



DEPARTMENT OF
EDUCATION

GRADE10

**NATIONAL
SENIOR CERTIFICATE**

**BUSINESS STUDIES
CONTROLLED TEST 1
QUESTION PAPER
16 MARCH 2026**

MARKS: 100

TIME: 1h30 minutes

This question paper consists of **07** pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of THREE sections and covers the following section:

- SECTION A: COMPULSORY
 SECTION B: Consist of THREE questions.
 Answer any TWO of the three questions in this section.
 SECTION C: Consist 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.

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

4. Except where other instructions are given, answers must be in full sentences.

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

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

SECTION	QUESTION	MARKS	TIME
A: Objective type questions COMPULSORY	1	20	20
B: THREE direct/indirect Type questions CHOICE (Answer any TWO.)	2	20	35
	3	20	
	4	20	
C: TWO essay – type Questions CHOICE (Answer any ONE.)	5	40	35
	6	40	
TOTAL		100	90 Minutes

7. Begin the answer to EACH question on a NEW page, for example QUESTION 1 – new page, QUESTION 2 – new page, et cetera.

8. You may use a non-programmable calculator.

9. Write neatly and legibly.

SECTION A**QUESTION 1 (COMPULSORY)**

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

1.1.1 A plan that outlines how the business will achieve its vision in line with its mission statement and objectives.

- A. Objectives
- B. Strategy
- C. Vision
- D. Mission statement



1.1.2 The function ensures that ordered products are delivered on time.

- A. Production
- B. Purchasing
- C. Marketing
- D. Administration

1.1.3 ... enable businesses to budget for stock purchases and avoid unnecessary delays.

- A. Cash payment
- B. Credit payment
- C. Bank overdraft
- D. Loans

1.1.4 The purpose of ... act is to promote accessible and sustainable places for people to sell their products.

- A. Employment Equity
- B. National Credit
- C. Consumer protection
- D. Labour relation

1.1.5 The is an example of a civil society.

- A. Government organisation
- B. Community based organisation (CBO's)
- C. Society based organisation
- D. Employees organisations

(5x2) (10)

- 1.2 Choose a description from COLUMN B that matches the term in COLUMN A.
Write only the letter (A-J) next to the question number on the answer sheet,
e.g. 1.2.6 K.

COLUMN A		COLUMN B	
1.2.1	Data	A.	Involves breaking a plan into action.
1.2.2	Public relations	B.	Businesses do not have full control over this environment
1.2.3	Organising	C.	Deals with provision of good and services to customers.
1.2.4	Functional-organisational structure	D.	Unprocessed facts found in graphs.
1.2.5	Micro environment (replace Macro)	E.	Implementing the chosen plan.
		F.	Employees report to only one person.
		G.	Processed data used to make decisions.
		H.	Businesses have full control over this environment.
		I.	Employees get instruction from more than one person.
		J.	Deals with the promotion good business image.

(5x2) (10)

TOTAL SECTION A: 20

SECTION B

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

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

QUESTION 2 (BUSINESS ENVIRONMENTS)

- 2.1 List any FOUR examples of community-based organisation focus areas. (4)
- 2.2 Explain the meaning of the following concepts in a business context:
- 2.2.1 Opportunities (2)
- 2.2.2 Threats (2)
- 2.3 Read the scenario below and answer the questions that follow.

MADIBA AUTO WORKS (MAW)

Thibule is the founder Madiba Auto Works that manufacture eco-friendly electric vehicles. She employed five hundred skilled workers to handle the assembly line, quality control, and research and development. She purchased a large industrial factory where all the vehicle production, painting, and final testing take place.

- 2.3.1 Identify TWO organisational resources used by MAW. Motivate your answer by quoting from the scenario above. (6)

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

ORGANISATIONAL RESOURCES	MOTIVATION
1.	
2.	

- 2.4 Advise businesses on the purpose of the organisational culture. (6)

[20]**QUESTION 3 (BUSINESS OPERATIONS)**

- 3.1 Outline the difference between management and leadership. (4)
- 3.2 Read the scenario below and answer the questions that follow.

