



education

Department:
Education
PROVINCE OF KWAZULU-NATAL

GRADE 10

BUSINESS STUDIES

PAPER 1

NOVEMBER 2025

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MARKS: 150

TIME : 2 Hours

This paper consist of 9 pages only.

INSTRUCTIONS TO CANDIDATES

Read the following instructions carefully before answering the questions.



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

SECTION A: COMPULSORY

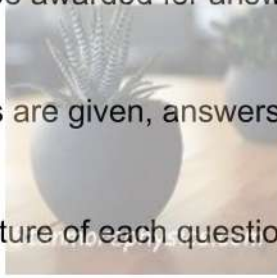
SECTION B: Consists of **THREE** questions.

Answer any **TWO** of the **THREE** questions in this section.

SECTION C: Consists of **TWO** questions.

Answer any **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 carefully 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 written 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 guide for mark and time allocation when answering each question.



SECTION	QUESTION	MARKS	TIME
A: Objective-type questions COMPULSORY	1	30	20 minutes
B: THREE direct/indirect type questions CHOICE (Answer any TWO.)	2	40	35 minutes
	3	40	35 minutes
	4	40	35 minutes
C: TWO essay-type questions CHOICE (Answer any ONE.)	5	40	30 minutes
	6	40	30 minutes
TOTAL		150	120 minutes

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

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 The business has full control over the ... environment.

- A micro
- B macro
- C market
- D external

1.1.2 Finah Supermarket operates in the ... sector because they sell groceries to customers.

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



1.1.3 This level of management is responsible for high productivity, technical assistance, and motivating employees.

- A General level management
- B Lower level management
- C Top level management
- D Middle level management

1.1.4 The process of setting goals and developing strategies is known as ...

- A organising.
- B controlling.
- C planning.
- D leading.

1.1.5 ... includes setting targets/measuring performance and taking corrective measures.

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

(5 × 2) (10)

1.2 Complete the following statements by using the word(s) provided 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.

culture;	global;	working capital;	structure;	mission;
planning;	vision;	organising;	economic;	fixed capital

1.2.1 The ... is used to finance long term capital needs of the business.

1.2.2 A process of breaking a plan into an action is known as ...

1.2.3 The ... explains what the business aims to achieve.

1.2.4 The norms, values and expectations are examples of organisational ...

1.2.5 The ... environment refers to an increase in trade and investment between countries.

(5 × 2) (10)



1.3 Choose the descriptor from column B that matches a term in column A. Write only the letter (A – J) next to the question numbers (1.3.1 to 1.3.5) in the ANSWER BOOK.

COLUMN A		COLUMN B
1.3.1	Financial function	A ensures that there is a good communication between the business and its stakeholders
1.3.2	National Consumer Commission	B all designated race groups should have the same opportunities despite their colour, belief and gender
1.3.3	Public relations	C establishes the sources for acquiring the capital
1.3.4	Inclusive	D protects the economic welfare of the consumers
1.3.5	Strategy	E promotes the development of a credit market that is accessible to all South Africans
		F take into account other expenses of the customers
		G a degree to which people do not have the same opportunities and are treated differently because of their social status
		I a plan of action taken by top management to achieve their objective
		H a mechanism used to execute a plan
		J buy in bulk and negotiate for discount

(5 × 2) (10)

TOTAL SECTION A: 30

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, etc.

QUESTION 2: BUSINESS ENVIRONMENTS

- 2.1 List any FOUR components of micro environment. (4)
- 2.2 Outline the purpose of organisational culture. (6)
- 2.3 Read the scenario bellow and answer the questions that follow.

HANDA MANUFACTURERS (HM)

Handa Manufacturers specialises in manufacturing ladies clothing and handbags. HM is located in an area where there is high rate of crime. Peter, one of the employees is not productive due to an illness that compromises his immune system.

- 2.3.1 Quote TWO examples of socio-economic issues from the scenario above. (2)
- 2.3.2 Explain the negative impact of examples of socio-economic issues identified in QUESTION 2.3.1 (6)
- 2.4 Discuss possible solutions to unemployment. (6)
- 2.5 Read the scenario bellow and answer the questions that follow.

JAY FORESTRY PLANTATION (JFP)

Jacob is the founder of Jay Forestry Plantation. He is the main supplier of timber in Zeerust. JFP borrowed capital from Cazet Bank to finance their expenses.

Identify TWO business sectors represented by JFP.
 Motivate your answer by quoting from the scenario above.
 Use the table below as a GUIDE to answer QUESTION 2.5

BUSINESS SECTORS	MOTIVATIONS

- (6)
- (6)
- 2.6 Explain the interrelation between business and consumers. (4)
- 2.7 Advise businesses on the importance of the formal sector. (6)

[40]

QUESTION 3: BUSINESS OPERATIONS

- 3.1 Name any THREE factors that influence the organisational structure. (3)
- 3.2 Outline the quality indicators of human resources function. (6)
- 3.3 Read the scenario bellow and answer the questions that follow.

