



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

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**CONSUMER STUDIES
MARKING GUIDELINE**

MARKS: 200

This marking guideline consists of 17 pages.

QUESTION 1: SHORT QUESTIONS**1.1 MULTIPLE-CHOICE QUESTIONS**

- | | | |
|--------|---|-----------------|
| 1.1.1 | D ✓ | (1) |
| 1.1.2 | A ✓ | (1) |
| 1.1.3 | C ✓ | (1) |
| 1.1.4 | B ✓ | (1) |
| 1.1.5 | B ✓ | (1) |
| 1.1.6 | D ✓ | (1) |
| 1.1.7 | C ✓ | (1) |
| 1.1.8 | A ✓ | (1) |
| 1.1.9 | C ✓ | (1) |
| 1.1.10 | D ✓ | (1) |
| 1.1.11 | B ✓ | (1) |
| 1.1.12 | C ✓ | (1) |
| 1.1.13 | C ✓ | (1) |
| 1.1.14 | A ✓ | (1) |
| 1.1.15 | D ✓ | (1) |
| 1.1.16 | B ✓ | (1) |
| 1.1.17 | B ✓ | (1) |
| 1.1.18 | A ✓ | (1) |
| 1.1.19 | D ✓ | (1) |
| 1.1.20 | C ✓ | (1) |
| 1.2 | 1.2.1 E ✓ | |
| | 1.2.2 D ✓ | |
| | 1.2.3 A ✓ | |
| | 1.2.4 H ✓ | (4) |
| 1.3 | 1.3.1 Exemption/exclusion clause ✓ | |
| | 1.3.2 Warranty ✓ | |
| | 1.3.3 Grey/parallel goods ✓ | |
| | 1.3.4 Inflation ✓ | |
| | 1.3.5 Unfair business practices ✓ | (5) |
| 1.4 | B ✓ | |
| | C ✓ | |
| | F ✓ | |
| | G ✓ | (Any order) (4) |
| 1.5 | 1.5.1 Unpasteurised milk ✓ undercooked meat ✓ | (2) |
| | 1.5.2 liver ✓ | (1) |
| | 1.5.3 1–7 days ✓ | (1) |
| | 1.5.4 Calcium propionate ✓ | |
| | Bleach ✓ | (2) |
| | 1.5.5 Maximum 3 g or less ✓ | (1) |

[40]

QUESTION 2: THE CONSUMER**2.1 Type of interest calculated on principal amount.**

- Compound (interest) ✓

(1)

2.2 TWO regenerative/renewable sources other than coal.

- Sun/solar power ✓
- wind ✓
- water / hydropower ✓
- bio-energy ✓

(Any 2 x 1) (2)

2.3 TWO disadvantages of fossil fuels.

- There are limited reserves ✓
- Releases harmful gases/carbon dioxide/toxic chemicals ✓ into the atmosphere when burned
- Causes pollution ✓ and can cause respiratory diseases ✓
- Coal gives off sulphur dioxide ✓ which creates acid rain ✓

(Any 2 x 1) (2)

2.4 The agency that collects taxes.

- South African Revenue Service / SARS ✓

(1)

2.5 Comparison of PAYE and provisional tax.

	ASPECT	PAYE	PROVISIONAL TAX
2.5.1	When is it paid?	Monthly / at the same time as income is earned / $\frac{1}{12th}$ of estimated annual tax ✓ (1)	2 payments/twice per year ✓ (1)
2.5.2	Describe the category of taxpayer and give ONE example.	Those who earn a fixed/regular income ✓ Teacher/policemen ✓ (Any suitable example) (2)	Those who earn an irregular income ✓ Farmers, business owners, sole traders ✓ (Any suitable example) (2)

NOTE: Deduct ONE mark if not in table format.

(6)

2.6 2.6.1 Identify the type of scam.

- Phishing ✓ (internet scam)

(1)

- 2.6.2 Write a paragraph where you discuss the scam that is being used to put customers at risk and how consumers can protect themselves from this type of crime.

