



KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

**NATIONAL
SENIOR CERTIFICATE**

GRADE 10

**BUSINESS STUDIES
PAPER 2
JUNE EXAMINATION
2025**

MARKS : 100

DURATION : 1h30

This question paper consists of 8 pages.

INSTRUCTIONS AND INFORMATION.

Read the following instructions carefully before answering the questions

- This paper consists of **THREE** sections.

- SECTION A: **COMPULSORY**
- SECTION B: Consists of **THREE** questions.
Answer any **TWO** of the three questions in this section.
- SECTION C: Consists of **TWO** questions.
Answer any **ONE** of the two questions in the section.

- Read the instructions for each question carefully and take a particular note of what is required.
Note that **ONLY** the first **TWO** questions in SECTION B and the first question in SECTION C will be marked.

- Number 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 of an answer.

- Use the table below as a guide for marks and time allocation when answering each Question

SECTION	QUESTION	MARKS	TIME (Minutes)
A: Objective-type questions COMPULSORY	1	20	20
B: THREE Direct/Indirect-type questions CHOICE: Answer any TWO	2	20	40
	3	20	
	4	20	
C: TWO essay-type questions CHOICE: (Choose any ONE question)	5	40	30
	6	40	
TOTAL		100	90

- Begin the answer to EACH question in a NEW page, for example QUESTION 1- new page, QUESTION 2- new page, et cetera.

- Write neatly and legibly.

SECTION A: (COMPULSORY)**QUESTION 1**

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

1.1.1 The owners are not responsible and liable for business debts.

- A liabilities
- B limited liabilities
- C continuity
- D unlimited liabilities

1.1.2 The ... are the problems that emanate from social and economic circumstances.

- A social issues
- B socio-economic issues
- C economic issues
- D business issues

1.1.3 Edward Ltd issued a/an ... to invite the public to buy shares.

- A invitation
- B partnership agreement
- C prospectus
- D business bulletin

1.1.4 Privash is selling illegally copied DVDs of latest movies on street corners. This is known as ...

- A bootlegging.
- B trademark.
- C counterfeiting.
- A. Patent.

1.1.5 A document that sets out the rights, duties and responsibilities of shareholders, directors and other stakeholders within the business.

- A Notice of Incorporation
- B Memorandum of Incorporation
- C Companies Act
- D Memorandum of Understanding

(5 x 2) (10)

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

COLUMN A		COLUMN B	
1.2.1	Gambling	A	means getting actively involved in projects that can have a positive impact on society in a sustainable way.
1.2.2	Profit company	B	is held twice a year where directors receive a report about company performance.
1.2.3	Political disturbance	C	a business entity whose aim is to generate profit from the regular operations.
1.2.4	Annual General Meeting	D	it is a collective action taken by a group of unhappy employees to accept their demands.
1.2.5	Social responsibility	E	risk that people take by taking a chance with money in the hope to win money or a prize.
		F	a business entity is incorporated for public benefits.
		G	it is a form of protest by a group of people showing their displeasure on lack of service delivery.
		H	means getting involved in improving the well-being of every individual in society so they can reach their full potential.
		I	is held once a year where shareholders receive a report stating how well or poorly the company has done.
		J	risk that people take for educational development.

(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 VENTURES

2.1 Name any FOUR types of co-operatives. (4)

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

SIZANI-STATIONERS LTD (SL)

Sizani-Stationers Ltd is a bookshop located in Queensburgh. SL sold shares to the public to raise funds for expansion. The directors are also coming up with creative ideas to encourage innovations in their operations. However, directors' fees increase the company expenses which reduces net profit.