MERCY'S HAIR STUDIO (MHS)

Mercy is the owner of Mercy's Hair Studio. She recently appointed Gontse to assist her at the salon. Gontse ensures that reliable information is available for decision making.

- 3.3.1 Identify the business function that is applied by MHS.
 Motivate your answer by quoting from the scenario above.
 Use the table below as a GUIDE to answer QUESTION 3.3.1.

BUSINESS FUNCTION	MOTIVATION
	(3)

- (3) 3.3.2 Explain the purpose of the business function identified in QUESTION 3.3.1. (6)
- 3.4 Discuss the quality indicators of financial function. (6)
- 3.5 Distinguish between external and internal public relations. (4)
- 3.6 Explain the quality indicators of the general management function. (6)
- 3.7 Evaluate the correlation between management and the success of the business in achieving its objectives. (6)

[40]

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

- 4.1 Elaborate on the meaning of macro environment. (4)
- 4.2 Explain the reason why economic component pose a challenge to businesses. (4)
- 4.3 Read the scenario below and answer the questions that follow.

NAIDOO FRESH HUB (NFH)

Naidoo Fesh Hub is known for selling fresh fruits and vegetables. NFH buy their stock from Zakes Farm. Naidoo Fresh Hub lost many of their customers to People’s Market who also sell fruits and vegetables at lower prices.

- 4.3.1 Identify TWO components of market environment that is applicable to NFH. Motivate your answer by quoting from the scenario above. Use the table below as a GUIDE to answer QUESTION 4.3.1.

COMPONENTS OF MARKET ENVIRONMENT	MOTIVATIONS

(6)

- 4.4 Evaluate the reasons why competition poses a challenge to businesses. (6)

BUSINESS OPERATIONS

- 4.5 Name any TWO activities of the administration function. (2)
- 4.6 Outline the importance of public relations. (6)
- 4.7 Read the scenario bellow and answer the questions that follow.

ROLEX ELECTRONICS (RE)

Rolex Electronics is known of selling quality products. Rolly the owner of RE mentioned that quality enables his business to have a good reputation and promotes brand awareness. RE has also gained goodwill and support from the community.

- 4.7.1 Quote the importance of quality in the business. (2)
- 4.7.2 Explain other importance of quality in the businesses. (6)
- 4.8 Distinguish the differences between quality control and quality assurance. (4)

[40]
TOTAL SECTION B: 80

SECTION C

Answer ANY ONE question in this section.

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

The answer to the question must start on a NEW page, e.g.

QUESTION 5 on a NEW page, QUESTION 6 on a NEW page.

QUESTION 5: BUSINESS ENVIRONMENTS (SOCIO ECONOMIC ISSUES)

Socio-economic issues such as strikes and political disturbances have negative impact on businesses. It is crucial that management understand why socioeconomic issues pose as a challenge in their operations and they must also put measures in place to respond to those challenges. Businesses should employ people from different designated groups.

Bearing the above statement in mind, write detailed essay on the following aspects:

- Explain the meaning of strikes.
- Discuss the negative impacts of strikes and political disturbances on businesses.
- Outline the purpose of inclusivity in the workplace.
- Advise management of on reasons why socio-economic issues pose a challenge on businesses.

[40]

QUESTION 6: BUSINESS OPERATIONS: (BUSINESS FUNCTIONS)

The purchasing function plays an important role in purchasing quality of raw materials and services for the business. The purchasing manager needs to ensure that the business has sufficient capital and follows the purchasing procedure to place an order. The National Credit Act impacts the business both positively and negatively.

Write an essay on the following aspects:

- Outline the purpose of the purchasing function.
- Explain the differences between credit payment and cash payment.
- Discuss the purchasing procedure.
- Advise businesses on the impact of the National Credit Act on businesses.

[40]

TOTAL SECTION C: 40
GRAND TOTAL 150



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**BUSINESS STUDIES
MARKING GUIDELINES
PAPER 1
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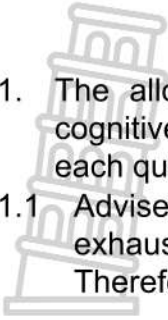


NOTES TO MARKERS

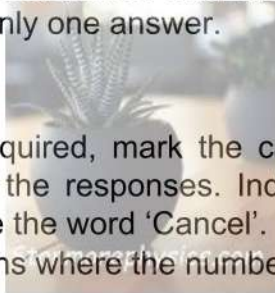
1. A comprehensive memorandum has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:
 - Uses a different expression from that which appears in the memorandum
 - Comes from another source
 - Original
 - A different approach is used

