents other businesses/people ✓ not to produce and sell the same product/ specific service. ✓
- Businesses can take out a patent for new inventions ✓ and include a sample of their invention with application. ✓
- A patent gives the creator of the product the right ✓ to prohibit other people from making or using their invention. ✓
- This right is granted by government for a limited period ✓ of up to twenty years for the exclusive right to an invention. ✓
- If any person or business uses the invention without permission, ✓ the creator may take legal action against them. ✓
- They must register a patent ✓ with the patent's office in South Africa. ✓
- The invention must comply ✓ with Patent Act No. 57 of 1978. ✓
- They can bring legal proceedings ✓ against anyone who uses the invention. ✓
- Any other relevant answer related to patent.

Sub-max (4)

6.4.2 Trademarks ✓ ✓

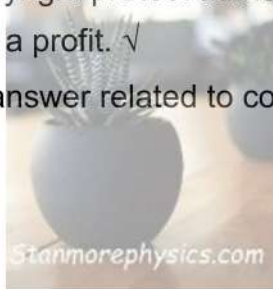
- Businesses can trademark ✓ to identify themselves and their products. ✓
- They must register their trademarks with the register ✓ of trademarks at the companies and intellectual property registration. ✓
- A registered trademark is protected forever ✓ provided it is renewed every ten years and a renewal fee is paid. ✓
- Claim damages from someone ✓ who infringes the trademark. ✓
- A trademark refers to a sign, character or word ✓ that is protected by law to represent a product or company. ✓
- These are used by businesses so that their products ✓ or the business itself is easily identifiable. ✓
- Any other relevant answer related to trademark.

Sub-max (4)

6.4.3 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. ✓
- Copyright refers to an exclusive legal right assigned to the author, ✓ artist, or producer of artistic work to print, publish, perform, or record the work. ✓
- Laws relating to copyright protect authors ✓ and allow them to sell their works to make a profit. ✓
- Any other relevant answer related to copyright.



(Sub-max 4)
Max (12)

6.5 Negative impact of the following socio-economic issues.

6.5.1 Dumping

The negative impact of dumping on businesses

- Loss of profits as some local producers√ cannot compete with cheaper prices.√
- Businesses may lose revenue√ and be forced to shut down their operations.√
- Can lead to a decrease√ in local production and loss of jobs.√

- Local businesses are unable to produce √the same products at an equal or lower price.√

- Any other relevant answer related to the negative impact of dumping on businesses (Sub-max 4)

6.5.2 Unavailability of natural resources.

The negative impact of unavailability of resources on businesses

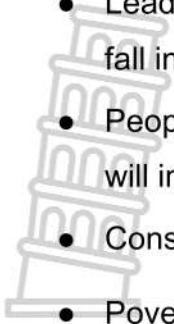
- The unavailability of coal has led√ in part to a shortage of electricity in South Africa. √
- Many businesses lose millions of rands√ because of load shading and power failure. √
- The lack of transport due to the scarcity√ of oil which is used to manufacture fuel may affect businesses. √
- When the supply of natural resources is threatened√ it may have negative impact on the operation of businesses and hampers the production processes.√
- Businesses will not be able to produce goods √due to shortages of natural resources that are used as raw material.√
- Oil and coal are examples of natural resources √that are not renewable. Once depleted, they cannot be recovered.√
- Businesses need to find alternative sources of natural resources√ to sustain the production of goods. However, this may lead to additional operational costs.√
- Any other relevant answer related to the negative impact of unavailability of resources on businesses.

(Sub-max 4)

6.5.3 Low-income levels

The negative impact of low-income levels on businesses

- Leads to a decrease in the demand for goods and services √resulting to a fall in turnover and lower profits for businesses. √
- People who earn low salaries and wages may become disheartened√ this will influence productivity in a negative way.√
- Consumers shift to cheaper brands√ of certain products. √
- Poverty can lead to crimes √such as shoplifting and robberies.√
- Businesses will have fewer profits and will not have money to expand.
- Income level affects the morale of the workforce√ and could lead to lower productivity which impacts on the business turnover.√
- Many South Africans live in poverty, √which limit their buying power.√
- Because of this limited consumer spending,√ businesses are unable to grow and prosper.√
- Any other relevant answer related to negative impact of low-income levels on businesses



(Sub-max 4)
Max (12)

6.6 **Conclusion**



- Businesses need to be aware of the socio-economic issues and be able to deal with them. ✓✓
- Piracy is a form of stealing and a legal infringement. ✓✓
- Businesses will succeed in their operations if they constantly scan the risk of having their products duplicated. ✓✓
- Businesses will only succeed if they know all the laws that can protect them from all risks in the environment, they operate in ✓✓.
- Any other relevant conclusion related to trade unions/Labour Relations Act/socio-economic issue.



Any (2x1) (2)

[40]
TOTAL: 100

QUESTION 5 BREAKDOWN OF MARKS

DETAILS	MAXIMUM		TOTAL
Introduction	2		32
Meaning of trade unions	8		
Functions of trade unions	10		
Ways in which businesses can deal with piracy	12		
Negative impact of the following socio-economic issues.	12		
Conclusion	2		
INSIGHT			
Layout		2	8
Analysis /Interpretation		2	
Synthesis		2	
Originality/examples		2	



Total marks			40
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LASO- for each component

Allocate 2 marks if all requirements are met.





Allocate 1 mark if some requirements are met

Allocate 0 marks where requirements are not met at all

