KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

PROVINCIAL STANDARDISED ASSESSMENT

GRADE 10

BUSINESS STUDIES P1

JUNE 2026

MARKS : 100

DURATION : $1\frac{1}{2}$ Hours

This question papers consists of 8 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions

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

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

2. Read the instructions for each question carefully and take note of what is required.

   Note that ONLY the answers to the first TWO questions selected in SECTION B and the answer to the first question in SECTION C will be marked.

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

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

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

6. 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: Answer any ONE.	**5**	**40**	**30**
	6	**40**	
TOTAL		**100**	**90**

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

8. 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 Bright Feeding Scheme a non-profit organisation that does not operate under the control of the government. This is applicable to … as a civil society.

A Regulator
B Non-Governmental Organisations (NGOs)
C Union
D Community Based Organisations (CBOs)

1.1.2 This statement outlines the importance of stock control:

A Keep track of the cost and selling price of goods.
B Sponsor community events and gain loyalty of customers.
C Businesses may not vary the quality of their goods to different consumers.
D Good publicity for promotional events and information through media.

1.1.3 This is an example of social, cultural and demographic environment:

A Greg Logistics Ltd is experiencing high loan repayment due to high interest rates.
B Government laws influence the way Zikode Painting operates.
C Large number of people in South Africa are poorly educated are therefore unskilled.
D It is expensive for Bling Fashion to buy new machinery.

1.1.4 The quality indicator of the … function requires Bonke Architects (Pty) Ltd to offer fair remuneration packages that are aligned to the industry.

A human resources
B general management
C financial
D administration

1.1.5 The … sector aims to meet the needs of the society.

A primary
B private
C secondary
D public

(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 numbers (1.2.1 to 1.2.5) in the ANSWER BOOK, e.g. 1.2.6. K.

COLUMN A	COLUMN B
1.2.1 Bank overdraft	A. refers to the three levels of government in South Africa, that puts in place laws and rules that regulate how businesses operate.
1.2.2 Formal sector	B. advertising through electronic and printed media such as radio, television, brochures etc.
1.2.3 National Consumer Commission	C. a short-term loan added onto the account of an entrepreneur/business.
1.2.4 Institutional environment	D. falls outside the mainstream of the economy.
1.2.5 Transit advertising	E. is responsible for promoting compliance with the Consumer Protection Act through advocacy and enforcement.
	F. refers to the uncontrollable local and international interactions that influence how businesses operate.
	G. falls within the mainstream of the economy.
	H. a lump sum of money borrowed from the bank and will be repaid over a specific period.
	I. advertising on mobile transport such as taxis, busses, delivery vehicles etc.
	J. is responsible for reviewing decisions made by the National Credit Regulator.

(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 an NEW page, QUESTION 3 on a NEW page.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 Name any THREE examples of the tertiary sector. (3)

2.2 Explain the relationship between primary, secondary and tertiary sectors. (4)

2.3 Read the scenario below and answer the questions that follow

MADLOPHA SERVICES (MS)
Madlopha Services is a cleaning company operating in Marburg International Airport. MS purchases the anti-bacterial wet wipes from Evona Inc. who always deliver their products on time.

2.3.1 Identify the component of the market environment applicable to MS. Motivate your answer by quoting from the scenario above. (3)

2.3.2 Discuss any other TWO components of the market environment. (6)

2.4 Suggest reasons why the physical/natural environment pose a challenge to businesses. (4)

[20]

QUESTION 3: BUSINESS OPERATIONS

3.1 Elaborate on the meaning of quality. (4)

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

STYLISH REFINISHERS (SR)
Stylish Refinishers provides panel beating services around South Coast of KwaZulu-Natal. Sipho, the manager at SR use fast and reliable data capturing and processing systems. Moreover, ensure that all departments meet their deadlines. Sipho also make relevant information available for quick decision-making.