The scam

The criminal sends an email that looks legitimate / a fake e-mail / pretending to be from the bank ✓ to get your /trick you / steal your personal information ✓ and financial information/credit card number ✓ password/username. ✓ The link will take you to a fake website so they can empty your credit account/steal your money. ✓ The information can be used for identity theft. ✓

Protect yourself:

Be aware that banks will not ask customers for financial information via e-mail ✓ delete suspect mail ✓/ update anti-virus software ✓ never give personal details via e-mail ✓ never open attachments from suspect mail/spam ✓ check bank accounts regularly ✓ cancel card immediately. ✓

NOTE: To get 5 marks both parts of the question must be answered – explaining the scam and how you can protect yourself. Deduct ONE mark if not written in paragraph format. (5)

- 2.7 2.7.1 Identify a word that indicates that this is a written contract. (1)
- Signed ✓
- 2.7.2 Calculate the total that she will pay at the end of the contract period. (2)
- $R250 \times 12 = R3\ 000 + R125 = R3\ 125$ ✓
- NOTE:** Mark only the final answer. Candidate does not have to show calculations. (1)
- 2.7.3 State THREE responsibilities that she has concerning the contract. (3)
- Read the contract carefully ✓
 - Make sure she understands the terms and conditions before signing ✓
 - Ask questions if you need clarity on any clause ✓
 - Fulfil the contract obligations / she is obliged to pay the money on the agreed date every month ✓
 - Keep a copy of the contract ✓
- (Any 3 x 1)
- 2.7.4 Explain TWO ways how the CPA makes provision to protect Amanda should she want to cancel her gym membership. (2)
- She must give 20 business days' / working days' notice ✓
 - She must give the notice in writing. ✓
 - The gym may not charge her excessively high penalty fees for the cancellation
 - The cancellation fee is no more than 10% of the outstanding amount ✓
- (Any 2 x 1)

2.8 2.8.1 **Discuss FOUR actions from the way this group operates that is similar to a stokvel. (Do not rewrite the sentences)**

- It is a co-operative approach which is to work together as a team / club/community ✓
- They work towards the same goal which is to keep their farms going / to have the funds ✓
- It has an economic function/to enable the development of their businesses ✓
- 23 members – who belongs to a group ✓
- Save capital for 12 months and it has clear rules on how it operates / members are protected ✓
- Saving money/capital is pooled together to invest in a common fund ✓
- All members benefit as they all get an advantage of buying stock for cheaper/get their share out of the scheme ✓
- Decide together what to buy/trust each other ✓
- Put their trust in a committee to make decisions/manage the scheme ✓
- Social meetings whereby ideas/knowledge are exchanged ✓

NOTE: No marks for quoting sentences. (Any 4 x 1) (4)

2.8.2 **Describe how an illegal pyramid scheme would operate if this were the chosen scheme in the scenario.**

In a pyramid scheme the money would be allocated unequally / according to levels / Thabo would be at the top ✓

The member / Thabo who starts the scheme would have the most money ✓

Members/farmers who join later would get less commission/benefit less /not gaining any real investment ✓

Each member/farmer would not be accumulating funds for the benefit of others but for themselves ✓

Members could pay a fee to join ✓ (Any 3 x 1) (3)

2.9 **Analyse the impact of the coronavirus on consumer's tax contributions to the state for the two areas mentioned in the statement. (higher unemployment and lower consumption)**

- The impact was severe as government lost a lot of revenue ✓
- Personal income tax and VAT are government's greatest revenue ✓ these two forms of revenue were impacted greatly ✓
- A higher unemployment means less people were paying income tax ✓
- Lower consumption meant less VAT was paid to government as less goods were bought ✓
- Losing revenue means the government cannot meet their budget expenses ✓
- This leads to the country borrowing money which leads to debt ✓
- This impact leads to an increase in taxes to help with the debt ✓
- The Coronavirus pandemic necessitated a lockdown which brought about restrictions in the different alert levels ✓
- Level 5 would have had the severest restrictions ✓ which shut down the economy followed with a ripple effect causing the impact to worsen ✓

- During lockdown only essential services could trade/continue ✓
- Less VAT went to the state as spending was curbed due to shops not been allowed to trade ✓
- People lost their jobs as some businesses had to shut down, ✓ so unemployed people were not paying income tax. ✓
- With no salaries, people spent less money, so this VAT contribution was not paid by shops ✓
- As alert levels changed to a lower level, restrictions were relaxed, and more shops were able to trade, depending on the level and with limited hours ✓
- Limited hours meant less sales therefore less VAT paid to the state ✓

(Any 8 x 1)

(8)

[40]