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

2. Candidates' responses must be in full sentences for SECTION B and C. However, this would depend on the nature of the question.
3. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
4. The word 'sub-max' is used to facilitate the allocation of marks within a question or sub-question.
5. The purpose of circling marks (guided by 'max.' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts.
6. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guideline. Only the total for each question should appear in the left hand margin next to the appropriate question number.
7. In an indirect question, the theory as well as the response must be relevant and related to the question.
8. Incorrect numbering of questions or sub-questions in SECTIONS A and B will be severely penalised. Therefore, correct numbering is strongly recommended in all sections.
9. No additional credit must be given for repetition of facts. Indicate with an R.
10. Note that no marks will be awarded for indicating Yes/No in evaluation type questions requiring substantiation or motivation.(Applicable to SECTIONS B,C



11. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guidelines and the context of each question. Cognitive verbs, such as:
- 11.1 Advise, name, state, mention, outline, motivate, recommend, suggest, (list not exhaustive) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.
- 11.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, justify, devise, analyse, evaluate, critically evaluate (list not exhaustive) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.
12. Mark only the FIRST answer where candidates offer more than one answer for SECTION B questions that require only one answer.



13. **SECTION B**

- 13.1 If, for example, FIVE facts are required, mark the candidate's FIRST FIVE responses and ignore the rest of the responses. Indicate by drawing a line across the unmarked portion or use the word 'Cancel'.
- NOTE:** This only applies to questions where the number of facts is specified.
- 13.2 If two facts are written in one sentence, award the candidate FULL credit. Point 13.1 above still applies.
- 13.3 If candidates are required to provide their own examples/views, brainstorm this to finalise alternative answers.

13.4 **USE OF THE COGNITIVE VERB AND ALLOCATION OF MARKS:**

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

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

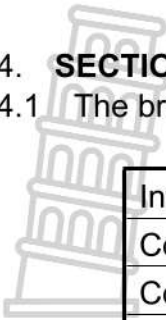
The 'fact' and 'explanation' are given separately in the marking guideline to facilitate mark allocation.

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

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

14. 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, body, proper paragraphs and a conclusion?	2
Analysis and interpretation	Is the candidate able to breakdown the question into headings/sub-headings/interpret it correctly to show understanding of what is being asked? Marks to be allocated using this guide. All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	2
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Marks to be allocated using this guide: No relevant facts: 0 (Two '-S') Some relevant facts: 1 (One '-S') Only relevant facts: 2 (Zero/No '-S') Option 1: Where a candidate answers 50% or more of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis. Option 2: Where a candidate answers less than 50% of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 3: Where a candidate answers less than 50% of the question with no relevant facts; two 'S' appear in the left margin. Award ZERO mark for synthesis.	2
Originality	Is there evidence of examples, recent of information, current trends and developments?	2

TOTAL FOR INSIGHT:	8
TOTAL MARKS FOR FACTS:	32
TOTAL MARKS FOR ESS AY (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 allocated for layout, if the headings 'Introduction, Conclusion,' etc. in 'Insight' are not supported by an explanation.
 4. With effect from November 2017 a candidate will be awarded a maximum of ONE (1) mark for headings/sub-headings and ONE (1) mark for interpretation (16 or more out of 32 marks). This applies specifically to the analysis and interpretation part of insight.
- 14.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, S and/or O').
- 14.4 The breakdown of marks is indicated at the end of the suggested answer / marking guideline for each question.
- 14.5 Mark all the relevant facts until the SUB MAX/MAX mark in a sub section has been attained. Write SUB-MAX./MAX. after maximum marks have been obtained.
- 14.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follow: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

CONTENT	MARKS
Facts	32 (max.)
L	2
A	2
S	2
O	2
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 sub-headings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought.

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

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

14.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guideline.

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

With effect from November 2015, the TWO marks will not necessarily **appear** at the end of each completed sentence. The ticks (√√) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy √ where businesses aim to introduce new products into existing markets.' √

This will be informed by the nature and context of the question, as well as the cognitive verb used.

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



SECTION A

QUESTION 1

1.1

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

(5 × 2) (10)

1.2

- 1.2.1 Fixed capital ✓✓
- 1.2.2 Organising ✓✓
- 1.2.3 Vision ✓✓
- 1.2.4 Culture ✓✓
- 1.2.5 Global ✓✓

(5 × 2) (10)

1.3

- 1.3.1 C ✓✓
- 1.3.2 D ✓✓
- 1.3.3 A ✓✓
- 1.3.4 B ✓✓
- 1.3.5 H ✓✓

(5 × 2) (10)

TOTAL SECTION A: 30

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B 30

Mark the answers to the FIRST TWO questions only.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1. FOUR components of micro environment

- Vision ✓
- Mission ✓
- Objectives ✓
- Goals, strategy ✓
- Organisational resources ✓
- Leadership and management ✓
- Business functions ✓
- Organisational structure ✓
- Organisational culture ✓

Note: mark the first FOUR (4) options only.