2.2.1 Quote TWO advantages of a public company from the scenario above. (2)

2.2.2 Explain the disadvantages of public companies. (4)

2.3 Discuss the characteristics of a non-profit company. (6)

2.4 Advise businesses on the differences between private and personal liability companies. (4)

[20]

QUESTION 3: BUSINESS ROLES

3.1 List THREE practical examples of social responsibility. (3)

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

BRIGHT MINES (BM)

Bright Mines extract coal from nature. BM is experiencing a decline in productivity due to regular absenteeism of employees who collect ARVs at the local clinic. The management of BM is working on strategies to address the issue.

3.2.1 Identify the socio-economic issue applicable to BM. Motivate your answer by quoting from the scenario above. (3)

3.2.2 Explain initiatives BM can take to address the socio-economic issue identified in QUESTION 3.2.1. (4)

3.3 Describe reasons why socio-economic issues pose challenges to businesses. (6)

3.4 Evaluate the impact of strikes on businesses. (4)

[20]

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS VENTURES

4.1 Outline disadvantages of co-operatives. (4)

4.2 Read the scenario below and answer questions that follow

OZONE POWERSTATION (OP)

Ozone PowerStation supply electricity across the country. OP falls under the Department of Public Enterprise. The shareholders of OP have limited liabilities.

4.2.1 Identify the form of ownership applicable in the scenario above. (2)

4.2.2 Explain the advantages of the form of ownership identified in QUESTION 4.2.1. (4)

BUSINESS ROLES

4.3 Discuss the impact of counterfeiting on businesses. (6)

4.4 Recommend initiatives businesses can take to address crime. (4)

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

SECTION C

Answer **ANY ONE** question in this section

NOTE: Clearly indicate the QUESTION NUMBER of each question chosen.
The answer to question must start on a NEW page, e.g. QUESTION 5 on a new page, QUESTION 6 on a NEW page.

QUESTION 5: BUSINESS VENTURES (FORMS OF OWNERSHIP)

When starting a business, owners must be able to make a clear distinction between the different forms of ownership such as a sole trader and partnership. They should also take note of the disadvantages of choosing a sole trader. Entrepreneurs should clearly understand the advantages and disadvantages of starting a partnership.

Write an essay on the forms of ownership by including the following aspects:

- Outline the differences between sole trader/proprietor and partnership.
- Explain the disadvantages of sole trader/proprietor.
- Describe the advantages of partnership.
- Advise businesses on the disadvantages of partnership.

[40]

QUESTION 6: BUSINESS ROLES (SOCIO-ECONOMIC ISSUES)

Understanding corporate social responsibility is essential for business growth and development. Businesses should be well informed about the purpose of inclusivity in the workplace. They should also be aware of the impact of socio-economic issues such as inequality and poverty as well as unemployment and unproductive labour force on businesses. Careful consideration of the initiatives businesses can take, to address these socio-economic issues, is crucial.

Write an essay on the socio-economic issues, which includes the following aspects:

- Elaborate on the meaning of Corporate Social Responsibility.
- Explain the purpose of inclusivity in the workplace.
- Describe the impact of the following socio-economic issues on businesses:
 - Inequality and poverty
 - Unemployment and unproductive labour force
- Suggest initiatives businesses can take to address the above-mentioned socio-economic issues.

[40]

TOTAL SECTION C:	40
GRAND TOTAL:	100



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FINAL

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BUSINESS STUDIES PAPER 2
Stanmorephysics.com
JUNE EXAMINATION
2025
MARKING GUIDELINES

MARKS: 100

Stanmorephysics.com

This marking guidelines consists of 22 pages.



NOTES TO MARKERS

PREAMBLE

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

- (a) Fairness, consistency and reliability in the standard of marking
- (b) Facilitate the moderation of candidates' scripts at different levels
- (c) Streamline the marking process considering the broad spectrum of markers across the country
- (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
Senior Marker	: Green
Deputy Chief Marker	: Brown
Chief Marker	: Pink
Internal Moderator	: Orange
DBE Moderator	: Turquoise



2. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
3. A comprehensive marking guideline has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:
 - Uses a different expression from that which appears in the marking guideline
 - Comes from another credible source
 - Original
 - A different approach is used**NOTE: There is only ONE correct answer in SECTION A.**
4. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
5. The word 'Sub-max' is used to facilitate the allocation of marks within a question or sub-question.