QUESTION 3: FOOD AND NUTRITION

3.1 **Name of the ranking system that classifies foods containing carbohydrate according to how they affect blood glucose levels.**

- Glycaemic Index ✓ (1)

3.2 **The role of insulin.**

- Maintains normal blood glucose levels ✓
- Stimulates the enzymes in muscle and fat tissue to remove sugar from the blood ✓
- Transports glucose from the bloodstream into the cells ✓
- Break down/changes glucose/sugar into energy ✓ (Any 1 x 1) (1)

3.3 **Give TWO different ways the pancreas which produces insulin, malfunctions in a Type 2 diabetic person.**

- The pancreas does not produce enough insulin ✓
- The insulin does not work properly/ body does not use it effectively/unable to use it ✓ (2)

3.4 3.4.1 **Explain in detail the body's response to the quick release of so much glucose into her blood.**

- She will have an energy boost / rapid rise in glucose level ✓
- The body/pancreas will respond/secrete insulin ✓ as she will now have hyperglycaemia/high blood sugar ✓
- Insulin is secreted by the pancreas to remove the excess glucose from the bloodstream. ✓
- Insulin allows glucose to be transported to the cells for energy ✓
- Excess glucose is converted to glycogen for storage ✓ (used at a later stage)
- Eating high-GI foods on their own/eating wrong foods ✓ causes the body to overreact to the high sugar content and releases too much insulin. ✓ The blood sugar levels will drop too low/rapid fall in blood glucose ✓/ She will have hypoglycaemia / caused by sudden removal of glucose from the blood ✓
- This leads to symptoms such as feeling hungry, headache, shaky, sweaty, cold, tired, weak, dizzy ✓

NOTE: Maximum ONE symptom for the symptom mark as this is not the emphasis of the question. (Any 5 x 1) (5)

3.5 Compare the management of the diet for diabetes and osteoporosis.

	RECOMMENDATION	DIABETES	OSTEOPOROSIS
3.5.1	A reason why protein should be reduced	To avoid stress on kidneys/excess protein over time will weaken bones ✓ (1)	The body draws calcium from the bones to neutralise the acids released ✓ when protein digested ✓ (1)
3.5.2	The type of beverage that should be limited.	Sugar rich drinks (fruit juice, fizzy drinks)/ Alcohol/Full fat milk ✓ (1)	Tea/Coffee/alcohol ✓ (1)
3.5.3	A reason to include canned fish (sardines)	Fish is lower in fat/ Unsaturated fat/to reduce risk of heart disease ✓ (1)	Is a source of calcium/ Calcium in edible bones / good source of vitamin D / ✓ (1)

(6)

3.6 The relationship between aging and bone mass with the risk of osteoporosis in females. (Interpret the graph)

- Bone mass increases up to about 25 years ✓ As you age, bone mass decreases ✓
- An increase in a younger person is due to the body building new bone faster than old bone is removed/bones repair quickly ✓
- Bone density increases until \pm 30 years ✓
- Peak bone mass is reached at 25 to 30 years ✓
- After 40 years – bone mass gradually reduces/bone density is lost ✓
- New bone is not built as fast as it is removed/calcium is withdrawn from bones faster than it is replaced ✓
- This can lead to osteoporosis/increases the risk of osteoporosis ✓ due to the bones been lost and not fully replaced ✓ which results in porous bones ✓
- Bone mass decreases more after 50 years as bone loss is more rapid due to menopause ✓ oestrogen levels decrease ✓
- Oestrogen would normally protect the bones against bone loss ✓

(Any 6 x 1) (6)

3.7 Give THREE characteristics of organically produced food excluding that they are non-GMO.

- Free of (synthetic) fertilisers ✓ pesticides /insecticides/herbicides/ chemicals ✓
- Does not use hormones ✓
- No growth regulators/stimulates ✓
- No livestock feed additives ✓
- Has more flavour than other fruits and vegetables ✓

(Any 3 x 1) (3)

3.8 Explain how food irradiation can extend the shelf life of food.

It reduces / destroys / eliminates ✓ micro-organisms/bacteria/salmonella bacteria/insects in food ✓ using short waves/short light/radio waves into the food. ✓

(2)