MR LIMITED (ML)

Malome Ronald is the owner of MR Limited. He brought in Ofentse as the Chief Operating Officer to manage the day-to-day operations of all the stores. Irene and Poppy are both the Regional Sales Managers. They are responsible for overseeing the stores in the Northern Region, and the Coastal Region respectively.

3.2.1 Identify the TWO levels of management from the scenario above. Motivate your answer by quoting from the scenario. (6)

Use the table below as a GUIDE to answer QUESTION 3.2.1.

LEVEL OF MANAGEMENT	MOTIVATION
1.	
2.	

3.3 Discuss the importance of stock control in the business. (4)

3.4 Advise businesses on the purpose of National Credit Act. (6)

[20]

QUESTION 4 (MISCELLANEOUS)

BUSINESS ENVIRONMENTS

4.1 Identify any TWO factors that influences the organisational structure. (2)

4.2 Explain the difference between fixed and working capital. (4)

4.3 Outline the following components of the Micro-environment:

4.3.1 Goals (2)

4.3.2 Objectives (2)

BUSINESS OPERATIONS

4.4 Discuss the purpose of the eight business functions. (4)

4.5 Suggest the quality indicators of the general management function. (6)

[20]

TOTAL SECTION B: 40

SECTION C

Answer ONE question in this section.

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

answer to EACH question must start on a NEW page, e.g. QUESTION 5 on a NEW page OR QUESTION 6 on a NEW page.

QUESTION 5 (BUSINESS ENVIRONMENTS)

A small dairy business operates in a market environment influenced by workers, NGO's, regulators and competitors. Trade unions demand better wages, NGO's push for ethical practices and regulators enforces safety standards. These create a strong competition that forces businesses to lower their prices and improve quality to survive.

With reference to the above statement:

- Elaborate on the meaning of market environment.
- Describe THREE components of the market environment.
- Outline the functions of the following components of market environment:

- Unions
- Non- government organisations
- Regulators
- Suggest the reasons why competition poses a challenge to businesses. **[40]**

QUESTION 6 (BUSINESS OPERATIONS)

A manufacturing company focuses on quality by training employees, setting standards, and inspecting finished products. High quality improves customer satisfaction and competitiveness. Effective selection of human resource and administration plays an important role in ensuring the success of the business.

With reference to the statement above:

- Explain the meaning of quality.
- Outline the difference between quality control and quality assurance.
- Discuss the importance of quality for businesses.
- Suggest quality indicators of the human resource and administration function. **[40]**



TOTAL SECTION C: 40

GRAND TOTAL: 100



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GRADE 10

**BUSINESS STUDIES
MARKING GUIDELINES**

16 MARCH 2026

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MARKS: 100

This Marking Guideline consist of 21 pages

NOTES TO MARKERS

1. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
2. 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 guidelines
 - Comes from another source
 - Original
 - A different approach is used

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

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 as well as for calculation and moderation purposes.
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 guidelines. 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. Correct numbering of responses to questions is recommended in SECTION A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.
9. No additional credit must be given for repetition of facts. Indicate with an 'R'.
 - 9.1 The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
 - 9.2 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.' ✓
 - 9.3 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. 'COIDA eliminates time and costs spent ✓ on lengthy civil court proceedings ✓',

because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.' ✓

- NOTE:** 1. The above could apply to 'analyse' as well.
2. Note the placing of the tick (✓) in the allocation of marks.

10. 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:

10.1.1 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.

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

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

12. SECTION B

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

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

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

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

12.4 Use of the cognitive verbs and allocation of marks:

12.4.1 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.

12.4.2 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 guidelines.

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




13. **SECTION C**

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

14.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body, and a conclusion?	2
	Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked? Marks to be allocated using this guide: All headings addressed:1 (One 'A') Interpretation (16 to 32 marks):1 (One 'A')	2
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Marks to be allocated using this guide: 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-	2

