



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 10

NOVEMBER 2019

**BUSINESS STUDIES P1
MARKING GUIDELINE**

MARKS: 150

This marking guideline consists of 27 pages.

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 and 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 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 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 subsection 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 the 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 C ✓✓
- 1.1.3 D ✓✓
- 1.1.4 B ✓✓
- 1.1.5 D ✓✓ (5 x 2) (10)
- 1.2 1.2.1 credit ✓✓
- 1.2.2 information ✓✓
- 1.2.3 tender ✓✓
- 1.2.4 public ✓✓
- 1.2.5 lock-out ✓✓ (5 x 2) (10)
- 1.3 1.3.1 I ✓✓
- 1.3.2 E ✓✓
- 1.3.3 A ✓✓
- 1.3.4 C ✓✓
- 1.3.5 H ✓✓ (5 x 2) (10)

TOTAL SECTION A: 30**BREAKDOWN OF MARKS**

1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B

Mark the **FIRST TWO** answers **ONLY**.

QUESTION 2: BUSINESS ENVIRONMENTS**2.1 THREE components of the market environment**

- The market/consumers/customers ✓
- Suppliers ✓
- Intermediaries ✓
- Competitors ✓
- Other organisations/civil society ✓
- Opportunities and threats faced by the business ✓

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

2.2 Purpose of the organisational culture

- Refers to the personality ✓ of the organisation/business ✓
- Organisational culture is made up of different beliefs/values/expectations ✓ of everyone who works in the business ✓
- Influences the way people in the organisation interact with one another ✓ and with stakeholders ✓
- It influences people's actions ✓ and attitudes ✓
- Any other relevant answer related to the purpose of organisational culture

Max. (4)

2.3 Business sectors**2.3.1 Tertiary sector ✓✓**

Motivation: Banzo Transport Services (BTS) is based in East London./They transport big and small parcels to different locations in the Eastern Cape. ✓

Identification of 2 marks

Motivation 1 mark (3)

NOTE: Do not award the mark for the motivation if the identification of the sector is incorrect.

2.3.2 TWO other business sectors and examples

Sectors	Explanation	Example
(a) Primary sector ✓	Harvest/collect/extract raw materials from the natural environment ✓	e.g. fishing/forestry/farming/mining ✓
(b) Secondary sector ✓	Process raw materials into final goods ✓	E.g. factories/mills/brick-making/power plants ✓
Sub-max. 2	Sub-max. 2	Sub-max. 2

NOTE: Mark the first TWO (2) only.

Do not accept tertiary sector in QUESTION 2.3.2.

2.4 Leadership and management

Leadership	Management
- Influences ✓ human behaviour. ✓	- Guides ✓ human behaviour. ✓
- Communicates by means ✓ of vision/values/charisma. ✓	- Communicates through ✓ management functions, e.g. line function. ✓
- People ✓ orientated. ✓	- Task ✓ orientated. ✓
- Inspires staff ✓ to trust and support each other. ✓	- Controls systems and procedures ✓ to get the job done. ✓
- Focuses on what ✓ and why. ✓	- Focuses on how ✓ and when. ✓
- Does the right ✓ things. ✓	- Does things ✓ right. ✓
- Leaders are born ✓ with natural leadership skills. ✓	- A person becomes a manager because he/she is appointed ✓ in the position. ✓
- Lead ✓ by example. ✓	- Manage by ✓ planning, organising, leading and control. ✓
- Any other relevant answer related to leadership.	- Any other relevant answer related to management.
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.

Max. (4)

2.5 Impact of crime on the business

- Loss of profits ✓ due to stolen goods/damage to property. ✓
- Security/Insurance cost increases ✓ as the business tries to protect itself. ✓
- Smaller businesses often cannot afford insurance ✓ and have to replace the stolen goods themselves at greater loss. ✓
- Lower profits affect the decision to expand ✓ and employ more people/pay higher wages. ✓
- Business loses skilled employees ✓ resulting in a decline in productivity. ✓
- Crime causes increase in health costs of employees ✓ due to injuries or stress. ✓
- Discourages foreign investment ✓ and reduces tourism. ✓
- Crime brings about unfair competition ✓ from stolen goods resold at a lower price. ✓
- Crime disrupts business activities ✓ and productivity. ✓
- Loss of essential equipment ✓ causing temporary closure of the business. ✓
- Any other relevant answer related to impact of crime on businesses.