6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.
7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
8. In an indirect question, the theory as well as the response must be relevant and related to the question.
9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.
10. No additional credit must be given for repetition of facts. Indicate with an 'R'.
11. The 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, (*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 or use the word 'Cancel'.

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

- 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 at the marking centre to finalise 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 (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, require one word answer 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 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, a body, 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-questions) of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum ONE (1) mark for synthesis. Option 3: Some relevant facts: 1 mark (One '-S') Where a candidate writes FOUR sub-questions, but one/two/three sub-question with irrelevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 4: No relevant facts : 0 marks (Two '-S') Where a candidate answers less than 50% (only one sub-question) of the question with no Relevant facts; two '-S' appear in the left margin Award a ZERO mark for synthesis	

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 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 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 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: (COMPULSORY)

QUESTION 1

1.1

- 1.1.1 D ✓✓
1.1.2 B ✓✓
1.1.3 C ✓✓
1.1.4 A ✓✓
1.1.5 B ✓✓



(5 × 2) (10)

1.2

- 1.2.1 E ✓✓
1.2.2 C ✓✓
1.2.3 G ✓✓
1.2.4 I ✓✓
1.2.5 A ✓✓



(5 × 2) (10)

TOTAL SECTION A: 20 BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10

1.2	10
TOTAL	20



SECTION B

NOTE: Mark answers the **FIRST TWO** questions only.

QUESTION 2: BUSINESS VENTURES

2.1 Types of co-operatives.

- Housing co-operative. ✓
- Worker co-operative. ✓
- Social co-operative. ✓
- Agricultural co-operative. ✓
- Co-operative burial society. ✓
- Financial services co-operative. ✓
- Consumer co-operative. ✓
- Transport co-operative. ✓

NOTE: Mark the first **FOUR (4)** only.

Max. (4)

2.2 Public company

2.2.1 TWO advantages of a public company quoted from the scenario.

- SSL sold shares to the public to raise funds for expansion. ✓
- The directors are also coming up with creative ideas to encourage innovations in their operations. ✓

NOTE:

1. Mark the first TWO (2) quotations only.

2. Do not award marks if the answers are not quoted from the scenario.

Max. (2)

2.2.2 Disadvantages of a public company

- Difficult and expensive to establish ✓ as the company is subjected to many legal requirements. ✓
- Must disclose all financial information ✓ which can be used by its competitors. ✓
- Directors may not be motivated to work very hard ✓ because shareholders decide on the directors' remuneration. ✓
- Directors may not have a direct interest in the company ✓, which can hamper growth and profit maximisation. ✓
- Some shareholders may not exercise their voting rights ✓ resulting in choosing the wrong person as a director. ✓



- A full report must be submitted ✓ to the major shareholders each year. ✓
- Large management structure ✓ can result in decision making taking time. ✓
- Large amounts of funds is spent ✓ on financial audits. ✓
- Financial affairs must be known publicly ✓; this information could be used to competitors' advantage. ✓
- Management may be open to legal challenges ✓ if their reports do not comply with King Code III. ✓
- Public companies are subject to more disclosure ✓ and transparency requirements. ✓
- Any other relevant answer related to the disadvantages of a public company.

NOTE:

1. Do not award marks if the disadvantage is quoted from the scenario.

Max. (4)

2.3 Characteristics of non-profit company

- The main aim is to provide a service ✓ and not to make a profit. ✓
- They are funded by donations ✓ and foreign funding. ✓
- The name of the company ✓ must end with NPC. ✓
- All profits must be used for the primary objective ✓ of the NPC. ✓
- It must prepare ✓ a Memorandum of Incorporation. ✓
- Qualifying NPCs are granted ✓ tax-exempt status. ✓
- The board of an NPC ✓ must comprise of at least three directors (three or more directors). ✓
- NPCs do not have share capital ✓ and cannot distribute shares or pay a dividend to their members. ✓
- Any other relevant answer related to the characteristics of a non-profit company.