(4 x 1) (4)

2.2 The purpose of organisational culture

- 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. ✓✓
- Any other relevant answer linked with the purpose of organisational culture

Max (6)

2.3 Socio-economic issues

2.3.1 Socio-economic issues from the scenario.

- HM is located in an area where there is high rate of crime. ✓
- Peter, one of the employees is not productive due to the illness that compromises his immune system. ✓


Note:

1. Mark the first TWO (2) options only.
2. Only award marks for responses that are quoted from the scenario.

Max (2)

2.3.2 The impact of HIV/Aids on businesses.

- Loss of skilled staff ✓ due to HIV related illnesses. ✓
- Profits will be lower ✓ as production decreases. ✓
- High absenteeism ✓ from illness resulting to decrease in productivity. ✓
- Conflict can arise among staff ✓ if they discover that a worker is HIV positive. ✓
- Businesses find it difficult to keep production levels and to meet deadlines ✓ because of poor staff morale. ✓
- Business needs to invest money in programmes ✓ to educate the workers regarding Aids. ✓
- Businesses face increased costs of paying benefits ✓ like housing subsidies, medical care and pension funds. ✓
- Businesses face increased costs ✓ of finding/recruiting/training

- 
- replacements. ✓
 - Staff morale might be low as they are concerned ✓ about their health thus lowering productivity. ✓
 - The costs of finding replacement employees and recruiting are high. ✓
 - Any other relevant answer linked with the impact of HIV/Aids on businesses.

(6)

OR

- **The impact of crime on businesses**
- Loss of staff and customers. ✓
- Insurance/security costs ✓ become expensive. ✓
- Loss of profits ✓ due to stolen goods from businesses. ✓
- Businesses lose skilled people ✓ resulting to a decline in productivity. ✓
- Increased medical expenses ✓ as workers are injured during break ins. ✓
- Businesses spend money on installing effective security measure ✓ such as alarms, burglar proofing. ✓
 - Loss of goods in the business can happen ✓ as a result of burglaries, shoplifting, customer theft and employee theft. ✓
 - Cost of damage to property increases ✓ as businesses pay higher insurance premiums to protect themselves. ✓
 - Loss of essential equipment ✓ causing temporary closure to the business. ✓
 - Employees can become involved in fraud, ✓ bribery, corruption and kickbacks. ✓
 - If there is an ensuing court case ✓ it can create negative publicity for the business. ✓
 - Smaller businesses often cannot afford insurance ✓ and have to replace the stolen goods themselves at greater loss. ✓
 - Lower profits affected the decisions to expand ✓ and employ more people/pay higher wages. ✓
 - Crime causes increase in health costs of employee ✓ due to injuries or stress. ✓
 - Discourages foreign investment ✓ and reduces tourism which impacts negatively on businesses. ✓
 - Crime brings about unfair competition ✓ from stolen goods resold at a lower price. ✓
- Any other relevant answer linked with the impact of crime on businesses.

(6)

2.4 Possible solutions to unemployment

- Improvement of skills, better education and training. ✓
- The government should change labour laws ✓ to encourage small businesses to employ workers. ✓
- Businesses can provide skills development programmes ✓ through learnerships. ✓
- Offer bursaries to the community ✓ to improve level of education. ✓
- Businesses must create jobs ✓ for members of the community. ✓ - Provide entrepreneurial programmes ✓ that can promote self-employment. ✓
- More money is spent on relieving poverty ✓ through their social responsibility programmes. ✓
- Supporting existing small businesses ✓ to create more employment opportunities. ✓
- Any other relevant answer linked with the solutions to unemployment.

Max (6)

2.5 Business sectors from the scenario above.

BUSINESS SECTORS	MOTIVATIONS
Primary sector ✓✓	He is the main supplier of timber in Zeerust.
Tertiary sector ✓✓	JFP borrowed capital from Cazet Bank to finance their expenses. ✓
Sub max (4)	Sub max (2)

NOTE:

1. Mark the first TWO (2) options only.
2. The answer does not have to be in tabular form.
3. Only award marks for the responses that are quoted from the scenario.
4. Award marks for the business sector even if the motivation is incomplete.
5. Do not award marks for the motivations if the business sectors were incorrectly identified.

