



EKURHULENI SOUTH PLC PAPER

BUSINESS STUDIES PAPER 1

GRADE: 10

MID – YEAR EXAMINATION

Stanmorephys **5 JUNE 2025**

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MARKS: 100

TIME: 1 ½ hours

This question paper consists of 8 pages

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

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

SECTION A: COMPULSORY

SECTION B: Consists of THREE questions

Answer any TWO of the three questions in this section.

SECTION C: Consists of TWO questions

Answer ONE of the two questions in this section.

- Read the instructions for each question carefully and take particular note of what is required.
- Number the answers correctly according to the numbering system used in this question paper. NO marks will be awarded for answers that are numbered incorrectly.
- Except where other instructions are given, answers must be in full sentences.
- Use the mark allocation and nature of each question to determine the length and depth of an answer.
- Use the table below as a guide for mark and time allocation when answering each question.

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

- Begin the answer to EACH question on a NEW page, e.g., QUESTION 1 – new page, QUESTION 2 – new page.
- You may use a non-programmable calculator.
- Write neatly and legibly.

SECTION A: (COMPULSORY)

QUESTION 1

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

1.1.1 Management uses the ... budget as a tool to plan the annual income and expenditure of the business.

- A capital
- B cash
- C credit
- D income

1.1.2 The rate that food and other prices increase over a period of time is known as

- A interest rate
- B exchange rate
- C inflation rate
- D price rate



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

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

1.1.4 The ... function focuses on employees and their remunerations.

- A financial
- B administrative
- C human resource
- D general management

1.1.5 Danielle Transport operates in the ... sector as they specialise in delivery services.

- A secondary
- B primary
- C economic
- D tertiary

(5 x 2) (10)

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

National Consumer Commission; market; private; informal, production, micro, formal, Consumer Tribunal; purchasing, public

1.2.1 Organisation and management is part of the ... environment.

1.2.2 Lungile street vendors operate in the ... sector.

1.2.3 The ... function is responsible for processing raw materials into semi-finished goods.

1.2.4 Businesses in the ... sector aim to meet the needs of society.

1.2.5 The ... protects the economic welfare of consumers.

(5 x 2) (10)

TOTAL SECTION A: 20

SECTION B

Answer ANY TWO questions in this section.

NOTE: Clearly indicate the QUESTION NUMBER of each question that you choose.

The answer to EACH question must start on a NEW page, e.g., QUESTION 2 on a NEW page, QUESTION 3 on a NEW page.

QUESTION 2: BUSINESS ENVIRONMENTS

- 2.1 List any TWO types of capital. (2)
- 2.2 Outline the purpose of an organisational culture. (4)
- 2.3 Read the scenario below and answer the questions that follow.

ECO GLOW CANDLES (EGC)

Eco Glow Candles specialises in the production of eco-friendly scented candles. They borrowed money at a bank at a high interest rate. EGC has gained customer loyalty and increased profits due to their quality products.

- 2.3.1 Identify TWO business environments applicable to EGC. Motivate your answer by quoting from the scenario above. (6)

Use the table as a GUIDE to answer QUESTION 2.3.1

BUSINESS ENVIORNMENTS	MOTIVATIONS
1.	
2.	

- 2.4 Explain intermediaries as a component of the market environment (4)
- 2.5 Advise businesses on the importance of the formal sector. (4)

[20]

QUESTION 3: BUSINESS OPERATIONS

3.1 Identify the business functions applicable to Boyz Butchery in EACH statement below.

3.1.1 Jane ensures that the business documents are kept in a safe place.

3.1.2 The management of Boyz Butchery ensures that equipment and machinery is maintained regularly. (4)

3.2 Explain the differences between quality control and quality assurance. (4)

3.3 Read the scenario below and answer the questions that follow:

BEST BANK (BB)

Best Bank offers financial services to various customers. BB was recently fined by the NCR for recklessly granting loans to clients who did not qualify for a loan.

3.3.1 Name the Act applicable to BB in the scenario above. (2)

3.3.2 Discuss the consumer rights of clients according to the Act identified in QUESTION 3.3.1 (6)

3.4 Advise businesses on the activities of the purchasing function. (4)

[20]

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 List any FOUR types of organizational resources. (4)

4.2 Read the scenario and answer the questions that follow:

JOHNS BAKERY (JB)

Johns Bakery is situated in the surrounding community. They bake fresh bread and cakes daily for their customers. John buys wheat from a local farmer, Mr White.