Max. (6)

2.6 Negative impact of HIV/Aids on the business

- This disease leads to a decline in the productivity ✓ of the affected employees. ✓
- Trained and experienced workers die ✓ from the disease before they grow old, increasing staff turnover in the business. ✓
- There is a decrease in demand ✓ owing to a decrease in customers. ✓
- There can be prejudice in the work place ✓ against employees that are affected with HIV/Aids. ✓
- The pool of available skilled workers is getting smaller ✓ due to the high rate of HIV infection. ✓
- Cost such as medical aids ✓ are higher as a result of HIV/Aids. ✓
- Workers can have a low morale ✓ as they are concerned about their health/family member. ✓
- People who are infected with HIV generally become weaker ✓ as the disease develops in full-blown Aids and leads to absenteeism. ✓
- Any other relevant answer related to the negative impact of HIV/Aids on the business.

Max. (6)

2.7 How to promote inclusivity in the workplace

- Develop employment policies that seek to promote inclusivity/diversity in the workplace. ✓✓
- Treat all employees equally irrespective of gender/race/age/sexual orientation. ✓✓
- Adhere to laws (e.g. Employment Equity Act) and regulations that promote an inclusive workforce. ✓✓
- Respect and promote individual cultures in the workplace. ✓✓
- Ensure equal employment opportunities for all groups. ✓✓
- Respect all employees and their contributions in the workplace. ✓✓
- The workforce must represent the demographics of the country. ✓✓
- Ensure that the physical environment accommodates people with disabilities. ✓✓
- Include women in leadership positions and decision making. ✓✓
- Any other relevant answer related to on how to promote inclusivity in the workplace.

Max. (8)

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	3
2.2	4
2.3.1	3
2.3.2	6
2.4	4
2.5	6
2.6	6
2.7	8
TOTAL	40

QUESTION 3: BUSINESS OPERATIONS**3.1 THREE factors that influence the organisational structure of a business**

- Size of the company ✓
- Technology ✓
- Resources ✓
- Strategic goals of the company ✓
- Any other relevant answer related to the factors that influence the organisational structure of a business.

NOTE: Mark the first THREE (3) only.

(3 x 1) (3)

3.2 Business functions

3.2.1 General management ✓✓ (2)

3.2.2 Public relations ✓✓ (2)

3.2.3 Production ✓✓ (2)

Max. (6)

3.3 Level of management

3.3.1 Middle level management ✓✓

She was promoted from supervisor to administration manager. ✓

NOTE: Do not award the mark for the motivation if the identification of the level of management is incorrect. (3)

3.3.2 Responsibilities on middle level management

Is responsible for a certain function ✓ in the business. ✓/They are heads ✓ of the different departments. ✓

- Make medium-term tactical decisions ✓ that focus on how the business will carry out strategic decisions. ✓
- They turn tactical decisions ✓ into action. ✓/Implement strategic plans ✓/of top management. ✓
- They monitor activities in their departments ✓ to offer suggestions and feedback to top management. ✓
- Have meetings with lower management ✓ and communicates strategies to them. ✓
- Motivates and encourages ✓ lower level management. ✓
- Ensures that lower management carries out its function efficiently ✓ and that resources are used effectively. ✓
- Puts mechanisms in place to meet short term objectives ✓ and long-term goals for the department. ✓
- Link the top-level managers ✓ and lower level managers. ✓
- Any other relevant answer related to the responsibilities of middle management.

NOTE: Accept relevant facts, if middle level management was incorrectly identified as an answer in QUESTION 3.3.1.