Max (6)

2.6 The interrelation between business and consumers.

- Consumers depend on businesses for their goods and services to satisfy their needs and wants ✓ and businesses also depend on consumers for their income when they buy from them. ✓
- Without consumers a business cannot survive, ✓ businesses need to ensure that they produce goods of consistently high quality to maintain or increase their customer base. ✓
- The public relations department must ensure that the business always maintains a positive image ✓ so that its customers remain loyal. ✓
- The marketing department must constantly conduct market research to identify the needs of their target market ✓ so that they are able to always satisfy the changing needs of their consumers. ✓

- Any other relevant answer linked with the interrelation between the business and consumers. (6)

2.7 The importance of formal sectors

- They supply legal products. ✓✓
- They employ many people with different skills and qualifications. ✓✓
- Products supplied by formal sectors are guaranteed, which means that faulty goods can be returned. ✓✓
- Any other relevant answer linked with the importance of formal sectors.

Max (6)

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	4
2.2	6
2.3.1	2
2.3.2	6
2.4	6
2.5	6
2.6	4
2.7	6
TOTAL	40



QUESTION 3: BUSINESS OPERATIONS

3.1 THREE factors that influence the organisational structure.

- The size of the company✓
- Technology✓
- Resources✓
- Strategic goals of the company✓

Note: mark the first THREE (3) options only.

(3 x 1) (3)

3.2 The quality indicators of human resources function.

- Low rate of staff turnover in the business ✓✓
- Motivate and reward employees ✓✓
- Provide good working conditions ✓✓
- Good relationship with employees ✓✓
- Offer performance incentives for staff to enhance productivity ✓✓
- Understand the interrelatedness of different departments ✓✓
- Maintain a healthy relationship between employees and employer ✓✓
- Ensure that employee understand the goals and objectives of the business ✓✓
- Any relevant answer related to the quality of indicators of human resource function.

Max (6)

3.3 Business function

3.3.1 Business function from the scenario



BUSINESS FUNCTION	MOTIVATION
Administration ✓✓	Gontse ensures that reliable information is available for decision making. ✓
Sub max (2)	Sub max (1)

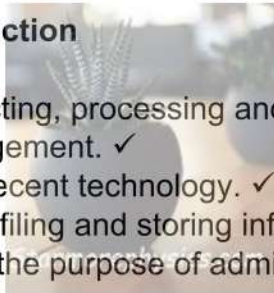
TAKE NOTE:

1. Answer does not have to be in a table format.
2. Mark the first options only.
3. Only award marks for the response that is quoted from the scenario.
4. Award marks for function even if the motivation is incomplete or incorrect.
5. Do not award marks for motivation if the business function was not identified correctly.

Max (3)

3.3.2 The purpose of administration function

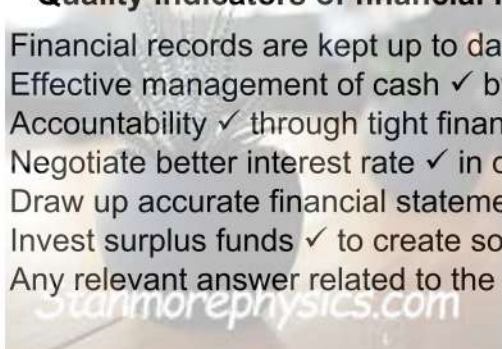
- Handling of information and data. ✓
- Administration is responsible for collecting, processing and distributing information ✓ which is used for decision by management. ✓
- Store/record information ✓ by using recent technology. ✓
- Making general office work ✓ such as filing and storing information. ✓
- Any other relevant answer linked with the purpose of administration function



Max (6)

3.4 Quality indicators of financial function

- Financial records are kept up to date. ✓
- Effective management of cash ✓ by cash budgeting. ✓
- Accountability ✓ through tight financial processes. ✓
- Negotiate better interest rate ✓ in order to keep financial costs down. ✓
- Draw up accurate financial statements ✓ regularly/timeously. ✓
- Invest surplus funds ✓ to create source of passive income. ✓
- Any relevant answer related to the quality indicators for financial function.



Max (6)

3.5 The differences between external public relations and internal public relations.

EXTERNAL PUBLIC RELATIONS	INTERNAL PUBLIC RELATION
- Creates a good company image and awareness to those outside ✓ the company. ✓	- Creates a good company image awareness to employees ✓ in the company. ✓
- Any other relevant answer related to external public relations.	- Any other relevant answer related to internal public relations.
Sub max (2)	Sub max (2)

Max (4)

3.6 Quality indicators for general management

- Develop/Implement/Monitor ✓ effective strategic plans. ✓
- Set direction ✓ and establish plans priorities for their business. ✓
- Effectively communicate ✓ shared vision, mission, and values. ✓
- Ensure that all the departments ✓ in 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 behaviour ✓ that is expected from employees in terms of ethics as well as productivity. ✓
- Any relevant answer linked with the quality indicators for general management.

Max (6)

3.7 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 decision and motivating employees to be productive. ✓✓
- Poor management can result in ineffective employees and losing productivity. ✓
- Businesses require on-going decision making and problem solving. ✓✓
- Problems that cannot be solved and decisions that are not made appropriately can lead to a decrease in productivity. ✓✓
- Any other relevant answer related with the correlation between management and success of the business in achieving its objectives, strengths and weaknesses.