Max. (6)

2.4 Differences between private company and personal liability company.

PRIVATE COMPANY	PERSONAL LIABILITY COMPANY
- The name ends with (PTY) Ltd. ✓✓	- The name ends with INC. ✓✓
- The directors are not personally liable for the debts of the business. ✓✓	- The directors are personally liable for the debts of the business. ✓✓
- Any other relevant answer related to private company.	- Any other relevant answer related to personal liability company.
Sub-max (2)	Sub-max (2)

NOTE:

1. The answer does not have to be in a tabular format.
2. The differences do not have to link but must be clear.
3. Award maximum of TWO (2) marks if differences are not clear/
Mark either private company or personal liability company only.



Max. (4)

[20]

BREAKDOWN OF MARKS

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

QUESTION 3: BUSINESS ROLES

3.1 Practical examples of social responsibility.

- Reducing carbon footprints. ✓
- Donations to charities. ✓
- Volunteering in the community. ✓

Max. (3)

3.2 Socio-economic issues.

3.2.1 Identification of the socio-economic issue from the scenario.

- HIV/Aids. ✓✓ (2)

Motivation

- BM is experiencing a decline in productivity due to regular absenteeism of employees who collect ARVs at the local clinic. ✓ (1)

NOTE: Do not award marks for motivation if identification is incorrect.

Max. (3)

3.2.2 Initiatives BM can take to address HIV/Aids.

- Donate money/food parcels ✓ to local NGO's initiatives that seeks to address HIV/Aids. ✓
- Develop counselling programmes ✓ for infected/affected persons/employees. ✓
- Conduct workshops ✓ on HIV/Aids programmes/campaigns. ✓



- Offer Voluntary HIV/Aids testing and counselling in the workplace.
- Roll out anti-retroviral (ARV) treatment programmes (ART) ✓ for the infected employees. ✓
- Encourage employees to join ✓ HIV/Aids support groups. ✓
- Develop strategies to deal with stigma ✓ and discrimination. ✓
- Participate in the HIV/Aids prevention programmes ✓ implemented in the community. ✓
- Support ✓ non-governmental organisational/community-based. ✓
- Any other relevant answer related to initiatives businesses can take to address HIV/Aids.

Max. (4)


3.3 Reasons why socio-economic issues pose challenges to businesses.

- Businesses may not be well supported by customers ✓ because of their limited disposable income. ✓
- Absenteeism of employees affected by HIV/AIDS ✓ will result in a decrease in productivity of the business. ✓
- Counterfeiting, bootlegging and crime may lead to loss of profit ✓ for businesses. ✓
- Businesses may feel pressurised to offer corporate social responsibility projects in disadvantaged communities, ✓ this in turn could lead to increased business costs and decreased profitability. ✓
- Socio-economic issues affect consumer spending ✓ due to poverty and unemployment. ✓
- These issues place extra burdens and expenditure on businesses ✓ as they have to develop policies/support systems/ informative programs to address them. ✓
- Businesses are expected to create as many job opportunities as possible ✓ to assist the government to address these issues which place a financial burden on them. ✓
- They must also educate employees on social issues ✓ and how to become involved in the community to address these social issues. ✓
- Any other relevant answer related to reasons why socio-economic issues pose a challenge to businesses.

Max. (6)

3.4 Impact of strikes on businesses.

- This could make the business to be unable to meet its contractual obligation and the business losing contracts. ✓✓
- The cost of recovering lost working hours is too high. ✓✓
- Strikes can be violent because strikers intimidate those employees who do not want to go on a strike. ✓✓

- 
- Scares off potential investors, which may hamper business growth. ✓✓
 - May result in losses of production as employees stay absent from work during strikes. ✓✓
 - Strike actions may lead to production losses and a decline in sales. ✓✓
 - Businesses may be forced to close down operations after strike actions. ✓✓
 - May lead to unhealthy working relationships between the management and workers. ✓✓
 - May force businesses to retrench some of its skilled workers to recover from losses. ✓✓
 - Any other relevant answer related to the impact of strikes on businesses.