3.2.1 Quote TWO quality indicators of the administration function applicable to SR from the scenario above. (2)

3.2.2 Explain other quality indicators of the administration function. (4)

3.3 Discuss any TWO levels of general management. (6)

3.4 Advise businesses on the differences between internal and external public relations. (4)

[20]

QUESTION 4: MISCELLANOUS

BUSINESS ENVIRONMENTS

4.1 List any TWO organisational resources. (2)

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

NAIDU TECHNOLOGIES (NT)
Naidu Technologies is facing numerous challenges due to high competition in the market. As a result, NT is experiencing reduced market share and its target market. The management of NT implemented several strategies in trying to deal with challenges. However, they are forced to close down due to their inability to compete with other businesses.

4.2.1 Quote TWO reasons why competition pose a challenge to NT from the scenario above. (2)

4.2.2 Discuss other reasons why competition pose a challenge to businesses. (6)

BUSINESS OPERATIONS

4.3 Name any TWO types of capital. (2)

4.4 Explain *risk management* as a management task. (4)

4.5 Advise businesses on the purpose of the National Credit Act. (4)

[20]

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 ENVIRONMENTS (MICRO & MARKET ENVIRONMENTS)

The management should outline the organisational culture of the business to all relevant stakeholders. Businesses must take note of the components in the micro environment. The organisational structure must be well aligned with the needs of the business. Running a successful business requires managers to consider the relationship between the business functions/departments.

Write an essay on the micro and market environments in which you include the following aspects:

- Outline the purpose of organisational culture.
- Explain the following components of the micro environment:
  - Vision, mission statement, goals and objectives
  - Management and Leadership
- Describe the importance of organisational structure.
- Advise businesses on the relationship between business functions/departments. **[40]**

QUESTION 6: BUSINESS OPERATIONS (CONCEPT OF QUALITY)

It is vital that businesses make a clear distinction between quality control and quality assurance. Businesses must ensure that all stakeholders understand the importance of quality. To maintain quality, businesses should take note of quality indicators applicable to the financial function. Understanding the correlation between management and the success of the business in achieving its objectives, strengths and weaknesses is essential for business growth.

Write an essay on the concept of quality in which you include the following aspects:

- Outline the differences between quality control and quality assurance.
- Explain the importance of quality for businesses.
- Describe quality indicators of the financial function.
- Advise businesses on the correlation between management and the success of the business in achieving its objectives, strengths and weaknesses. **[40]**

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

FINAL

KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

PROVINCIAL STANDARDISED ASSESSMENT

GRADE 10

BUSINESS STUDIES PAPER 1

MARKING GUIDELINES

JUNE 2026

MARKS: 100

These marking guidelines consist of 23 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 the 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 c orrect 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 appositive/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 are specified, questions that require candidates to 'describe/discuss/explain' may be marked as follows:

- Fact 2 marks (or as indicated in the marking guidelines)
- Explanation 1 mark (two marks will be allocated in Section C)

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

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

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

15. SECTION C

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

Introduction	**Maximum: 32**
Content	
Conclusion	
Insight	**8**
TOTAL	**40**

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, 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 B ✓✓

1.1.2 A ✓✓

1.1.3 C ✓✓

1.1.4 A ✓✓

1.1.5 D ✓✓ **(10)**

1.2

1.2.1 C ✓✓

1.2.2 G ✓✓

1.2.3 E ✓✓

1.2.4 A ✓✓

1.2.5 I ✓✓ **(10)**

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	10
TOTAL	20

TOTAL SECTION A: 20

SECTION B

NOTE: Mark answers to the FIRST TWO questions only.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 Example of tertiary sector.

- Food industry ✓
- Clothing industry ✓
- Banking/Financial institutions ✓
- Insurance ✓
- Hotels/Hospitality/Tourism ✓
- Transport/Distribution companies ✓
- Retailers/Wholesalers ✓
- Legal services✓
- Health services ✓
- Educational services ✓
- Electricians ✓
- Storage✓

NOTE: Mark the first THREE (3) only. **Max. (3)**

2.2 Relationship between primary, secondary and tertiary sectors

- The primary sector depends on the secondary sector✓ for manufactured goods such as machinery/equipment/fertilisers.✓
- The primary sector is dependent on the tertiary sector✓ for its customer needs. ✓
- The secondary sector processes the raw materials obtained from the primary sector✓ into more useful products. ✓
- The secondary sector depends on the primary sector✓ for raw materials and products.✓
- The secondary sector depends on other secondary industries✓ e.g. BMW needs tyre from DUNLOP another secondary sector player. ✓
- Secondary sector needs the tertiary sector to sell their processed or manufactured goods✓ and for services such as banks, insurance, transport and communication. ✓
- The tertiary sector depends on the primary sector for raw materials✓ that do not need processing by the secondary sector. ✓