	<p>question) of</p> <p>the question with only OR some relevant facts; one '-S' appears in the</p> <p>left margin. Award a maximum of ONE (1) mark for synthesis.</p> <p>Option 3: Some relevant facts: 1 mark (One '-S')</p> <p>Where a candidate writes FOUR sub-questions, but one/two/three sub</p> <p>question(s) with irrelevant facts; one '-S' appears in the left margin.</p> <p>Award a maximum of ONE (1) mark for synthesis.</p> <p>Option 4: No relevant facts: 0 marks (Two '-S')</p> <p>Where a candidate answers less than 50% (only one sub-question) of</p> <p>the question with no relevant facts; two '-S' appear in the left margin.</p> <p>Award a ZERO mark for synthesis.</p>	
<p>Originality</p>	<p>Is there evidence of examples, recent information, current trends and developments?</p>	<p>2</p>
	<p>TOTAL FOR INSIGHT:</p> <p>TOTAL MARKS FOR FACTS:</p> <p>TOTAL MARKS FOR ESSAY (8 + 32):</p>	<p>8</p> <p>32</p> <p>40</p>

NOTE:

1. No marks will be awarded for contents repeated from the introduction and conclusion.
2. The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.
3. No marks will be awarded for layout, if the headings INTRODUCTION and CONCLUSION are not supported by an explanation.
- 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 guidelines to each question.

Marking guideline

- 14.5 Mark all relevant facts until the SUBMAX/MAX mark in a subsection has been attained. Write SUBMAX/MAX after maximum marks have been obtained, but continue reading for originality "O".
- 14.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

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

- 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 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.)
- 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 guidelines.
- 14.10 14.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.



SECTION A (COMPULSORY)

QUESTION 1

1.1

1.1.1 B ✓✓

1.1.2 B ✓✓

1.1.3 A ✓✓

1.1.4 C ✓✓

1.1.5 B ✓✓



(5 x 2) (10)

1.2

1.2.1 D ✓✓

1.2.2 J ✓✓

1.2.3 A ✓✓

1.2.4 I ✓✓

1.2.5 H ✓✓

(5 x 2) (10)

TOTAL SECTION A: 20

BREAKDOWN OF MARKS

QUESTION	MARKS
1	
1.1	10
1.2	10
TOTAL	20

SECTION B

Mark the **FIRST TWO** answers only.

QUESTION 2 (BUSINESS ENVIRONMENTS)

2.1 **FOUR** examples of community-based organisation focus area.

- HIV/Aids ✓
- Unemployment ✓
- Crime ✓
- Illiteracy ✓

NOTE: Mark the first FOUR (4) only.

Max (4)

2.2 **Meaning of concepts:**

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2.2.1 Opportunities

- Opportunity takes place when consumers are made aware of the product[√] if it is marketed by different businesses. [√]
- Opportunities are any factors in the external environment[√] that will contribute or is already contributing to the success of the business. [√]
- Businesses need to constantly seek opportunities in their external environment[√] in order to remain competitive.
- Opportunities will always be available[√] when consumers need to satisfy their needs. [√]
- Any other relevant answer related to the meaning of opportunities. **Max (2)**

2.2.2 Threats

- Threats are any factors in the external environment[√] that will stand in the way or is already standing in the way of businesses achieving their goals. [√]
- Businesses have a challenge of constantly identifying threats in the external environment[√] and devising strategies to turn them into opportunities otherwise they will not be successful. [√]
- A threat exists if a business is unable to produce/performance as desired[√] because of reasons outside the business such as competition/legislation/global economic trends. [√]
- Any other relevant answer related to the meaning of threats. **Max (2)**

2.3 Organisational resources from the scenario.

ORGANISATIONAL RESOURCES	MOTIVATION
1. Human resources ^{√√}	She employed five hundred skilled workers to handle the assembly line, quality control, and research and development. [√]
2. Physical resources ^{√√}	She purchased a large industrial factory where all the vehicle production, painting, and final testing take place. [√]
Submax (4)	Submax (2)

- NOTE:**
1. Mark the first TWO (2) only.
 2. Award marks for the organisational resources even if the quotes are incomplete.
 3. Do not award marks for motivations if the organisational resources were incorrectly identified.