Max. (4)
 [20]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	3
3.2.1	3
3.2.2	4
3.3	6
3.4	4
TOTAL	20

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS VENTURES

4.1 Disadvantages of co-operatives.

- Difficult to expand a co-operative. ✓✓
- Shares are not freely transferable. ✓✓
- Very few promotion positions for staff. ✓✓
- Decisions are often difficult to reach and time consuming. ✓✓
- It can be difficult to get a loan because their main objective is not always to make a profit. ✓✓
- The success of cooperatives depends on the support of the members. ✓✓
- All members have one vote regardless of the number of shares held. ✓✓
- Any other relevant answer related to the disadvantages of co-operatives.

Max. (4)



4.2 Forms of ownership

4.2.1 Identification of the form of ownership applicable in the scenario.

- State-owned company. ✓✓ (2)

4.2.2 Advantages of the form of ownership identified in QUESTION 4.2.1.

- Profits may be used to finance✓ other state departments. ✓
- Offer essential services✓ which may not be offered by the private sector. ✓
- Wasteful duplication of services✓ is eliminated. ✓
- Jobs are created✓ for all skills levels. ✓
- Generates income✓ to finance social programmes. ✓
- Prices are kept reasonable/Create sound competition with the private sector✓ to make services affordable to more citizens. ✓
- Planning can be coordinated✓ through central control. ✓
- Provides a healthy competition to private sectors✓ because of government contributions. ✓
- Most of the government companies run on sound business lines✓ as they have their surpluses to run their projects. ✓
- State-owned company can be expanded by means of selling its shares✓ to the public. ✓
- A state-owned company has a separate✓ legal personality. ✓
- Any other relevant answer related to the advantages of state-owned company.

Max. (4)

BUSINESS ROLES**4.3 Impact of counterfeiting on businesses.**

- Counterfeits often result in price increases ✓ of original goods. ✓
- Consumers are often tempted to buy counterfeits ✓ because of the considerable price differences. ✓
- Counterfeits reduce the sales ✓ and profits of businesses. ✓
- Businesses lose money that could have been used for expansion ✓ and the creation of job opportunities. ✓
- Any other relevant answer related to the impact of counterfeiting on businesses.

Max. (6)**4.4 Recommend initiatives businesses can take to address crime.**

- Offer employment opportunities for youth. ✓✓
- Get involved in the local community on sustainable projects aiming to address crime in the community. ✓✓
- Sponsor special sports programmes by providing finance (prize money) for special community events. ✓✓
- Adopt a school; by providing most of its needs. ✓✓
- Any other relevant answer related to initiatives businesses can take to address crime.

Max. (4)**[20]****BREAKDOWN OF MARKS**

QUESTION 4	MARKS
4.1	4
4.2.1	2
4.2.2	4
4.3	6
4.4	4
TOTAL	20

TOTAL SECTION B: 40

SECTION C

NOTE: Mark answers the FIRST ONE question only.

QUESTION 5: BUSINESS VENTURES (FORMS OF OWNERSHIP)

5.1 Introduction

- Business management must be aware of the differences between sole trader and partnership. ✓
- Choosing a sole trader as a form of ownership, can have disadvantages that a business owner needs to be well conversant with ✓
- Prospective partners need to have a clear understanding of the advantages and disadvantages of starting a partnership business. ✓
- Any other relevant introduction related to the difference of sole trader and partnership, disadvantages of sole trader, advantages of partnership and disadvantages of partnership.