- The tertiary sector depends on the secondary sector for manufactured goods✓ such as office machines/office furniture/stationery etc. ✓
- Any other relevant answer related to relationship between the primary, secondary and tertiary sectors. **Max. (4)**

2.3 Market environment

2.3.1 Identification of the component of market environment identified from the scenario.

- Suppliers ✓✓ (2)

Motivation

- MS purchases the anti-bacterial wet wipes from Evona Inc. who always deliver their products on time. ✓ (1)

NOTE: Do not awards marks for motivation if component is incorrectly identified. **Max. (3)**

2.3.2 Other market environment components

Consumers✓✓

- Customers / Buyers are the final users of the product / services. ✓
- A consumer who buys products or services from a business is that business's customer. ✓
- Customer's preferences and taste does change as time goes by, so it is essential for businesses to conduct market research to ensure that their target market's changing needs are continuously met. ✓
- Any other relevant answer related to definition of consumers as a component of market environment.

Component (2)
Explanation (1)
Sub max (3)

Competitors ✓✓

- Competitors refers to the businesses that are selling a similar product to the same target market. ✓.
- Businesses need to keep a close watch on their competitors' in order to succeed in the business. ✓
- Marketing and advertising can help to draw customers by offering Discounts. ✓
- Any other relevant answer related to definition of competitors as a component of market environment

Component (2)
Explanation (1)
Sub max (3)

Intermediaries ✓✓

- Intermediaries are also known as the link between the business environments, namely micro and market. ✓
- Intermediaries often make it easier for consumers to access the goods that they need. ✓
- Intermediaries includes transport and telecommunication businesses. ✓

- Any other relevant answer related to definition of intermediaries as a component of market environment

Component (2)
Explanation (1)
Sub max (3)

NOTE: 1. Mark only the first two (2) only
2. Do not award marks for the component identified QUESTION 2.3.1.

Max. (6)

2.4 Reasons why the physical/natural environment poses a challenges to businesses.

- The physical location of a business has a large impact on the success of the business.✓✓
- Manufacturing business dump their waste material that negatively on the physical environment.✓✓
- Unpredictable weather may cause significant disruption to businesses. .✓✓
- Pollution pauses a threat to the sustainability of a business. ✓✓
- Measures to disposal of waste material may be expensive. ✓✓
- Awareness of pollution and environmental damages provide new challenges for the business. ✓✓
- The scarcity of natural resources has a negative impact on the production and results in high prices of goods and services.✓✓
- Some natural resources are scarce and expensive such as sources of energy are expensive.✓✓
- Any other relevant answer related to reasons why physical/natural environment poses a challenge to businesses.

Max. (4)

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	3
2.2.	4
2.3.1	3
2.3.2	6
2.4	4
TOTAL	20

[20]

QUESTION 3: BUSINESS OPERATIONS

3.1 Meaning of quality

- It refers to the product and service that satisfy needs✓ and exceeds customers' expectation on continuous basis. ✓
- Quality refers to a good or service ability✓ to satisfy a specific need of a customer.✓
- The efficiency of services and the ability to provide an effective outcome✓ without too many delays.✓
- It is measured against specific criteria✓ such as physical appearance/reliability/durability/sustainability/after sale services. ✓
- It refers to features of a product ✓that meets customers' requirements. ✓
- Quality guarantees the degree of excellence to which a product✓ or service meets required needs of customers. ✓
- Includes learning from mistakes and continuously improving✓ all aspects of the business. ✓
- Any other relevant answer related to meaning of quality. **Max. (4)**

3.2 Quality indicators

3.2.1 Quality indicators of the administration function from the scenario.

- Sipho, the manager at SR use fast and reliable data capturing and processing systems. ✓
- Sipho also make relevant information available for quick decision-making. ✓