Max

(6)

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	3
3.2	6
3.3.1	3
3.3.2	6



3.4	6
3.5	4
3.6	6
3.7	4
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 The meaning of macro environment.

- The macro environment is a condition that exists in the economy as a whole, ✓ rather than in a particular sector or region. ✓
- Refers to the interaction of businesses ✓ with forces outside of themselves ✓
- It is also known as external environment. ✓
- The macro environment is always developing ✓ and changing. ✓
- Business has no control over this environment ✓ as it poses challenges to business. ✓
- Any relevant answer that links with the meaning of macro environment.

Max (4)

4.2 The challenges of economic environment.

- A high inflation will mean that consumers will have less money to spend on goods/services. ✓✓
- If taxation goes up, businesses will be charged more on their profits and people will have less to spend on buying goods and services. ✓✓
- If exchange rate influence trade international as it becomes expensive to buy raw materials and machinery from overseas. ✓✓
- If interest rate increase it means the business will pay more monthly instalments to the banks for loans taken. ✓✓
- Any relevant answer that links with the challenges of economic environment.

Max (4)

4.3 Market environment

4.3.1 Market environment from the scenario

COMPONENTS OF MARKET ENVIRONMENT	MOTIVATIONS
Suppliers ✓✓	NFH buys their stock from Zakes farm. ✓
Competitors ✓✓	Naidoo Fresh Hub lost most of their customers to People's Market who also sells fruits and at lower prices. ✓
Sub max (4)	Sub max (2)

TAKE NOTE:

1. Only award marks for the responses that are quoted from the scenario.
2. The answer does not have to be on a tabular format.

3. Award marks for the components of the market environment even if the motivation is incorrect.

4. Award marks for the component of the market environment even if the motivation is incomplete or incorrect.

5. Do not award marks for motivation if the component of the market environment was not identified correctly.

Max (6)

4.4 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 a new product/service. ✓✓
- 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 linked with the reasons why competition poses a challenge to businesses.

Max (6)

BUSINESS OPERATIONS

4.5 Activities of the administration function

- Management of information ✓
- Handling of information ✓
- Office practice ✓
- Information technology ✓

TAKE NOTE: Mark the first TWO (2) options only

(2 × 1)

(2)

4.6 The importance of public relations

- The business gets publicity for promotional events and information through media. ✓✓
- News conferences may be called to release information which will ensure the survival of the business. ✓✓
- Employees may volunteer to spend time with people in need at orphanage/hospitals/schools etc. ✓✓
- Businesses can sponsor community events. ✓✓
- Produce annual reports that view business activities and achievements. ✓✓
- Brochures can be used to distribute information. ✓✓
- Networking a popular form of public relation direct contact with employees or telephonic communication. ✓✓
- Attend network events and talk about business productivity. ✓✓
- Use corporative social responsibility as a public relations activity involving communities to get positive exposure. ✓✓
- Any other relevant answer related to the importance of public relations

Max (6)

4.7 Importance of quality

4.7.1 The importance of quality from the scenario

- Rolly mentioned that quality enables his business to have a good reputation and promotes brand awareness. ✓
- RE has also gained goodwill and support from the community. ✓

Max (2)

4.7.2 Other importance of quality in the business.

- Customers associates image of the business ✓ with quality of the product. ✓
- Quality products increase sales, profits, business growth ✓ and attracts investors. ✓
- Vision, mission, business goals ✓ may be achieved. ✓
- Any other relevant answer linked with the importance of quality in promoting the image of the business

Max (6)

4.8 The 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 that required standard 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 the first time and prevents mistakes from happening again. ✓✓
- Checking raw materials/ employees/machinery/workmanship/products to ensure that high standards are maintained. ✓✓	- The 'building in' of quality as opposed to 'checking for' quality. ✓✓
Sub max (2)	Sub max (2)

NOTE

1. The answer does not have to be in tabular format.
2. The difference does not have to link but it 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)

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2	4
4.3.1	6



4.4	6
4.5	2
4.6	6
4.7.1	2
4.7.2	6
4.8	4
TOTAL	40



SECTION C

Mark the answer to the FIRST question only.

QUESTION 5 BUSINESS ENVIRONMENTS (SOCIO ECONOMIC ISSUES)

5.1 Introduction

- Businesses can grow and develop into successful enterprises if they take socio-economic issues in consideration. ✓
- Businesses who ignore socio-economic issues do not contribute towards a safe environment. ✓
- All socio-economic present both challenges and opportunities for entrepreneurs. ✓
- A diverse workforce allows businesses to address inequality as a socio-economic issue. ✓
- Any other relevant introduction related to the meaning of strikes, negative impact of strikes and political disturbances, purpose of inclusivity and the reasons why socio-economic issues pose a challenge for businesses.