(Any 2 x 1) (2)

5.2 Differences between Sole trader/proprietor and Partnership

SOLE TRADER/PROPRIETOR	PARTNERSHIP
- A sole trader is a business that is owned and managed by one person ✓✓	- An agreement between two or more people who combine labour, capital and resources towards a common goal. ✓✓
- Quick and easy decisions can be made ✓✓	- Discussion between partners can slow down decision making, and they may disagree on important business decisions ✓✓
- If the owner does not have enough knowledge/experience the business may fail ✓✓	- The partners are able to put their knowledge and skills together to collectively make the best decisions ✓✓
- Any other relevant answer related to sole trader.	- Any other relevant answer related to partnership.
Sub-max. (6)	Sub-max. (6)

NOTE: 1. The answers do have to be in a tabular format.

2. The differences do not have to link but must be clear.

**3. Award maximum of six (6) marks if differences are not clear/
 Mark either sole trader or partnership.**

Max. (12)



5.3 Disadvantages of Sole trader/proprietor

- It is not always possible to pay high salaries ✓ due to low profits. ✓
- Unlimited liability ✓, which means that the owner is personally liable for all the debts and losses suffered by the business. ✓
- Growth of business can be restricted ✓ due to lack of capital. ✓
- The owner is responsible for providing all the capital needed ✓ which may be difficult to raise a big amount. ✓
- If the owner does not have enough knowledge/experience, ✓ the business may fail. ✓
- A sole trader lacks continuity ✓ especially in the event of death or illness. ✓
- It is difficult to attract highly skilled ✓ and knowledgeable employees due to limited fund. ✓
- Tax is calculated according to a progressive income system ✓, which can be up to a maximum of 40%. ✓
- Any other relevant answer related to disadvantages of Sole trader.

Max. (12)

5.4 Advantages of a partnership

- Can bring in extra partners ✓ at any time as there are no limitations in the number of partners. ✓
- All partners have a personal interest ✓ in the business. ✓
- The workload and responsibility is shared ✓ between partners. ✓
- Partners invest new capital into the business ✓ to finance expansion ✓
- It is easy and inexpensive to establish ✓ even with a written agreement. ✓
- Partners share any profits ✓ and are therefore motivated to work hard. ✓
- Partners share responsibilities for decision making ✓ and managing the business. ✓
- Attract prospective employees ✓ with the option of incentives of becoming a partner. ✓
- Partnerships are not compelled by law ✓ to prepare audited financial statements. ✓
- Each partner can focus on their own individual strengths ✓ when sharing the workload. ✓
- Partners are taxed in their own capacities, ✓ which could lead to lower taxation, depending on the level of income of the individual. ✓
- Raising additional capital to finance further business expansion is easy ✓, because there is no limit on the number of partners allowed in each partnership. ✓
- The partners able to put their knowledge and skills together ✓ to collectively
- make the best decisions. ✓
- Partnerships are relatively easy to establish, ✓ there are no formal requirements for the creation and running of a partnership. ✓

- Any other relevant answer related to advantages of partnership.

Max. (12)**5.5. Disadvantages of partnership.**

- There can be a lack of capital and cash flow because of limited contributions by partners. ✓✓
- Partners are jointly and severally liable for the actions of the other partners. ✓✓
- Partnership lacks continuity, if one partner dies/retires, the remaining partners need to draw up a new agreement. ✓✓
- Partnership is not a separate legal entity and therefore partners are liable for the debts in their own capacity. ✓✓
- Different personalities and options of partners can lead to conflict disagreements. ✓✓
- Each business partner is legally responsible for the joint liability of the partnership. ✓✓
- A partnership has unlimited liability which means that partners risk losing their personal possessions. ✓✓
- Discussion between partners can slow down decision-making, and they may disagree on important business decisions. ✓✓
- In large partnership businesses, the partners may struggle to agree on business issues. ✓✓
- Changes or transfer of ownership can be difficult and generally require a new partnership to be established. ✓✓
- Loss in profits and stability of the business can occur if a partner resigns/dies/loses interest in the business or is declared bankrupt. ✓✓
- Profits are divided between partners according to the partnership agreement and not according to the income distributed. ✓✓
- Any other relevant answer related to disadvantages of partnership.