4.2.1 Identify TWO business sectors applicable to JB. Motivate your answers by quoting from the scenario above. (6)

Use the table as a GUIDE to answer QUESTION 4.2.1

BUSINESS SECTORS	MOTIVATIONS
1.	
2.	

BUSINESS OPERATIONS

4.3 List TWO sources of finance. (2)

4.4 Explain the quality indicators of the financial function. (4)

4.5 Advise businesses on the correlation between management and the success of the business in achieving its objectives, strengths, and weaknesses. (4)

[20]

TOTAL SECTION B: 40

SECTION C

QUESTION 5: BUSINESS ENVIRONMENT

Businesses operate in three different business environments. They are affected by the components of the business environments. Business managers should be aware that the three business environments are interrelated. The macro environment poses a challenge to the business.

Write an essay on the business environment in which you include the following aspects:

- Outline the meaning of macro environment
- Explain the components of the macro environment and give practical example of each components.
- Discuss the interrelationship between the micro, market and macro environments.
- Suggest reasons why the macro environment can be a challenge to the business.

(40)

QUESTION 6: BUSINESS OPERATIONS

The general management function leads and manages the overall direction of the business. It has three different levels with their own roles and responsibilities. Management must ensure that there is coordination of the skills required at each level. They also have to perform the basic management tasks in the management process.

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

- Outline the differences between leadership and management.
- Explain the THREE levels of management.
- Discuss the skills required by each of these levels of management for decision making.
- Advise businesses on the basic management tasks in the management process.

(40)

TOTAL SECTION C: 40

GRAND TOTAL: 100



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MARKING GUIDELINES

Stanmorephysics.com

MARKS: 100

This marking guideline consists of 22 pages

NOTES TO MARKERS

PREAMBLE

The notes to markers are provided for quality assurance purposes to:

- (a) Ensure fairness, consistency and reliability in the standard of marking
- (b) Facilitate the moderation of candidates' scripts at the different levels
- (c) Streamline the marking process considering the broad spectrum of markers across the province
- (d) Implement appropriate measures in the teaching, learning and assessment of the subject at schools/institutions of learning

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

Marker:	Red
H.O.D:	Black
District Moderator:	Green

2. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.

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

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

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

4. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
5. The word 'Submax' is used to facilitate the allocation of marks within a question or sub question.
6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.
7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
8. In an indirect question, the theory as well as the response must be relevant and related to the question.

9. Correct numbering of answers to questions or sub-questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.

10. No additional credit must be given for repetition of facts. Indicate with an 'R'.

11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:

11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. Positive: *'COIDA eliminates time and costs spent ✓ on lengthy civil court proceedings.'* ✓

11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g., *'COIDA eliminates time and costs spent □ on lengthy civil court proceedings, ✓ because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'* ✓

NOTE:

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

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

Cognitive verbs, such as:

12.1 Advise, name, state, outline, motivate, recommend, suggest, (list not exhaustive) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.

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

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

14.3 If candidates are required to provide their own examples/views, brainstorm this to finalise alternative answers and consult with the Internal Moderator.

14.4 Use of the cognitive verbs and allocation of marks:

- 14.4.1 If the number of facts are 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 (two marks will be allocated in Section C)

The 'fact' and 'explanation' are given separately in the marking guideline 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 in particular (where applicable).**

15. SECTION C

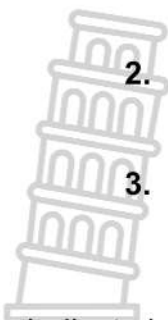
15.1 The breakdown of the mark allocation for the essays is as follows:

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, paragraphs and a conclusion?	2
Analysis and Interpretation	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? 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.	2
Originality	Is there evidence of one or two examples, not older than two (2) years that are based on recent information, current trends and developments?	2
TOTAL FOR INSIGHT:		8
TOTAL MARKS FOR FACTS:		32
TOTAL MARKS FOR ESSAY (8 + 32):		40

- 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.



- 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 SUBMAX/MAX mark in a subsection has been attained. Write SUBMAX/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 in the table below.



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

- 15.7 When awarding marks for facts, take note of the submaxima 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 guideline.

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.

15.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guidelines, will not necessarily apply to each question. This would also depend on the nature of the question.