Any (2 × 1) (2)

5.2 The meaning of strikes.

- A strike is a collective refusal of employees to work ✓ because of an issue in the workplace, aimed at forcing the employer to give demands. ✓
- It is a collective action taken by a group of unhappy employees ✓ to force employers to accept their demands. ✓
- Strikes may take form of a go slow, lock outs and sympathy strike. ✓
- It is a dispute between the employer and the employees ✓ when they cannot agree on wage increases/change in working conditions, even after negotiations. ✓
- Any other relevant answer related to the meaning of strikes.

Max (8)

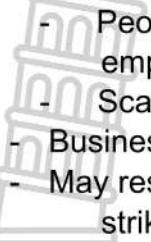
5.3 Negative impacts of strike and political disturbances on businesses.

5.3.1 Negative impacts of strike on the business.

- This could make the business to be unable to meet its contractual obligation ✓ and the business losing contracts. ✓
- The cost of making up all the 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. ✓
- May result in losses of production ✓ as employees stay absent from work during the time of strike. ✓
 - May lead to unhealthy working relationships ✓ between management and workers.
 - May force businesses to retrench ✓ some of its skilled workers to recover from losses. ✓
 - Strike actions may lead to production losses ✓ and decline in sales. ✓
 - Any relevant answer linked to the negative impact of strike on the business.

Sub max (6)

5.3.2 Negative impact of political disturbances on businesses.

- 
- People in township/informal settlement areas may block the roads preventing employed people from going to work ✓ due to service delivery protests. ✓
 - Scares off potential investors. ✓
 - Businesses may be forced to close ✓ especially those located in townships. ✓
 - May result in losses of production ✓ as employees stay absent from work during strike. ✓
 - Many businesses suffer losses ✓ as a result of damage to a property. ✓
 - Riots can result in increased unemployment ✓ if shopkeepers are forced to shut down. ✓
 - Any relevant answer linked to the negative impact of political disturbances on the business.

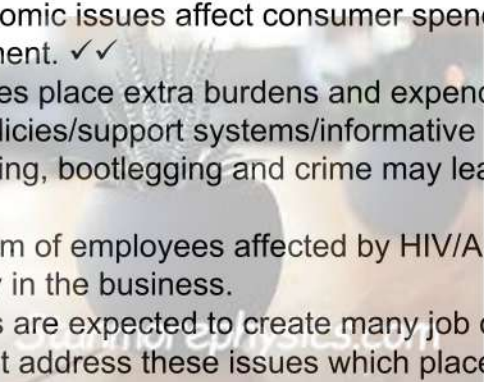
Sub max (6)
Max (12)

5.4 The purpose of inclusivity in the workplace

- 
- Inclusivity enables businesses to make the best use of all human resources. ✓✓
 - Increase tolerance of each other's ideas and beliefs. ✓✓
 - 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. ✓✓
 - Increases communication in the workplace so that business goals/objectives are achieved. ✓✓
 - Promote respects for each person and their contribution in the workplace so that business goals and objectives are achieved. ✓✓
 - Promotes healthy/happy working environments, which in turn increase job satisfaction and productivity. ✓✓
 - Any other relevant answer related to the purpose of inclusivity in the workplace

Max (14)

5.5 Reason why Socio-economic issues pose a challenge to businesses.

- 
- 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. ✓✓
Counterfeiting, bootlegging and crime may lead to loss of profits for businesses. ✓✓
 - Absenteeism of employees affected by HIV/AIDS will result in a decrease in productivity in the business.
 - Businesses are expected to create many job opportunities as possible to assist government address these issues which place financial burden on them. ✓✓
 - Businesses may not be well supported by customers because of their limited disposable income. ✓✓

- They must also educate employees on social issues and how to become involved in the community to address these issues. ✓✓
- Any other relevant answer linked with reasons why socio-economic issues pose a challenge on businesses.

MAX (12)

5.6 Conclusion

- Businesses who develop strategies to deal with socio-economic issues survive long enough to achieve long term goals. ✓✓
- Businesses must be aware of these challenges so that they can put strategies in place to overcome them. ✓✓
- Any other relevant conclusion related to the meaning of strikes, negative impact of strikes and political disturbances, purpose of inclusivity and the reasons why socio-economic issues pose a challenge for businesses.

Any (1 x 2) (2)

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
The meaning of strikes	8	
Negative impacts of strike and political disturbances.	12	
The purpose of inclusivity in the workplace.	14	
Reasons why socio-economic issues pose a challenge to businesses.	12	
Conclusion	2	
INSIGHT		
Layout	2	Max 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 only some requirements are met.		