NOTE: 1. Mark the first TWO (2) facts only.
2. Do not award marks if motivation is incorrectly quoted from the scenario. **Max. (2)**

3.2.2 Quality indicators for administration function.

- Make reliable information available✓ to management on time.✓
- Handle complaints quickly✓ and effectively.✓
- Use modern technology✓ efficiently. ✓
- Implement effective risk management policies✓ to minimise business losses. ✓
- Quality assurance/Control/Evaluation✓ is recorded accurately. ✓
- All documentation is kept neatly✓ and orderly in a safe place. ✓
- Easy to recall/find✓ information/documentation. ✓
- Financial documents are kept up to date✓ and recorded accurately.✓

- Any other relevant answer related to the quality indicators of administration function.

NOTE: **Do not award marks for responses that were quoted from QUESTION 3.2.1.** **Max. (4)**

3.3 Levels of general management

Top management✓✓

- Top management consists of CEO, director, owner of sola trader, partner in partnership. ✓
- Develop a long term plan strategic plans and business policies. ✓
- Draw up detailed plan for business activities. ✓
- Reports to a board of directors. ✓
- Any other relevant answer related to top management.

Level of management: (2)
Explanation: (1)
Sub-max. (3)

Middle management✓✓

- Departmental managers are responsible for management at this level. ✓
- They manage various functions in the business such as general management, human resources, production. ✓
- Execute the organisational plans in conformance with the companies policies.✓
- Ensure execution of vision from the top management. ✓
- Responsible for setting and achieving specific departmental goals and objectives. ✓
- Take tactical decision of medium term in nature. ✓
- Any other relevant answer related to middle management.

Level of management: (2)
Explanation: (1)
Sub-max. (3)

Lower management✓✓

- Lower management includes foremen, supervisors, team leaders. ✓
- Managers in this level focus on ensuring that instructions from middle management are carried promptly. ✓
- Take short term operational decisions✓

- Act as role models for employees because they provide supervision and performance feedback✓
- Responsible for a high level of productivity, technical assistance and motivating employees. ✓
- Implement instructions given by the middle management. ✓
- Plan daily activities within respective departments. ✓
- Provide support motivation and guide workers. ✓
- Set individual target for workers working under supervision. ✓
- Any other relevant answer related to lower management.

Level of management: (2)
Explanation: (1)
Sub-max. (3)

NOTE: Mark the first TWO only. **Max. (6)**

3.4 Differences between internal and external public relations.

INTERNAL PUBLIC RELATIONS	**EXTERNAL PUBLIC RELATIONS**
- Create a good image and awareness to employees in the business. ✓✓	- Create a good image and awareness to those outside the business. ✓✓
- Concentrates on the management of employees, boosting the morale and giving the right information at the right time. ✓✓	- Deals with communications outside of the business such as press release and discussing information with the stakeholders. ✓✓
- Any other relevant answer related to internal public relations.	- Any other relevant answer related to external public relations.
Sub-Max. (2)	Sub-max. (2)

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 two (2) marks if differences are not clear/ Mark either internal or external public relations. **Max. (4)**

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	4
3.2.1	2
3.2.2	4
3.3	6
3.4	4
TOTAL	20

[20]

QUESTION 4: MISCELLANEOUS

BUSINESS ENVIRONMENTS

4.1 Organisational resources

- Human resources✓
- Physical resources✓
- Financial resources✓
- Technological resources✓

NOTE: Mark the first TWO (2) only. **(2)**

4.2

4.2.1 Reasons why competition poses a challenge to NT from the scenario.

- As a result, NT has been experiencing reduced market share and target market. ✓
- However, they are forced to close down due to the inability to compete with other businesses. ✓

NOTE: 1. Mark the first TWO (2) facts only.
2. Only award marks for responses that are quoted from the scenario. **Max. (2)**

4.2.2 Other reasons why competition pose a challenge to businesses.

- Competition keeps prices down✓ and reduces the business profitability. ✓
- It forces businesses to find new ways to produce✓ an existing product or develop new products/ services. ✓
- Competitors may take a larger share of the target market ✓resulting in decrease in sales. ✓
- Competitors who offer products at a cheaper price✓ may force businesses to sell at a loss. ✓
- Businesses spend a lot of money on advertising✓ which takes away business profits. ✓
- Some employees may leave the business to work for competitors,✓which may result in business information known by competitors. ✓
- High demand of salaries✓ may cause other employees to leave the business. ✓
- Powerful competitors may have control of the market ✓and make tight barriers to entry. ✓
- Any other relevant answer related to reasons why competition pose challenge to business. **Max. (6)**

NOTE: Do not award marks for responses that were quoted from the scenario.