**SECTION A COMPULSARY
QUESTION 1**

1.1

1.1.1 B ✓✓

1.1.2 C ✓✓

1.1.3 A ✓✓

1.1.4 C ✓✓

1.1.5 D ✓✓

1.2

1.2.1 micro ✓✓

1.2.2 informal ✓✓

1.2.3 production ✓✓

1.2.4 public ✓✓

1.2.5 National Consumer Commission ✓✓



(5×2) (10)

(5×2) (10)

TOTAL SECTION A: [20]

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	10
TOTAL	20

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 Types of capital

- Own capital ✓
- Borrowed capital ✓
- Fixed capital ✓
- Working capital ✓

NOTE: Mark the first TWO (2) only

(2X1) (2)

2.2 The purpose of an 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. ✓✓
- Any other relevant answer related to the purpose of the organisational culture.

Max (4)

2.3.1 Business Environments

BUSINESS ENVIROMENTS		MOTIVATIONS
1.	Macro ✓✓	They borrowed money at a bank at a high interest rate.
2.	Market ✓✓	EGC has gained customer loyalty and increased profits due to their quality products.
Submax (4)		Submax (2)

- NOTE: 1. The answer does not have to be in tabular format.**
- 2. Award marks for the business environment even if the quotes were incomplete.**
- 3. Do not award marks for the motivations if the business environment was incorrectly identified.**

Max (6)

2.4 Intermediaries as a component of the market environment:

- 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 from 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 ✓ as they 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:
 - Retailers, agents and wholesalers ✓

- Financial institutions and insurance brokers. ✓
Any other answer related to the civil intermediaries as component.

Max (4)

2.5 The importance of the formal sector

- Business activities are included in the GDP figures of the country. ✓✓
- Companies pay taxes on their profits. ✓✓
- People who are employed at companies pay personal income tax. ✓✓
- Provides employment to highly skilled, semi-skilled and unskilled labourers. ✓✓
- They supply legal products. ✓✓
- Products supplied by the formal sector are guaranteed, which means that faulty goods can be returned. ✓✓
- People working in the formal sector gain the necessary skills to start their own businesses. ✓✓
- Provides a large variety of goods and services to satisfy consumers. ✓✓
- They employ many people with different skills and qualifications. ✓✓

Any other answer related to the importance of the formal sector

Max (4)

BREAKDOWN OF MARKS

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

QUESTION 3: BUSINESS OPERATIONS

3.1 Business functions

3.1.1 Administration function ✓✓

3.1.2 Production function ✓✓

(2x2)(4)

3.2 Differences 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
Sub-max (2)	Sub-max (2)

NOTE: 1. The answer does not have to be in a tabular format.
 2. The difference does not have to link but must be clear.
 3. Award a maximum of TWO (2) marks if the difference is not clear. Mark either quality control or quality assurance only.

Max (4)

3.3

3.3.1 National Credit Act/ NCA ✓✓

(2)

3.3.2 The consumer rights of clients according to the NCA Act

- Apply ✓ for credit. ✓
- Receive information ✓ in one's official language. ✓
- Be protected unfair discrimination ✓ in granting credit. ✓
- Be given reasons why ✓ an application for credit is refused. ✓
- Be informed about the interest rate ✓ and any other costs of the proposed credit transaction. ✓
- Receive a copy of a credit contract ✓ and a replacement copy when the consumer asks for one. ✓
- Apply for debt counselling ✓ if a customer has too much debt. ✓

Any other answer related to the rights of consumers according to the NCA Act.

Max (6)

3.4 The activities of the purchasing function in the business

- Purchasers should have expert knowledge of the product they need to buy and about the market in which they operate. ✓✓
- Find out the needs other business department ✓✓
- Look for suitable, new and better suppliers. ✓✓
- Ensure that there is enough stock available for continuous production and sales. ✓✓
- Place orders with suppliers and follow up on them. ✓✓
- Ensure that ordered products are delivered on time. ✓✓
- Send damaged products back to the suppliers and see to it that they are replaced. ✓✓
- Buy the right amount of stock/quantity so that the business does not run out of stock. ✓✓
- Buy goods from the best supplier, who supply the goods at the right time and place ✓✓



- Get the best price for the quality that the purchasing function requires ✓✓
- Keep the correct stock levels of stock on hand ✓✓
- Record the cost prices and selling prices of stock ✓✓

Any other answer related to the activities of the purchasing function in the business
Max (4)

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	4
3.2	4
3.3.1	2
3.3.2	6
3.4	4
TOTAL	20

**QUESTION 4: MISCELLANEOUS TOPICS
 BUSINESS ENVIRONMENTS**



4.1 Types of organizational resources

- Human resource
- Natural resources
- Physical resources
- Financial/Capital resources
- Technological resources
- Entrepreneurial resources