Max. (10)**5.6 Conclusion**

- It is advisable that business owners understand the difference between sole trader and partnership. ✓✓
- Sole trader may not be a good choice for entrepreneurs that believe in working as a team and struggle on their own. ✓✓
- It is essential for entrepreneurs to be knowledgeable about the advantages of a partnership, to make informed decisions when choosing a new form of ownership. ✓✓
- Businesses must conduct research about disadvantages that are related to partnership businesses to make informed decisions for the future of their business. ✓✓
- Any other relevant conclusion related to the difference of sole trader and partnership, disadvantages of sole trader, advantages of partnership and disadvantages of partnership.

(Any 1x2) (2)

[40]

**BREAKDOWN OF MARK ALLOCATION**

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Differences between sole trader and partnership	12	
Disadvantage of sole trader	12	
Advantages of partnership	12	
Disadvantages of partnership	10	
Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/interpretation	2	
Synthesis	2	
Originality	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 ROLES (SOCIO-ECONOMIC ISSUES)**6.1 Introduction**

- More businesses are realizing the importance of being socially responsible to remain productive, competitive and relevant. ✓
- Inclusivity means valuing the differences between people and consciously promoting diversity in the workplace. ✓
- Despite natural wealth, South Africa faces several socio-economic challenges, which include inequality and poverty, and unemployment and unproductive labour force, etc. ✓
- To address the devastating effects of socio-economic concerns, the private sector has recently partnered with the government to expedite the implementation of the Economic Reconstruction and Recovery Plan. ✓
- Any other relevant introduction related to the meaning of corporate social responsibility/ purpose of inclusivity in the workplace/ impact of socio-economic issues on businesses/ initiatives businesses can take to address the socio-economic issues.

Any (2 × 1) (2)**6.2 Meaning of Corporate Social Responsibility**

- Refers to transparent business practices that are based on ethical values, compliance with legal requirements, ✓ and respect for people, communities, and the environment. ✓
- Thus, beyond making profits, ✓ companies are responsible for the totality of their impact on people and the planet. ✓
- It is the term used when a business takes responsibility for its impact on society ✓ and the environment. ✓
- It is an ethical way of doing business in the interest of both the business ✓ and the wider community. ✓
- Corporate social responsibility means that a business needs to be careful that all its actions protect the environment ✓ and improve the quality of life for the citizens of the country. ✓
- The way businesses manage their resources/processes to impact positively on society. ✓
- Businesses should avoid doing things that harm the environment ✓ and people. ✓
- The goal of CSR is to have a positive impact ✓ on the environment/consumer/ employees/communities/stakeholders. ✓
- Any other relevant answer related to the meaning of corporate social responsibility.

Max. (8)

6.3 Purpose of inclusivity in the workplace



- Inclusivity enables businesses✓ to make the best use of all human resources. ✓
- Promotes equal opportunity for every employee✓ to obtain skills that will lead to promotion and career path. ✓
- Promotes respect for each person✓ and their contributions in the workplace. ✓
- Promotes healthy/happy working environments, ✓ which in turn increase job satisfaction and productivity. ✓
- Increase tolerance of each other's ideas✓ and beliefs. ✓
- Increase communication in the workplace✓ so that business goals/objectives are achieved. ✓
- Businesses are able to use a variety of talents✓ and skills. ✓
- Inclusivity increases education and training✓ resulting to a decrease in poverty. ✓
- Increases the number of middle-class people✓ participating in the economy. ✓
- Any other relevant answer related to the purpose of inclusivity in the workplace.