BUSINESS OPERATIONS

4.3 Types of capital

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

NOTE: Mark the first TWO (2) only. **(2)**

4.4 Risk Management

- Risk Management is a process of identifying potential risks✓ in the Business. ✓
- Evaluate the potential impact of risks✓ in terms of financial stability. ✓
- Controls/monitors the risk by studying reports and trends in the environment✓ so that measures can be taken to prevent it from happening. ✓
- Handle the risk by determining what actions to take should the event happen using available resources✓ and contingency plan and communication with stakeholders. ✓
- Manager should develop risk response plan✓ to minimize its impact on the business growth. ✓
- It also includes risk assessment which is conducted to determine the likelihood that a risk will occur, ✓ and the degree of its impact on the business operations. ✓
- Any other relevant answer related to risk management as a management task.

Max. (4)

4.5 Purpose of the National Credit Act

- Promote a fair but competitive credit market. ✓✓
- Makes provision for the establishment of the National Credit Regulator/NCR. ✓✓
- Promotes the social and financial interest of consumers. ✓✓
- Ensure that consumers know what is included in their credit contracts. ✓✓
- Ensure registrations of credit bureau and debt counselling services. ✓✓
- Prevent discrimination and ensure credit is available to all consumers. ✓✓
- Any other relevant answer related to the purpose of National Credit Act. **Max. (4)**

[20]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
4.1	2
4.2.1	2
4.2.2	6

4.3	**2**
4.4	**4**
4.5	**4**
TOTAL	**20**

TOTAL SECTION B: 40

SECTION C

NOTE: Mark answers to the FIRST question only.

QUESTION 5: BUSINESS ENVIRONMENTS (MICRO & MARKET ENVIRONMENTS)

5.1 Introduction

- Management of the business ensures that a suitable organisational culture is instilled in the business. ✓
- Microenvironment includes components such as vision, mission statement, goals and objectives as well as leadership and management. ✓
- Organisational structure is important as it establishes clear roles and responsibilities to prevent duplication of activities in the business. ✓
- Understanding the relationship between business functions/departments will ensure that the business reaches its full potential. ✓
- Any other relevant introduction related to the interrelationship between micro and market environment/purpose of organisational structure/ relationship between business functions. **Any (2 × 1) (2)**

5.2 Purpose of organisational culture

- It shows the business internal and external identity as well as core values. ✓✓
- It aims at building strong business practices that have the power to turn employees into ambassadors of the business. ✓✓
- To ensure that moral and ethics set by the business such as effective time management are adhered to. ✓✓
- It promote interactions between management and employees in the workplace✓✓
- It helps business retain its employees and clients. ✓✓
- To influence people behavior and attitude towards the business. ✓✓
- Breakdown boundaries between teams, guides decision-making and improves productivity in the workplace. ✓✓
- Any other relevant answer related to the purpose of organizational culture.

Max. (12)

5.3 Components of micro environment

5.3.1 Vision, mission statement, goals and objectives

- The vision of a business describes its long-term goal, ✓ that is, where the business sees itself in the future. ✓

- The mission statement describes what the business provides or produces, ✓ and why the business exists. ✓
- It explains clearly the aims✓ and values of the business. ✓
- Goals are the long-term plans✓ that the business wants to accomplish. ✓
- They serve as guidelines✓ to help businesses achieve what they set out to do. ✓
- Objectives describe how goals✓ will be achieved. ✓
- They are the short-term steps that will guide the business owner✓ on how their set goals can be accomplished/achieved. ✓
- Any other relevant answer related to vision, mission statement, goals and objectives as a component of microenvironment. **Sub-max. (6)**

5.3.2 Management and Leadership

Management

- The management of a business is the process whereby an individual or individuals guide and direct the organisation✓ to achieve its goals and objectives. ✓
- Good managers are able to plan properly, organise, lead, and control✓ all the resources in the business. ✓
- Any other relevant answer related to management.