NOTE: Mark the first TWO (2) only

(4 X 1) (4)

4.2.1

BUSINESS SECTORS	MOTIVATIONS
1 Secondary ✓✓	They bake fresh bread and cakes daily for their customers. ✓
2. Primary ✓✓	John buys wheat from a local farmer, Mr White. ✓
Submax (4)	Submax (2)

- NOTE: 1. The answer does not have to be in tabular format.**
 2. **Award marks for the business sectors even if the quotes were incomplete.**
 3. **Do not award marks for the motivations if the business sector was incorrectly identified.**
 4. **Mark the first TWO (2) only.**

Max (6)

BUSINESS OPERATIONS

4.3 List TWO sources of finance.

- Bank loans✓
- Bank overdrafts✓
- Asset-based loan✓
- Grants✓
- Receivable finance✓
- Angel funding✓

NOTE: Mark the first TWO (2) only

(2X1) (2)

4.4 Quality indicators of the financial function

- Ensuring a healthy cash flow ✓ through ensuring payments are made on time. ✓
- The financial function has to obtained capital ✓ from the most suitable sources. ✓
- They should draw a budget to ensure sufficient allocation of cash ✓ to prevent wastage. ✓
- Financial records ✓ to be kept up to date. ✓
- Accurate financial statements should be drawn up ✓ so that management can see the performance of the business. ✓
- Accountability ✓ through tight financial processes. ✓
- Negotiate better interest rates in order to keep financial cost down. ✓
- Draw up accurate financial statements ✓ timeously/regularly. ✓
- Surplus funds should be invested ✓ to save for future projects/expansion/growth. ✓

Any other answer related to the meaning of quality.

Max (4)

4.5 The correlation between management and the success of business in achieving its objectives, strengths, and weaknesses

- Management play an important role in making the correct decisions and motivating employees to be productive. ✓✓
- Poor management can result in ineffective employees and loss in productivity. ✓✓
- Businesses requires ongoing decisions making and problem solving. ✓✓
- Problems that cannot be solved and decisions that are note made appropriately can lead to a decrease in productivity. ✓✓

Any other answer related to the correlation between management and the success of business in achieving its objectives, strengths, and weaknesses.

Max (4)

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2	6
4.3	2
4.4	4
4.5	4
TOTAL	20

TOTAL SECTION B: [40]

SECTION C

QUESTION 5: BUSINESS ENVIRONMENT

5.1. Introduction

- The macro environment has a big effect on business and they have no control over it. ✓
- Business need to have proper knowledge of the components of the macro environment. ✓
- All three business environments have an interrelationship to each other and businesses must know when to use each. ✓
- There are many challenges posed by the market environment and although businesses cannot change it, they can influence it. ✓

Any other relevant introduction related to macro environment /components of macro environment/interrelationship between micro, market, macro environment /reasons why macro environment can be a challenge.

(2x1)(2)

5.2. Meaning of macro environment

- Refers to the interaction of businesses with forces outside of themselves.
- The macro environment is also known as the external environment. ✓✓
- The external environment presents both opportunities and threats. ✓✓
- It is always changing and developing. ✓✓
- Businesses have no control over this environment as it poses challenges to businesses. ✓✓

Any other relevant answer related to the meaning of macro environment.

Max (6)

5.3. Components of macro environment and the practical examples.

5.3.1 Social and demographic environment. ✓✓

- Deals specifically with the people of the community, ✓country and target market. ✓
- Composition of the consumer force ✓ e.g. suppliers, investors, buyers and their tastes and preferences. ✓

Any other relevant answer related to the social and demographic environment.

Submax (4)

5.3.2 Economic environment ✓✓

- Economic factors that have an effect on consumer buying and spending. ✓
- Changes in interest rates, exchange rates, inflation, income level and taxes. ✓

Any other relevant answer related to the economic environment.

Submax (4)

5.3.3 Technological environment ✓✓

- Is a fast-changing environment and has forced businesses to keep up to date with new trends. ✓ e.g. Internet, emails, electronic commerce, iPods, cell phones, IT. ✓

Any other relevant answer related to the technological environment.

Submax (4)

5.3.4 Natural and physical environment√√

- Forces that are present in the natural environment√ e.g. pollution, infrastructure, natural resources. √

Any other relevant answer related to the natural and physical environment.