Max (6)

2.4 The purpose of the organisational culture.

- It influences people's actions and attitudes. ^{√√}
- The culture determines how things are done. ^{√√}
- It is the "personality" of the business. ^{√√}
- Shared understanding of how things are done in a business. ^{√√}
- Every business has a culture that is influenced by everyone who is part of it. ^{√√}

- It is based on three key issues: values, beliefs and purposes e.g. dress code/office décor/employee behaviour etc. √√
- Influences the way people in the organisation interact with each other and with stakeholders. √√
- Any other relevant answer related to the purpose of the organisational culture. **Max (6)**

BREAKDOWN OF MARKS

QUESTION	MARKS
2	
2.1	4
2.2.1	2
2.2.2	2
2.3	6
2.4	6
TOTAL	20

[20]



QUESTION 3 (BUSINESS OPERATIONS)

3.1 The difference between management and leadership.

MANAGEMENT	LEADERSHIP
- Managers ensures that tasks given to subordinates are completed. √√	- Leaders inspires other people. √√
- Task orientated. √√	- People orientated. √√
- Uses Instructional approach. √√	- Uses motivational approach. √√
- Managers hold a managerial position in the business. √√	- A leader does not hold a managerial position. √√
- Management is the process of achieving business goals. √√	- Leadership is the process of inspiring and influencing other to achieve business goals. √√
- Guides human behaviour. √√	- Influences human behaviour. √√
- A manager understands the goals of the business. √√	- A leader creates a vision/sets direction. √√
- Communicates through management functions, e.g. line function. √√	- Communicates by means of interaction/behaviour/vision/values/charisma. √√
- A person becomes a manager because he/she is appointed in the position. √√	- Leaders are born with natural/instinctive leadership skills. √√
- Manage by planning/organising/	- Lead by example/trust/respect. √√

leading and controlling. ✓✓	
- Any other relevant answer related to management.	- Any other relevant answer related to leadership.
submax (2)	submax (2)

Max (4)

NOTE: 1. The answer does not have to be in tabular format.
2. The distinction must be clear. Award a maximum of TWO (2) marks for either management or leadership if the distinction is not clear.

3.2 Levels of management from the scenario.

LEVEL OF MANAGEMENT	MOTIVATION
1. Top level ✓✓	He brought in Ofentse as the Chief Operating Officer to manage the day-to-day operations of all the stores. ✓
2. Middle level ✓✓	Irene and Poppy are both the Regional Sales Managers. ✓
submax (4)	submax (2)

Max (6)

NOTE: 1. Mark the first TWO (2) only.
2. Award marks for the levels of management even if the quotes are incomplete.
3. Do not award marks for motivations if the levels of management were incorrectly identified.

3.3 The importance of stock control in the business.

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

Max (4)

3.4 The purpose of National Credit Act.

- Promotes the development of a credit market that is accessible to all South Africans ✓✓
- Encourage responsible buying ✓✓
- Avoidance of over-indebtedness and fulfilment of credit providers and consumers ✓✓

- Address and correct imbalances in negotiating power between consumers and credit providers ✓✓
- Discourage reckless credit granting by credit providers ✓✓
- Educate consumers on making the right choice when applying for credit ✓✓
- It gives guidelines within which the different kinds of credit transactions must take place in South Africa ✓✓
- Any other relevant answer related to the purpose of the National Credit Act.

Max (6)
[20]

QUESTION 4 (MISCELLANEOUS)

BUSINESS ENVIRONMENTS

4.1 TWO factors that influences the organisational structure.

- Size of the organisation ✓
- Strategy goal ✓
- Technology ✓
- Resources ✓
- Any other relevant answer related to factors that influences the organisational structure.



BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	4
3.2	6
3.3	4
3.4	6
TOTAL	20

NOTE: Mark the first TWO (2) only.

Max (2)

4.2 The difference between fixed capital 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.
submax (2)	submax (2)

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

2. The distinction must be clear. Award a maximum of TWO (2) marks for either fixed or working capital (REPLACED) if the distinction is not clear.

4.3 Components of the Micro-environment:

4.3.1 Goals

- Can be defined as long term objectives of what the business wants to achieve. ✓✓

- Goals breakdown the business objective into specific and measurable statement. √√ Example Increase profit margin by 50% in 2026.
- Goals give the business a sense of direction. √√
- Any other relevant answer related to goals as a component of the micro environment.