Max. (14)

6.4 Impact of the following socio-economic issues on businesses:

6.4.1 Inequality and poverty

- People living in poverty cannot participate fully✓ in the economy. ✓
- Businesses spend more money on social responsibility programmes✓ to address inequality and poverty. ✓
- Poverty shrinks the market✓ because people cannot afford to buy the necessities. ✓
- Poverty can lead to crime such as shoplifting✓ and robberies on businesses. ✓
- Inequality may lead to violent actions by disgruntled members of the society✓ fighting for better status and social positions. ✓
- Businesses are compelled to spend more money✓ on poverty alleviation programmes. ✓
- Inequality results in lack of skills✓ and minimise job opportunities. ✓
- Any other relevant answer related to inequality and poverty.

Sub-max. (6)

6.4.2 Unemployment and unproductive labour force

- Unemployed people usually have very little money✓ to spend. ✓
- Business enterprises cannot grow or expand✓ if people do not spend money. ✓
- May limit business growth✓ and expansion. ✓
- An unproductive labour force will not achieve✓ its performance targets. ✓
- Additional people must then be appointed to do the work of unproductive



employees ✓ at an extra cost. ✓

- An unproductive labour force may lead to tensions between employers and employees, low profits for businesses ✓, and stress for both employers and employees. ✓
- Any other relevant answer related to unemployment and unproductive labour force.

Sub-max. (6)

Max. (12)

6.5 Initiatives businesses can take to address the above-mentioned socio-economic issues.

Initiatives businesses can take to address inequality and poverty

- Invest in a young starter SME that can be a business competitor, buyer or supplier. ✓✓
- Attract the best employees by being socially responsible and offering the best volunteering programs. ✓✓
- Support poverty alleviation programmes that are offered by the government.
- Donate money/food parcels to local NGO's. ✓✓
- Increase employment through economic growth. ✓✓
- Introduce more training programmes and apprenticeship to develop skills. ✓✓
- Encourage entrepreneurship through business training and mentoring entrepreneurs. ✓✓
- Improve infrastructure and services in poor communities. ✓✓
- Any other relevant answer related to initiatives businesses can take to address inequality and poverty.

Sub-max. (6)

Initiatives businesses can take to address unemployment and unproductive labour force

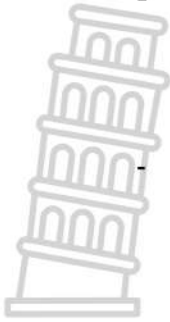
- Provide skills development programmes through learnerships. ✓✓
- Offer bursaries to the community to improve the level of education.
- Create jobs for members of the community. ✓✓
- Provide entrepreneurial programmes that can promote self-employment. ✓✓
- Support existing small businesses to create more employment opportunities. ✓✓
- Any other relevant answer related to initiatives businesses can take to address unemployment and unproductive labour force.

Sub-max. (6)

Max. (12)

6.6 Conclusion

- Businesses have a social responsibility to conduct their business operations morally and ethically in all respects. ✓✓
- Businesses should cater for diversity in their employment programmes to avoid discrimination. ✓✓
- Business must put necessary means to minimize the impact of inequality and poverty. ✓✓



- To address unemployment and unproductive labour force, businesses will need a concerted effort from all sectors of society, including governments, corporations, and individuals, to collaborate to make the world a better place. ✓✓
- Any other relevant conclusion related to the meaning of corporate social responsibility/ purpose of inclusivity in the workplace/ impact of socio-economic issues on businesses/ initiatives businesses can take to address the socio-economic issues.

Any (1 × 2) (2)

[40]

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Meaning of Corporate Social Responsibility	8	
Purpose of inclusivity in the workplace	14	
Impact of the following socio-economic issues: <ul style="list-style-type: none"> ○ Inclusivity and poverty ○ Unemployment and unproductive labour force 	12	
Initiatives businesses can take to address the above-mentioned socio-economic issues.	12	
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.

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TOTAL SECTION C: 40

GRAND TOTAL: 100