Leadership

- Leadership is the ability of an individual to inspire, influence or motivate their subordinates✓ to achieve the goals and objectives of the business. ✓
- The leadership is the act of guiding the team or individuals✓ through providing proper directions. ✓
- Involves establishing a clear vision and sharing it with others✓ so that they can willingly follow. ✓
- Any other relevant answer related to leadership. **Sub-max. (6)**

NOTE: 1. Do not award marks for responses in the form of differences **Max. (12)**

5.4 Importance of organisational structure

- The organisational structure shows the different departments in the organisation✓ and how they are organized.✓
- Helping to ensure the smooth and efficient functioning✓ of the business. ✓
- An organogram shows the level of authority, responsibility and tasks✓ of the various departments in the business.✓
- Organisational structure provides clear guidelines for communications channels✓ between three levels of management. ✓

- An organisational structure helps to show the hierarchical structure✓ of the business.✓
- Shows the connections between various positions✓ and tasks in the businesses. ✓
- Ensures that work happens with precise co-ordination✓ and minimum wastage of resources. ✓
- Helping the business✓ to work towards its goals. ✓
- Any other relevant answer related to importance of organisational structure. **Max. (12)**

5.5 Relationship between business functions/departments.

- The production function depends on the purchasing function to provide quality raw materials in order to produce quality products. ✓✓
- The Human resources department will consult other departments to determine the type of skills and experience that they need in their department before recruiting employees into the business.✓✓
- The marketing department also provide the production department with feedback from customers so that the production department could produce goods and services that will meet consumers' expectations. ✓✓
- The general management functions co-ordinates all other functions in the business in an efficient and effective way to achieve the mission and vision of the business.✓✓
- General management constantly seeks information and advice from all the departmental heads to make decisions and develop strategies for the business. ✓✓
- The finance department should draw up budget to ensure that needs of other departments are met timeously. ✓✓
- All other departments in the business are also interrelated in one way or the other, some departments depend on other departments in the same business for their resources to complete their final product. ✓✓
- Any other relevant answer related to the link/relationship between the functions.

Max. (10)

5.6 Conclusion

- Communicating the organisational culture to all stakeholders will ensure that they understand the values of the business.✓✓
- It is advisable that components of micro environment are well understood by the management to ensure smooth operation in the business. ✓✓
- Businesses must ensure that the organisational structure is made up of all the relevant personnel that will ensure it reaches its full potential. ✓✓
- It is pivotal that businesses comprehend the relationship between business functions as their operations depends on one another. ✓✓

- Any other relevant conclusion related to the purpose of organisational culture/ components of the microenvironment /importance of organisational structure/relationship between business functions. **Any (1 × 2) (2)**

BREAKDOWN OF MARK ALLOCATION

DETAILS	**MAXIMUM**	**TOTAL**
Introduction	**2**	
Purpose of organisational culture	**12**	
Components of micro environment - Vision, mission statement, goals and objectives - Management and Leadership	**12**	**Max 32**
Importance of organisational structure	**12**	
Relationship between business functions	**10**	
Conclusion	**2**	
Insight		
Layout	**2**	
Analysis/interpretation	**2**	**8**
Synthesis	**2**	
Originality/ examples	**2**	
TOTAL MARKS		**40**

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

QUESTION 6: BUSINESS OPERATIONS (CONCEPT OF QUALITY)

6.1 Introduction

- Quality control and quality assurance play a major role in ensuring quality in the business. ✓
- Management of the business focus on the importance of quality to maintain quality standards. ✓
- Financial function play a crucial role in the success of the business. ✓
- The business activities should be in line with the correlation between the management and success of the business in achieving its objectives, strength and weaknesses. ✓
- Any other relevant introduction related to difference between quality control and quality assurance/importance of quality in the business/quality indicators for financial function/correlation between the management of the business and success of the business in achieving its objectives, strength and weaknesses.