Max (2)

4.3.2 Objectives

- Short- term tasks/steps to reach goals. √√
- Contain a deadline for achievement. √√
- Explains how the goals of the business will be reached. √√
- Explains targets and strategies that will help the business fulfil its mission. √√
- The purpose of the business, for example, a business may have a primary objective of making a profit and a secondary objective of social upliftment. √√
- Any other relevant answer related to objectives as a component of the micro environment.

Max (2)

BUSINESS OPERATIONS

4.4 The purpose of the eight business functions.

- Sets the overall direction√ or strategy for the business. √
- This function leads, organises and controls√ all the other functions. √
- There are also decisions taken√ in each level. √
- Management has three different levels, √ each with its own roles and responsibilities-ensures that there is co-ordination among the seven different functions of the business. √
- Any other relevant answer related to the purpose of the eight business functions.

Max (4)

4.5 The quality indicators of the general management function.

- The general management function develop/Implement/Monitor effective strategic plans. √√
- Set direction and establish priorities for their business. √√
- Effectively communicate shared vision, mission and values. √√
- Take responsibility for setting direction and prioritising responsibilities. √√
- Ensure that employees have the necessary resource to do the work. √√
- Ensure that all departments/the business meet their deadlines/targets. √√
- Learn about/understand changes in the business environment on an on-going basis. √√
- Be prepared to set an example of the behaviour that is expected from employees in terms of ethics/professionalism as well as productivity. √√
- Any other relevant answer related to the quality indicators of the general management function.

Max (6)

[20]

BREAKDOWN OF MARKS

QUESTION	MARKS
4	
4.1	2
4.2	4
4.3.1	2
4.3.2	2
4.4	4
4.5	6
TOTAL	20

TOTAL SECTION B: 40

SECTION C

Answer ONE question in this section.

QUESTION 5 (BUSINESS ENVIRONMENTS)

5.1 Introduction

- Businesses need to understand the meaning of market environment so that they use it to classify challenges they encounter ✓
- Market environment components help the businesses to identify the challenges and to be able deal with them effectively. ✓
- Any other relevant introduction related to the meaning of market environment, the components of the market environment, the functions of unions; non-government organisations; regulators and the reasons why competition poses a challenge to businesses. ✓

Max (2)

5.2 The meaning of market environment.

- The market environment refers to the immediate external components ✓ that directly affect the ability of the business to operate. ✓
- Challenges and influences ✓ outside the business. ✓
- For the business to be successful ✓ it must be able to influence the components in this environment. ✓
- 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 market environment. ✓

Max (4)

5.3 The components of the market environment.

Customers/Consumers/Market

- 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/final users ✓ of products and services offered by businesses. ✓
- Their spending decision is influenced ✓ by cultural, social, personal, and psychological factors. ✓
- Customer's preferences and taste do 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. ✓

Marking guideline

- 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. √
- Any other relevant answer related to the Customers/Consumers/Market as a component of the market environment.

Component (2)

Explanation (4)

Sub max (6)

Suppliers

- Suppliers are individuals/agents√ who provide the raw materials, transport and other services to the business. √
- The business needs inputs from suppliers√ to produce goods and services. √
- Suppliers play an important role in the success or failure of a business√ e.g. consumers will purchase the product/services from another business if a supplier is unable to supply a particular product/service. √
- Businesses usually choose suppliers√ who provide the best quality of goods, correct quantity and deliver goods at the agreed upon times and at the best price. √
- Producers and manufacturers are some examples of suppliers√ as they supply raw materials. √
- Businesses can establish a good relationship with their suppliers√ by signing long-term contracts for their raw materials at fixed prices. √
- Any other relevant answer related to suppliers as a component of the market environment.

Component (2)

Explanation (4)

Sub max (6)

Intermediaries/Agents

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

Component (2)

Explanation (4)

Sub max (6)

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. √
- 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. √
- Examples of competitors in the retail market√ include Spar and Shoprite, Woolworths and Truworths, MTN and Vodacom, etc. √
- Competition also comes from businesses√ that produce possible substitute goods. √
- Competition is influenced by the following Porter's Five Forces model: √
 - o New entrants to the market√
 - o Power of suppliers√
 - o Power of consumers√
 - o Threats of substitute products/services√
 - o Competitive rivalry. √
- Competition is beneficial to customers√ because it keeps prices down. √
- Competition also promotes innovation√ and encourages businesses to be more productive. √
- Any other relevant answer related to competitors as a component of the market environment.