Max. (6)

3.4 TWO methods of carrying out public relations

- **The use of telephone/Direct contact** ✓✓
 - Attending network events and talking about the business. ✓
 - Follow up by calling someone. ✓
 - Any other relevant answer related to the use of telephone/direct contact as a method to carry out public relations Sub-max. 3

- **Word of mouth/Social media networking sites** ✓✓
 - Facebook/Linkedin/Twitter allows companies to talk about business/products. ✓
 - Free opportunities to promote the image of the business. ✓
 - Any other relevant answer related to the word-of-mouth/Social media networking sites as a method to carry out public relations Sub-max. 3

- **Exhibitions/Shows** ✓✓
 - Demonstrate new products. ✓
 - Business rents a stall and gives information about the business/products. ✓
 - Any other relevant answer related to exhibitions and shows as a method to carry out public relations. Sub-max. 3

- **The business' social responsibilities** ✓✓
 - Getting involved in the community/environmental projects. ✓
 - Help to better the standard of living of communities. ✓
 - Any other relevant answer related to the business' social responsibilities as a method to carry out public relations. Sub-max. 3

- **Brochures/Pamphlets** ✓✓
 - Cost-effective way of distributing information. ✓
 - Companies hand it out at traffic lights. ✓
 - Any other relevant answer related to brochures/pamphlets as a method to carry out public relations. Sub-max. 3

- **Transit advertising** ✓✓
 - The business's name/logo and phone number visible on the vehicles. ✓
 - It is free advertising that allows you to increase your exposure in your market. ✓
 - Any other relevant answer related to transit advertising as a method to carry out public relations. Sub-max. 3

- **Media/Publicity** ✓✓
 - o Includes newspapers/magazines/television/radio. ✓
 - o Information/changes in the business/promotional events are promoted in the media. ✓
 - o Any other relevant answer related to the media as a method to carry out public relations.

Sub max 3
Method 2 marks
Description 1 mark
Sub-max. 3 marks

NOTE: Mark only the first TWO methods. (2 x 3) (6)

3.5 Importance of quality for businesses

- Dealers and consumers are assured that products ✓ are of a required standard. ✓
- It encourages workers to continue ✓ to produce quality products. ✓
- Costs can be reduced ✓ through elimination of poor product. ✓
- It leads to improved quality ✓ and design. ✓
- Increased customer ✓ satisfaction. ✓
- Increased competitiveness ✓ as high-quality places products above those of competitors. ✓
- Increased likelihood of achieving business vision ✓ and goals. ✓
- Any other relevant answer related to the importance of quality for the business.

Max. (4)

3.6 Differentiate between quality control and quality assurance

QUALITY CONTROL	QUALITY ASSURANCE
- Inspection of the final product ✓ to ensure that it meets the required standards. ✓	- Carried out during and after the production process ✓ to ensure required standards have been met at every stage of the process. ✓
- Includes setting targets/measuring performance ✓ and taking corrective measures. ✓	- Ensure that every process is aimed at getting the product right first time ✓ and prevent mistakes from happening again. ✓
- Any other relevant answer related to quality control.	- Any other relevant answer related to quality assurance.
Sub-max. (2)	Sub-max. (2)

- NOTE:**
1. The answer does not have to be in 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.

Max. (4)

3.7 Impact of the National Consumer Protection Act on businesses.

Advantages for businesses

- Enables businesses to resolve disputes fairly through the Consumer Court. √√
- Businesses may build a good image if they ensure that they do not violate consumer rights. √√
- Businesses may gain consumer loyalty, if they comply with CPA. √√
- Businesses are less likely to have court cases against them for consumer rights violations. √√
- Businesses may be protected if they are regarded as consumers. √√
- They may be safeguarded from dishonest competitors. √√
- Prevents larger businesses from undermining smaller ones. √√
- Any other relevant answer related to the advantages of the CPA for businesses.

AND/OR

Disadvantages for businesses

- Faulty items may be replaced/repaired/money refunded if the fault occurs within six months after purchase. √√
- Consumers can take advantage of businesses and return goods when it is not necessary to do so. √√
- Processes and procedures required of businesses can be expensive and time consuming. √√
- Some businesses feel unnecessarily burdened by the required processes. √√
- Penalties for non-compliance may be very high. √√
- Businesses need to train staff and consult legal experts, √ which can be expensive for smaller businesses. √√
- Provisions in the Act increase the risks for unforeseen claims and lawsuits. √√
- Administration costs increase as legal contracts need to be worded in plain language. √√
- Any other relevant answer related to the disadvantages of the CPA for businesses.