Submax (4)

5.3.5 Legal and political environment√√

- Policies, frameworks and rules that businesses must obey and consider, laws that impact the functioning of the business√ e.g. Labour relations Act, BCEA, NCA, CPA, etc. √

Any other relevant answer related to the legal and political environment.

Submax (4)

5.3.6 Institutional environment√√

- Refers to the three spheres of government in South Africa, local, provincial and national government√ e.g. local municipalities, district municipalities and metropolitan municipalities. √

Any other relevant answer related to the institutional environment.

Submax (4)

Max (24)

5.4. Interrelationship between environments

- Business environments work independently, √ no business environment can work in isolation. √
- Micro environment √ has a direct influence on market environment. √
- Market environment √ has a direct influence on micro environment. √
- Both micro and market environment cannot control macro environment√ but can adapt to the influences from macro environment. √
- A change in natural environment, √ e.g. weather patterns can influence availability of natural resources. √
- This can cause an increase in prices √ which will affect consumers and suppliers. √

Any other relevant answer related to interrelationship between environments.

Max (10)

5.5. Reasons why macro environment can be a challenge to the business

- This is the largest environment with big challenges e.g., like politics, technology etc. √√
- The challenges and features are outside the business and are completely outside the control of the business. √√
- Business enterprises should come up with strategies to deal with the external forces. √√
- The forces always increase the business's threats and decreases the business's opportunities. √√

Any relevant answer related to reasons why macro environment can be a challenge to the business.

Max (6)

5.6. Conclusion

- The success of a business depends on the strategies developed and implemented. √√
- Components of macro environment gives businesses a better understanding of the external environment and the industry in which it competes. √√
- All three business environments have an interrelationship to each other and businesses must know when to use each. √√
- There are many challenges posed by the market environment and although businesses cannot change it, they can influence it. √√

Any other relevant conclusion related to macro environment/ components of macro environment/ interrelationship between micro, market , macro environment/reasons why macro environment can be a challenge.

(1x2) (2)

QUESTION 5 BREAKDOWN OF MARKS

DETAILS	MAXIMUM	TOTAL
Introduction	2	32
Meaning of the macro environment	6	
Components of the macro environments	24	
Relationship between the environments	10	
Reasons why macro environment is a challenge to businesses	6	
Conclusion	2	
INSIGHT		
Layout	2	8
Analysis /Interpretation	2	
Synthesis	2	
Originality/examples	2	
Total marks		40

LASO- for each component
Allocate 2 marks if all requirements are met.
Allocate 1 mark if some requirements are met
Allocate 0 marks where requirements are not met at all

QUESTION 6: BUSINESS OPERATIONS

6.1 Introduction

- Management and leaders are the people who are task orientated and people orientated to get the job done.✓
 - The three levels of management is layout in the hierarchy/ organisational structure of the business✓
 - Managers need to study and have a lot of book knowledge✓
 - The basic management tasks are used to coordinate all activities✓
- Any other relevant introduction related to the general management function.

(2x1)(2)

6.2 The differences between leadership and management

LEADERSHIP	MANAGEMENT
• Leaders inspires other people✓✓	• Managers ensures that tasks given to subordinates are completed✓✓
• People orientated✓✓	• Task orientated✓✓
• Uses motivational approach✓✓	• Uses Instructional approach✓✓
• A leader does not hold a managerial position✓✓	• Managers hold a managerial position in the business✓✓
• Leadership is the process of inspiring and influencing other to achieve business goals✓✓	• Management is the process of achieving business goals✓✓
• Influences human behaviour✓✓	• Guides human behaviour✓✓
• Communicates by means of interaction/behaviour/vision/values/ charisma.✓✓	• Communicates through management functions, e.g. line function.✓✓
• Leaders are born with natural/instinctive leadership skills✓✓	• A person becomes a manager because he/she is appointed in the position✓✓
Any other relevant answer to leadership	Any other relevant answer to management.
Submax (4)	Submax (4)

- NOTE:**
1. The answer does not have to be in a tabular format.
 2. The difference does not have to link but must be clear.
 3. Award a maximum of TWO (6) marks if the difference is not clear. Mark either leadership or management

MAX (8)

6.3 The THREE levels of management

6.3.1 Top level management ✓✓

- Reports ✓ to a board of directors/advisory board. ✓
- Takes long term ✓ strategic decisions. ✓
- Responsible ✓ for directing, controlling and managing risks. ✓
- Determines the vision/mission/objectives/strategy ✓ of the business. ✓
- Act of getting people together ✓ to accomplish certain goals. ✓
- Oversees the activities of the other functions ✓ so that the business can achieve its objectives. ✓