Component (2)

Explanation (4)

Submax (6)

Max (18)

NOTE: Mark the first THREE (3) only.

5.4 The functions of the following components of market environment:

Unions

- Unions are established bodies that protect the interest of workers. They have the right to call for industrial actions such strikes or go-slows if their demands are not met by organisations or the government. √√
- They constantly negotiate for better wages and salaries for their members and also safeguard their members against unfair dismissal. √√
- They also negotiate for better working conditions for their members and may represent them during disciplinary hearings. √√
- Any other relevant answer related to unions as component of the market environment.

Submax (4)

Non- government organisations

- Non-governmental organisations (NGOs) are non-profit organisations that operate separately from the government. They are established to fulfil important needs in the community by addressing some socio-economic issues. √√

- They are part of the market environment because they supply consumer goods and services and they are concerned about the welfare of others. ✓✓
- Any other relevant answer related to non-government organisations as a component of the market environment.

Submax (4)

Regulators

- Regulators are government bodies that make rules and regulations to control the activities of businesses. ✓✓
- These rules and regulations are put in place to ensure that businesses do not exploit their customers or employees. ✓✓
- Some of the examples of regulators in South Africa are the:
 - o National Energy Regulator of South Africa (NERSA) which regulates electricity/ piped gas/petroleum pipeline industries etc. ✓✓
 - o National Credit Regulator (NCR) which regulates the supply of loans/ credit by credit providers such as banks and retailer such as clothing and furniture. ✓✓
 - o Independent Communications Authority of South Africa (ICASA), which regulates the South African communications, broadcasting, and postal services sectors. ✓✓
 - o Advertising Standards Authority (ASA) regulates advertising in the public interest. ✓✓
- Any other relevant answer related to regulators as a component of the market environment.

Submax (4)

Max (12)

5.5. The reasons why competition poses a challenge to businesses.

- Competition keeps prices down and reduces the business profitability. ✓✓
- It forces businesses to find new ways to produce an existing product or develop new products/ services. ✓✓
- A business may close down if it is unable to compete with other businesses. ✓✓
- Competition reduces the business market share and its target market. ✓✓
- Any other relevant answer related to the reasons why competition poses a challenge to businesses.

Max (8)

5.6 Conclusion

- Competition forces various businesses to maximize their potential by rendering excellent customer services and to remain competitive ✓✓
- Components of the market environments helps businesses to be able to understand the nature of challenges they encounter to provide solutions that influences positive results towards the business. ✓✓
- Any other relevant answer conclusion related to the meaning of market environment, the components of the market environment, the functions of unions; non-government organisations; regulators and the reasons why competition poses a challenge to businesses.

BREAKDOWN OF MARK ALLOCATION

DESCRIPTION	MAXIMUM	TOTAL
Introduction	2	Max 32
The meaning of market environment.	4	
The components of the market environment.	18	
The functions of the following components of market environment: - Unions - Non- government organisations - Regulators	12	
The reasons why competition poses a challenge to businesses.	8	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality/Examples		2
TOTAL MARKS		40
LASO – For each component:		
Allocate 2 marks if all requirements are met.		
Allocate 1 mark if only some of the requirements are met.		
Allocate 0 marks where requirements are not met at all.		

QUESTION 6 (BUSINESS OPERATIONS)

6.1 Introduction

- Quality control plays an important role in the entire production process as it determines the results of the product. ✓
- Quality assurance enables businesses to identify and correct product defects during the initial stage of production ✓
- Businesses should continuously analyse customers' needs and develop turn around strategies to satisfy their customers. ✓
- Any other relevant introduction related to the meaning of quality, distinction between quality control and quality assurance, the importance of quality in a business and the quality indicators of the human resource and administration function.

Max (2)

6.2 The meaning of quality.

- Quality is the ability to satisfy ✓ customer/consumer needs. ✓
- It refers to the features/characteristics of a product/service ✓ that meets customer's requirements. ✓
- It refers to products and services that satisfy needs ✓ and exceeds customer expectations on a continuous basis. ✓
- Includes learning from mistakes ✓ and continuously improving all aspects of the business. ✓
- It is a degree of excellence to which a product/service satisfies ✓ the required needs of customers. ✓
- Any other relevant answer related to the meaning of quality.