Any (2 x 1) (2)

6.2 Differences between quality control and quality assurance.

QUALITY CONTROL	QUALITY ASSURANCE
- System that ensures the desired quality is met by inspecting the final product. ✓✓	- Checks carried out during and after the production process. ✓✓
- Ensure that finished products meet the required standards. ✓✓	- Ensure that required standards have been met at every stage of the process. ✓✓
- Process of ensuring that products are consistently manufactured to high standards. ✓✓	- Processes put in place to ensure that the quality of products/services/systems adhere to pre-set standards with minimal defects/delays/shortcomings. ✓✓
- Checking raw materials/employees/machinery/ workmanship/products to ensure that high standards are maintained. ✓✓	- Ensuring that every process is aimed to get the product "right the first time" and prevent mistakes from happening. ✓✓
- Includes setting targets/measuring performance and taking corrective measures. ✓✓	- The 'building in' of quality as opposed to 'checking for' quality. ✓✓
- Any other relevant answer related to quality control.	- Any other relevant answer related to quality assurance.
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 internal or external public relations. **Max. (12)**

6.3 Importance of quality for businesses

- The business gain goodwill✓ and support from the community. ✓
- Consumers associate the image of the business✓ with the quality of the product. ✓
- The quality enables businesses to have a good reputation✓ and promotes brand awareness. ✓
- Quality products increase sales, profit, business growth✓ and attract prospective investors. ✓
- Business has a competitive advantage✓ over its competitors. ✓
- Regular training will continuously✓ improve the quality of employees' skills/ knowledge. ✓
- Increased market share/more ✓customers improve profitability. ✓
- Improves business image✓ as there are less defects/returns. ✓
- Any other relevant answer related to importance of quality for businesses.

Max. (12)

6.4 Quality indicators of the financial function

- Obtain capital✓ from the most suitable/available/reliable sources. ✓
- Negotiate better interest rates✓ in order to keep financial cost down. ✓
- Draw up budgets✓ to ensure sufficient application of monetary resources. ✓
- Keep financial records up to date to ensure timely/accurate tax payments.
- Analyse strategies✓ to increase profitability. ✓
- Invest surplus funds ✓to create sources of passive income. ✓
- Implement financial control measures/systems✓ to prevent fraud. ✓
- Implement credit granting/debt collecting policies✓ to monitor cash flow. ✓
- Draw up accurate financial statements✓ timeously/regularly. ✓
- Accurately analyse✓ and interpret financial information. ✓
- Invest in strategies that will assist the business✓ to remain profitable. ✓
- Avoid over/under-capitalisation✓ so that financial resources will be utilised effectively. ✓
- Any other relevant answer related to the responsibilities of credit providers.

Max. (12)

6.5 Correlation between management and the success of business in achieving its objectives, strengths and weaknesses.

- Poor management can result in ineffective employees and loss in productivity. ✓✓
- Experience is necessary to in order to make the right decisions. ✓✓
- Education leads to higher quality of performance. ✓✓
- Quality decisions and performance contributes to the achievement of business objectives. ✓✓
- Quality management practice will also ensure good management result. ✓✓
- All these success factors enhance the strengths of the business. ✓✓
- Any other relevant answer related to correlation between management and success of the business in achieving its objectives, strength and weaknesses. **Max. (10)**

6.6 Conclusion

- Businesses should always keep a clear distinction between quality control and quality assurance to maintain and attract customers by providing quality product and services.✓✓
- Management must be mindful of the importance of quality in the business as it positively affects their reputation. ✓✓
- Quality indicators of the financial function are vital in ensuring long-term financial stability in the business. ✓✓
- Effective management of the business is vital for ensuring business success by streamlining operations in achieving its strengths and objectives. ✓✓
- Any other relevant conclusion related to difference between quality control and quality assurance/importance of quality in the business/quality indicators for financial function/correlation between the management of the business and success of the business in achieving its objectives, strength and weaknesses.

Any (1 x 2) (2)

[40]

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Differences between quality control and quality assurance	12	
Importance of quality in a business	12	
Quality indicators for financial function	12	
Correlation between management and the success of business in achieving its objectives, strengths and weaknesses	10	
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.

TOTAL SECTION C: 40

GRAND TOTAL: 100