QUESTION 6 BUSINESS OPERATIONS (BUSINESS FUNCTIONS)

6.1 Introduction

- The purchasing function is responsible for buying quality raw materials and services for the business. ✓
- The purchasing function should continuously look for new, and better suppliers. ✓
- The purchasing function should place orders with suppliers and follow up on them to ensure that the ordered products are delivered on time. ✓
- The purchasing function should ensure that ordered goods are delivered at the agreed price, right quantities, and right quality. ✓
- Any other relevant introduction related to the purpose of the purchasing function, the difference between cash payment and credit payment, the purchasing procedure and the impact of the NCA on businesses.

Any (2 × 1) (2)

6.2 The purpose of the purchasing function

- The financial function has to obtained capital from the most suitable sources. ✓✓
- The business should negotiate a lower/better interest rate to keep financial costs as low as possible. ✓✓
- The financial records should be kept up to date at all times and should be accurate in order for the business to be tax compliant. ✓✓
- Accurate financial statements should be drawn up so that management can see the performance of the business. ✓✓
- Surplus funds should be invested to save for future projects/expansion/growth. ✓✓

- Any relevant answer linked to the quality indicators of the financial function

6.3 Differences between cash payment and credit payment

CASH PAYMENT	CREDIT PAYMENT
Cash payment refers to all payments made by cash/cheque ✓ for business purchases. ✓	Credit payment refers to all payments made by means of credit cards/ ✓ on future date for business purchases. ✓
Cash payments enables businesses to budget for stock purchases ✓ and avoid unnecessary delays. ✓	Credit payments allow business to buy stock ✓ and pay on a future date. ✓
Cash payers can qualify for cash discounts. ✓	The credit payer can pay more for goods ✓ due to interest added on credit purchases.
Any relevant answer related to cash payment.	Any relevant answer related to credit purchases.
Sub max (6)	Sub max (6)

NOTE

1. The answer does not have to be in tabular format.
2. The difference does not have to link but it must be clear.
3. Award a maximum of SIX (6) marks if the difference is not clear. Mark either cash payment or credit payment only.

Max (12)

6.4 Steps of the purchasing procedure

Determine the need for the product/Requisition ✓✓

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

Purchasing procedure (2) Discussion (2) Sub max (4)

Determine the price of the product ✓✓

- Find the best price by obtaining quotes/tenders or making enquiries. ✓
- Any relevant answer linked to determining the price of the product as a step of the purchasing procedure.

Purchasing procedure (2)

Discussion (2) Sub max (4) Select/Choose a suitable supplier ✓✓

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

Purchasing procedure (2)

Discussion (2)

Sub max (4)

Place an order ✓✓

- The purchasing function should place an order in writing so that goods delivered can be compared with the order. ✓
- Confirm the prices of the products on order to avoid unexpected surprises when payments are made. ✓
- Any relevant answer linked to placing an order as a step of the purchasing procedure.

Purchasing procedure (2)

Discussion (2)

Sub max (4)



Collect or receive the order ✓✓

- The purchasing department should ensure that the right orders are received and recorded. ✓
- The quality and quantity of stock received should be checked against the order. ✓
- The purchasing department should keep a copy of a delivery note for records keeping purposes. ✓
- Any relevant answer linked to collect or receive the order as a step of the purchasing procedure.

Purchasing procedure (2)
Discussion (2)
Sub max (4)



Pay the supplier ✓✓

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

Purchasing procedure (2)
Discussion (2)
Sub max (4)

Distribute the stock ✓✓

- The purchasing department should ensure proper distribution of stock/raw materials to all relevant departments. ✓
- Distribution of stock should be in line with pre-requisite orders from each department to avoid stock loss. ✓
- Any relevant answer linked to distribute the stock as a step of the purchasing procedure.

Purchasing procedure (2)
Discussion (2)
Sub max (4)

Complete the order ✓✓

- Ensure that all the correct documentation is in place and filed for future

reference. ✓

- Any relevant answer linked to complete the order as a step of the purchasing procedure.



Purchasing procedure (2)
Discussion (2)
Sub max (4)

Max (12)

6.5 Impact of National Credit Act (NCA) on business operations

Positives/Advantages

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

AND/OR

Negatives/Disadvantages

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

Max (12)

6.6 Conclusion

- The business needs to have a sound understanding of the National Credit Act, as this can impact their business both positively and negatively. ✓✓
- Any other relevant conclusion related to the purpose of the purchasing function, the difference between cash payment and credit payment, the purchasing procedure and the impact of the NCA on businesses.

Any (1 x 2) (2)



QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Purpose of the purchasing function	10	
Differences between cash payment and credit payment	12	
Steps of the purchasing procedure	12	
Impact of the NCA on businesses	12	
Conclusion	2	
INSIGHT		
Layout	2	Max 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 only some requirements are met.

Allocate 0 marks where requirements are not met at all

TOTAL SECTION C: 40 GRAND TOTAL 150