Max (4)

6.3 Difference between quality control and quality assurance.

QUALITY CONTROL	QUALITY ASSURANCE
- Inspection of the final product to ensure that it meets the required standards. ✓✓	- Carried out during and after the production process to ensure required standards have been met at every stage of the process. ✓✓
- Includes setting targets/measuring performance and taking corrective measures. ✓✓	- Ensure that every process is aimed at getting the product right first time and prevent mistakes from happening again. ✓✓
- Any other relevant answer related to quality control.	- Any other relevant answer related to quality assurance.
submax (4)	submax (4)

Max (8)

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

2. The distinction must be clear. Award a maximum of FOUR (4) marks for either quality control or quality assurance if the distinction is not clear.

6.4 The importance of quality for businesses.

- Effective customer services are rendered, √ resulting in increased customer satisfaction. √
- Time and resources√ are used efficiently. √
- Productivity increases√ through proper time management/using high quality resources. √
- Products/Services are constantly improved√ resulting in increased levels of customer satisfaction. √
- Vision/Mission/Business goals√ may be achieved. √
- Business has a competitive advantage√ over its competitors. √
- Regular training will continuously improve√ the quality of employees' skills/ knowledge. √
- Employers and employees will have a healthy working relationship√ resulting in happy/productive workers. √
- The quality enables businesses to have a good reputation√ and promotes brand awareness. √
- Consumers associate the image of the business√ with the quality of the product. √
- Quality products increase sales, profits, business growth√ and attracts prospective investors. √
- The business gains goodwill√ and support from the community. √
- Improves business image√ as there are less defects/returns. √
- Any other relevant answer related to the importance of quality for businesses.

Max (10)

5.4 The quality indicators of business functions.

Human Resources Function

- A Low rate of staff turnover in the business. √√
- Maintain a healthy relationship between employees and employer. √√
- Provide good working conditions. √√
- The HR manager should work towards building a good relationship with employees. √√
- Performance incentives for staff should be offered to increase productivity. √√
- Market-related salaries should be offered. √√
- Fair remuneration packages that are aligned to the industry should be provided. √√
- Makes sure there is a good recruitment policy that attracts best candidates. √√
- Ensures fair and equitable selection process. √√
- Offer performance incentives for staff to enhance productivity. √√
- Good relationship with employees. √√
- Ensure that employee understand the goals and objectives of the business. √√
- Understand the interrelatedness of different departments√√
- Any other relevant answer related to the quality indicators of the human resources function.

Submax (6)

Administration Function

- Use modern technology efficiently. ✓✓
- All systems and processes should be documented. ✓✓
- Easy to recall/find information/documentation. This is vital part of the administration function. ✓✓
- Complaints should be quickly and effectively. ✓✓
- The administration function should collect data that can be used in decision-making and store it safely. ✓✓
- 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. ✓✓
- Vital information should be available to management when needed. ✓✓
- Any other relevant answer related to quality indicators of the administration function.

Submax (6)

Max (12)

6.6 Conclusion

- Quality control enables businesses to avoid fruitless expenditure due to low sales resulting from poor products. ✓✓
- Quality assurance minimises the number of products that customers will return for a replacement item or to get a refund. ✓✓
- Businesses should always review the implementation of quality control and quality assurance to continuously enjoy the benefits of a good quality management system. ✓✓
- Any other relevant conclusion related to the meaning of quality, distinction between quality control and quality assurance, the importance of quality in a business and the quality indicators of the human resource and administration function. **Max (2)**

[40]

BREAKDOWN OF MARK ALLOCATION

DESCRIPTION	MAXIMUM	TOTAL
Introduction	2	Max 32
The meaning of quality.	4	
Distinguish between quality control and quality assurance.	8	
The importance of quality for businesses.	10	
Quality indicators of the human resource and administration function	12	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality/Examples		2
TOTAL MARKS		40
LASO – For each component:		
Allocate 2 marks if all requirements are met.		
Allocate 1 mark if only some of the requirements are met.		
Allocate 0 marks where requirements are not met at all.		

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