Max. (8)

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	3
3.2.1	2
3.2.2	2
3.2.3	2
3.3.1	3
3.3.2	6
3.4	6
3.5	4
3.6	4
3.7	8
TOTAL	40

[40]

QUESTION 4: MISCELLANEOUS**BUSINESS ENVIRONMENTS****4.1 Meaning of poverty**

- When a poor person is unable/has no money ✓ to satisfy his/her most basic human survival necessities/needs. ✓ (2)

4.2 Socio-economic issue

- 4.2.1 Piracy ✓✓ (2)

4.2.2 TWO solutions- **Copyright** ✓✓

- Copyright is the right given to the creator of an original work ✓ so that it cannot be copied without his /her permission. ✓
- The owner of intellectual property has the right to produce ✓ and copy the intellectual property. ✓
- Includes literary works/musical works/artistic works, etc. ✓
- Any other relevant answer related to copyright as a solution to piracy.

Heading (2)
Description (2)
Sub-max. (4)

- **Patents** ✓✓

- Exclusive right to use or sell the invention or a product made from an invented process ✓ for a limited period of time. ✓
- If it is an invention, someone who holds a patent has the sole right to produce ✓ and sell an invention. ✓
- A discovery/scientific method, etc. ✓
- Any other relevant answer related to patents as a solution to piracy.

Heading (2)
Description (2)
Sub-max. (4)

- **Trademark** ✓✓
 - o A unique mark that represents a business enterprise ✓ and which belongs to the business enterprise. Includes words/slogans/signs, etc. ✓
 - o Registration of the use of a brand name/slogan/symbol or a combination ✓ to make a product or services recognisable and known. ✓
 - o Any other relevant answer related to trademarks as a solution to piracy.

Heading (2)
Description (2)
Sub-max. (4)

NOTE: Mark only the first TWO (2) solutions to piracy. Accept relevant facts, if the socio-economic issue was incorrectly identified as an answer in QUESTION 4.2.1.

(2 x 4) (8)

4.3 Distinguish between the private and public sectors

PRIVATE SECTOR	PUBLIC SECTOR
- Aims to meet both the needs ✓ and the wants of society. ✓	- Aims to meet the needs ✓ of society. ✓
- Privately owned ✓ by entrepreneurs. ✓	- State owned ✓ or state-run (known as parastatals). ✓
- Profit driven ✓ institutions. ✓	- Generally non-profit organisations, ✓ with exception such as SAA. ✓
- Different forms of ownership ✓ such as sole proprietorship, partnership, private company and public company. ✓	- State ownership ✓ or parastatals (state-run businesses). ✓
- Provide everyday household commodities, ✓ such as food, clothing and cleaning materials. ✓	- Provide water and electricity ✓ as a need satisfying product. ✓
- Provide private refuse removal ✓ for companies, such as Wastetech. ✓	- Provide refuse removal ✓ as a collective service. ✓
- Any other relevant answer related to the private sector.	- Any other relevant answer related to public sector.
Sub-max. (4)	Sub-max. (4)

- 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 FOUR (4) marks if the difference is not clear.**

Max. (8)

BUSINESS OPERATIONS

4.4 FOUR main tasks of management

- Planning ✓
- Leading ✓
- Organising ✓
- Control ✓

Mark only the first FOUR (4).

(4)

4.5 ONE type of organisational structure

- **Line organisational structure** ✓✓
 - This kind of structure has only a few levels ✓ or just one level of management. ✓
 - Suitable for new entrepreneurial ✓ and small businesses. ✓
 - Allow for fast ✓ decision-making. ✓
 - Authority flow from the most senior person in a business ✓ in a downward line to employees on the lowest level of an enterprise. ✓
 - Any other relevant answer related to the line organisational structure as a type of organisational structure.

Structure (2)
Description (2)
Sub-max. (4)

- **Functional organisational structure** ✓✓
 - In the functional structure, employees are ranked ✓ at different levels within the organisation. ✓
 - This structure focuses ✓ on the eight business functions. ✓
 - Each group of employees will have their own manager ✓ who is an expert in his/her field. ✓
 - It is suitable ✓ for larger businesses. ✓
 - Any other relevant answer related to the functional organisational structure as a type of organisational structure.