Any other relevant answer related to the top management

Identification (2)

Explanation (4)

Sub max (6)

6.3.2 Middle level management ✓✓

- Responsible for specific departments ✓ within the business. ✓
- Takes medium term ✓ tactical decisions. ✓
- Responsible for achieving the goals and objectives ✓ set for the specific department. ✓
- Concerned with implementing plans ✓ made by top level management. ✓
- Implements the vision and plans ✓ of the top management. ✓
- Responsible for working with managers in other departments ✓ and for acquiring resources needed in their departments. ✓

Any other relevant answer related to the middle management

Identification (2)

Explanation (4)

Sub max (6)

6.3.3 Lower-level management ✓✓

- Responsible for a high level ✓ of productivity, technical assistance and motivating employees. ✓
- Takes short term ✓ routine/tactical decision. ✓
- Carry out instructions ✓ given by middle management ✓
- They are also called first management level ✓ as it is the first management level to which subordinates can be promoted. ✓

Any other relevant answer related to the lower management

Identification (2)

Explanation (4)

Sub max (6)

Max 18

6.3 The skills required by each of these levels of management for decision-making

6.3.1 Top level ✓✓

- Make long-term strategic decisions (Policy) ✓, which will have long-term outcomes/consequences. ✓
- Skills: management, communication skills ✓

Any other relevant answer related to the skill required by top management.

Sub-max (2)

6.3.2 Middle level ✓✓

- Make medium-term ✓ tactical decisions (Procedure). ✓
- Skills: management skills of the department they work in. ✓

Any other relevant answer related to the skill required by middle management

Sub-max (2)

6.3.3 Lower level ✓✓

- Make short-term ✓ operation decisions. ✓
- Technical skills to do the job. ✓

Any other relevant answer related to the skill required by lower management

Sub-max (2)

MAX (6)

6.5 Four basic management tasks in the management process.

6.5.1 Planning ✓✓

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

Any other relevant answer related to planning.

Sub Max 4

6.5.2 Organising√√

- It is the mechanism used to execute the plan. √√
- Involves breaking a plan into action. √√
- The way in which people are grouped together. √√
- May also include training to ensure that the jobs are carried out successfully. √√
- Ensures successful execution of the plan by using relevant organisational structure. √√
- It looks at what needs to be done and organizing resources need to achieve goals and objectives. √√
- Organising the jobs within specific functions or departments. . √√
- People must understand what is expected from them in terms of tasks/ authority responsibility etc. √√
- Employees must know the organisational procedures for instructions and feedback and which resources they can use. √√

Any other relevant answer related to Organising.

Sub max 4

6.5.3 Leading/Directing/Activating √√

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

Any other relevant answer related to leading/directing/acting.

Sub Max 4

6.5.4 Controlling√√

- Ensures that the business achieves its goals and that standards are met. √√
- Ensures activities are carried out as planned. √√
- Enables the business to take corrective measures if the objectives are not achieved. √√
- Risk can be identified during control. √√
- Involves comparing actual results with goals set by management. √√
- Corrective measures must be taken if there is a difference between actual results and the goals the business set out to achieve. √√
- Continuous control ensures that the business runs smoothly. √√

Any other relevant answer related to controlling.

Sub Max 4

6.5.5 Risk Management^{√√}

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

Any other relevant answer related to risk management.

Sub Max 4

MAX 14

6.6 Conclusion

- The Top-level manager will use the elements of management to secure the successful operations of the business. ^{√√}
- The tasks tools should be carried out at different levels of the business. ^{√√}
- They are carried out to ensure that the vision, mission, and goals of the business are met. ^{√√}

Any other relevant conclusion related to the general management function.

(2x1) (2)

QUESTION 6 BREAKDOWN OF MARKS

DETAILS	MAXIMUM	TOTAL
Introduction	2	32
The differences between leadership and management	8	
The THREE levels of management	18	
The skills required by each of these levels of management for decision making	6	
Four basic management tasks in the management process	14	
Conclusion	2	
INSIGHT		
Layout	2	
Analysis /Interpretation	2	8
Synthesis	2	
Originality/examples	2	
Total marks		40

LASO- for each component
Allocate 2 marks if all requirements are met.
Allocate 1 mark if some requirements are met.
Allocate 0 marks where requirements are not met at all.

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