Structure (2)
Description (2)
Sub-max. (4)

- **Line and staff organisational structure** ✓✓
 - The line organisational structure ✓ forms the basis of the line and staff organisational structure. ✓
 - Experts act as advisors ✓ for managers. ✓
 - Advisors do not have any authority ✓ over employees. ✓
 - Any other relevant answer related to the line and staff organisational structure as a type of organisational structure.

Structure (2)
Description (2)
Sub-max. (4)

- **Matrix/Project organisational structure** √√
 - o This structure is mainly used when different projects √ must be completed. √
 - o Construction companies, for example, would use employees from different departments √ and allocate specific projects to them. √
 - o It is a temporary √ structure. √
 - o Any other relevant answer related to the matrix/project organisational structure as a type of organisational structure.

Structure (2)
Description (2)
Sub-max. (4)

Mark only the FIRST (1) answer.

(1 x 4) (4)

4.6 Sources of financing

4.6.1 Overdraft √√ (2)

4.6.2 Lease √√ (2)
(4)

4.7 The correlation between the success of the business and management

- Management plays a key role in the success of a business enterprise by making the correct decisions. √√
- It is management's responsibility to determine the objectives of the enterprise; these objectives must be realistic and attainable. √√
- The performance of the business will be measured against these objectives, and the success of the business depends on the way that these objectives are being accomplished. √√
- Management must also ensure that tasks are allocated to suitable employees. √√
- The chosen organisation structure must enhance productivity and motivate employees to do their best. √√
- If employees are able to achieve the business objectives on a daily basis, the business will also be successful in the long term. √√
- It is management's responsibility to create an atmosphere which will ensure good employer-employee relationships and high levels of productivity. √√
- Problems that are not solved can lead to a decrease in productivity and a loss in sales. √√
- The managers of a business carry a large and heavy responsibility, because the decisions that a manager takes can either benefit an enterprise or sink an enterprise. √√
- Any other relevant answer related to the correlation between the success of the business and management.

Max. (8)

BREAKDOWN OF MARKS

QUESTION	MARKS
4.1	2
4.2.1	2
4.2.2	8
4.3	8
4.4	4
4.5	4
4.6.1	2
4.6.2	2
4.7	8
TOTAL	40

[40]

TOTAL SECTION B: 80

SECTION C

Mark the **FIRST** answer only.

QUESTION 5: BUSINESS ENVIRONMENTS**5.1 Introduction**

- The business environment consists of the micro, market and macro environments. ✓
- The market environment is part of the external business environment. ✓
- The business has no control over the components/challenges of the macro environment. ✓
- The challenges related to the components of the market environment are directly influenced by events in the macro environment. ✓
- Any other relevant introduction related to the business environments.

(2 x 1) (2)

5.2 Elaborate on the meaning of the *market environment*

- The challenges and influences ✓ outside the business. ✓
- Businesses have little or no control ✓ over the environment. ✓
- The business can have influence ✓ over the challenges in the market environment. ✓
- All elements that determine the reasons ✓ for the existence of a business. ✓
- Includes all forces/stakeholders that have a direct effect ✓ on the functioning of the business. ✓
- Any other relevant answer related to the meaning of the market environment.

Max. (6)

5.3 FIVE components of the macro environment**5.3.1 Physical/Natural environment ✓✓**

- The physical environment refers to the availability of natural resources ✓ and sustainability of mineral resources ✓
- Many businesses depend on natural resources ✓ to produce or deliver a service. ✓
- Some natural resources, such as oil/coal, are scarce ✓ and expensive. ✓
- External environmental factors, such as pollution, ✓ pose a threat to the sustainability of a business. ✓
- Any other relevant answer related to the meaning of the market environment.

Component	2
Description	2
Sub-max.	4

5.3.2 **Legal environment** √√

- Laws influence the way √ in which businesses operates. √
- Individuals/Private/Public sector must obey √ government rules and regulations. √
- Any other relevant answer related to the legal environment.

Component 2
Description 2
Sub-max. 4

5.3.3 **Political environment** √√

- The government of the day √ determines the political environment by policies and regulations. √
- Political factors, such as strike action/illegal immigrations, cause instability √ which influences the operation of the business. √
- Any other relevant answer related to the meaning of the political environment.

Component 2
Description 2
Sub-max. 4

5.3.4 **Economic environment** √√

- Influences the prosperity √ of the consumers, businesses and investors.
- Government's monetary and fiscal policies have a direct impact √ on the economic environment. √
- Economic changes affect business, √ e.g. businesses pay less to import raw material if the rand is stronger than foreign currencies./Exchange rate √
- Inflation decreases √ the value of money and assets. √
- A period of recession slows down the economy √ and causes unemployment. √
- Changes in interest rates √ increase the cost of debt. √
- Any other relevant answer related to the economic environment.

Component 2
Description 2
Sub-max. 4

5.3.5 **Social environment** √√

- The social component of the macro-environment √ includes people, cultural backgrounds and income levels. √
- Social issues influence consumer spending/employee performance √ and the business profitability. √
- Health issues, such as HIV/Aids, √ can have a negative impact on the productivity of employees. √
- Any other relevant answer related to the social environment.

Component 2
Description 2
Sub-max. 4

5.3.6 Technological environment √√

- The technological environment has shown the fastest changes √ of the macro environmental factors as new technologies created a 4th industrial revolution. √
- Technological developments √ provide businesses with opportunities and threats e.g. online shopping. √
- Any other relevant answer related to the meaning of the technological environment.

Component	2
Description	2
Sub-max.	4

5.3.7 Institutional environment √√

- The government consumes goods and services √ from the business. √
- Private businesses provide government with tools/equipment √ that are needed to operate, such as computers and furniture. √
- A cut on spending in government hospitals √ has a major impact on businesses that provide the government with medical equipment. √
- The government supplies goods and services √ to public and private businesses. √
- Most of these goods and services √ are paid for by taxes. √
- The government also provides legal and technical assistance, √ such as legal aid, quality assurance and statistical information. √
- It provides essential services, such as electricity and sanitation √ which are important for the smooth running of any business. √
- The government regulates economic trends √ such as interest, exchange rates and taxes. √
- It ensures free and fair competition √ among businesses. √
- The government has established many Acts √ to regulate the activities of businesses. √
- The government supports the growth of businesses √ by creating jobs in different ways. √
- It provides training opportunities √ that enable businesses to employ skilled/qualified people. √
- Any other relevant answer related to the institutional environment.

Component	2
Description	2
Sub-max.	4

5.3.8 **International environment** ✓✓

- Business has changed much in recent years ✓ due to globalisation and international communication. ✓
- Businesses are forced to keep up with global trends ✓ to stay in the market and to keep their quality and prices up to world standards. ✓
- Any other relevant answer related to the international environment.

Component	2
Description	2
Sub-max.	4

Mark first FIVE (5) components only.

(5 x 4) (20)

5.4 **The reasons why the macro environment can be a challenge to businesses**

- Businesses do not have control over macro environmental factors ✓ yet they are bound to affect them. ✓
- The macro environment can also greatly affect consumers directly, ✓ affecting their ability and willingness to spend. ✓
- The external and uncontrollable factors that influence an organisation's decision making ✓ and affect its performance and strategies. ✓
- The macro environment is always changing ✓ and businesses must implement new strategies to keep afloat. ✓
- The components can increase or decrease the need for your product ✓ or create entirely new needs. ✓
- Any other relevant answer related to the why the macro environment can be a challenge to businesses.

Max. (8)

5.5 **Interrelationship between the micro, market and macro environments**

- Business enterprises are in constant interaction with elements present in all three-business environments. ✓✓
- An entrepreneur uses the factors of production to produce a product or service. ✓✓
- An entrepreneur aims to satisfy the needs of the consumer in order to make a profit. ✓✓
- During this process, the entrepreneur is subjected to challenges coming from amongst others, competitors, as well as the government. ✓✓
- Entrepreneurs must deal with labour crises, demands such as BEE and affirmative action. ✓✓
- Providing products and services is therefore not a simple process that can take place in isolation. ✓✓
- It is a complicated process where many influences are present. ✓✓
- A business exercises control over the elements in the micro environments. ✓✓
- E.g. a business cannot force consumers to buy their products, but it can influence consumers through competitive prices and advertising ✓✓
- A business can neither influence, nor exercise control over the elements of the macro-environment. ✓✓
- A business must adapt to the challenges from the macro-environment and formulate strategies to cope with these challenges. ✓✓

- The three business environments are interrelated. √√
- Any other relevant answer related to the interrelationship between micro, market and macro environments.

Max. (12)

5.6 Conclusion

- The business must be aware of the factors in the business environments in order to adapt to changes and ensure the success of the business. √√
- The components of the macro environment will affect the decisions of the business. √√
- Any other relevant conclusion related to business environments/ micro/market or macro environments.

**(1 x 2) (2)
[40]**

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Meaning of market environment	6	
FIVE components of the macro environment	20	
Reasons why macro environment is a challenge	8	
Interrelationship between environments	12	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40
*LASO – For each component: Allocate 2 marks if all requirements are met. Allocate 1 mark if some requirements are met. Allocate 0 marks where requirements are not met at all		

QUESTION 6: BUSINESS OPERATIONS**6.1 Introduction**

- The owner of a business uses own or borrowed capital for the business. ✓
- The owner must know how much stock is available to prevent overstocking or shortages. ✓
- National Credit Act was introduced to prevent the over indebtedness of customers. ✓
- Any introduction related to capital/stock control/National Credit Act.

Max. (2 x 1) (2)**6.2 Responsibilities of credit providers according to the National Credit Act**

- Credit providers are to lend money ✓ in a responsible manner. ✓
- Make sure customers do not borrow more than they can afford ✓ by doing credit checks ✓
- Ensure that the full costs of credit purchase ✓ are shown including all fees and the interest rate. ✓
- Ensure that customers understand ✓ the cost, risks and obligations of the credit agreement. ✓
- Ensure that the documents are written in plain, clear language ✓ for all customers to understand. ✓
- Any other answer related to the responsibilities of credit providers according to the National Credit Act.

Max. (10)**6.3 Importance of stock control**

- Enables businesses to determine ✓ the amount/value of stock. ✓
- Businesses can check the cost ✓ and selling price of products ✓
- Ensure that there is enough stock ✓ to meet the normal demand of customers. ✓
- Keep the correct levels ✓ of stock on hand. ✓
- Record the cost prices ✓ and selling prices of stock. ✓
- Identify theft in the business ✓ when physical stock count is compared with the electronic stock control system. ✓
- To identify products ✓ that are out of date. ✓
- To limit the cost of stock ✓ to a minimum. ✓
- Any other relevant answer related to the importance of stock control.

Max. (12)**THREE reasons why business may need finance**

- **Start-up** ✓✓
- Borrowing money ✓ in order to start a business. ✓
- **Cash flow** ✓✓
- Money to cover the running costs of a business ✓ while waiting for outstanding payments. ✓

- **Replacement** √√
- Money to replace assets, √ e.g. computers/machinery/equipment. √
- **Expansion** √√
- Money to grow √ a successful business. √
- Any other relevant answer related to the reasons why business may need finance.

Heading (2)
Explanation (2)
Sub-max. (4) (12)

6.5 Importance of quality in a healthy financial function

- Ensuring a healthy cash flow by ensuring payments are made on time. √√
- Effective management of cash/Control overspending by cash budgeting. √√
- Financial records to be kept up to date. √√
- Accountability through tight financial processes. √√
- Get capital from suitable sources. √√
- Investigating strategies to increase profitability. √√
- Investing surplus funds effectively. √√
- Any other relevant answer related to the importance of quality in a healthy financial function.

Max. (12)

6.6 Conclusion

- Complying with the NCA helps customers and businesses to make responsible financial decisions. ✓✓
- Stock control can minimise the risk of obsolete products. ✓✓
- Any other relevant conclusion related to the quality indicators of the financial function/stock control/responsibilities of credit providers

(1 x 2)

Max. (2)
[40]

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Responsibilities of credit providers	10	
Importance of stock control	12	
Reasons why a business needs finance	12	
Quality in Financial function	12	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40
*LASO – For each component: Allocate 2 marks if all requirements are met. Allocate 1 mark if some requirements are met. Allocate 0 marks where requirements are not met at all		

TOTAL SECTION C: 40
GRAND TOTAL 150