3.9 Analyse why self-sufficiency may be a means to address the need of food insecurity.

- Self-sufficiency refers to growing your own crops/keeping livestock to produce some of their own food ✓
- Food security is the individual's ability to obtain sufficient food on a day-to-day basis ✓/ that is also safe and nutritious ✓
- Yet not all S.A. households have access to adequate food. ✓
- Organisations that provided food during the Covid-19 pandemic is a temporary solution ✓
- Food inadequacy, hunger, poverty and high unemployment will remain a challenge. ✓
- This programme teaches people to become self-sufficient by teaching them the skills /educating people to grow their own crops therefore able to feed themselves and their families ✓ which will ensure that food will be available on a continuous basis ✓
- This enables people to have these skills for life and there will be a sense of hope for the future. ✓
- The people can generate their own income by selling, produce that they have grown themselves. ✓
- They will reap the benefits of being an entrepreneur as they have started their own business/ (sense of responsibility, pride, reduce crime). ✓
- This in turn reducing poverty. ✓
- Sustainability is achieved as people can to a certain extent meet their own needs. ✓
- This addresses the issue of food insecurity where people would otherwise turn to cheap foods and consume a diet which is of a poor nutritional value ✓ which is then linked to chronic diseases such as obesity, diabetics, hypertension, and heart diseases. ✓

(Any 6 x 1) (6)

3.10 Determine the different types of information that appears on food labels that relate to food safety and explain how each category guarantees consumer safety.

The storage instructions ✓ so that the food stays safe to eat, for example, keep refrigerated or eat within 3 days of opening ✓

Date labelling/stamp ✓ so that the product can be consumed with the day and month time frame which could be harmful to health if not known/ for example a use by date for perishable food ✓

A batch number / food recall information ✓ is essential for tracing the product so that it can be quickly recalled from the shelves in case of unsafe / unsuitable food. ✓

An allergen list ✓ as a consumer can have an adverse reaction to a substance, they are sensitive to. / A severe reaction like an anaphylactic shock would be fatal. ✓

Preparation/cooking/heating instructions so that the product is prepared at the correct temperature. Incorrect temperatures may not destroy micro-organisms / promote their growth

Additives listed ✓ a consumer may be sensitive to an additive that is harmful to their health ✓

Ingredient list. ✓ A consumer may be sensitive /have adverse reaction to an ingredient that may not be in the allergen list. ✓

(Any 4 x 2) (8)

[40]

QUESTION 4: CLOTHING**4.1 State TWO examples where a consumer can 'reuse' their clothing instead of the recycling option.**

- Sell or exchange unwanted garments at a second time around/charity/thrift shop ✓
 - Resew the garment into something new/upcycling ✓
 - Donate clothing to a clothes bank/church/charity shop/hospice/to the needy ✓
- (Any 2 x 1) (2)

4.2 4.2.1 State TWO facts why the t-shirt is considered a classic.

- It has been around for years/long time/timeless/lasted many seasons ✓
 - It has remained popular ✓
 - The design has simple lines/simplicity/basic style/tasteful ✓
 - Appeals to a larger group of people ✓
- (Any 2 x 1) (2)

4.2.2 Describe the term style. Refer to pictures in your answer.

Style is the characteristics that make one item different from another product of the same type / Outline of the garment that distinguish one from another ✓

The T-shirts differ in the shape of the necklines ✓

Round neck, V-neck, button up ✓ (3)

4.3 List TWO consequences of brand piracy for businesses.

- The original manufacturers lose millions of rands/sales ✓
 - The image/reputation of the brand is harmed ✓/less sales as customers lose faith in the brand/ quality of item poorer
 - It prevents the registered trademark owners from entering the markets where pirate brands are popular/already existing ✓
 - It damages retailers selling legitimate products, resulting in missed opportunities to create jobs ✓ and results in actual job losses ✓
 - No competition in the market. ✓/Competitors are put off by the price war they will have to wage against the low prices of counterfeit goods.
 - Countries do not receive custom duties/import tax on products entering the country ✓ and this is detrimental/negative impact on the economy ✓
- (Any 2 x 1) (2)

4.4 Describe why illustration B is an example of brand piracy.

- The name is very similar to the original. ✓
 - There are very few changes to the cougar logo ✓
 - The original name and logo are protected by trademark law and it has been copied/used on purpose ✓
 - This misleads/confuses the customer ✓
- (Any 2 x 1) (2)

4.5 Discuss why the outfit below is suitable for a virtual meeting.

- The top half is formal as only this is seen in a virtual meeting ✓ therefore the jeans and shoes are suitable as the bottom half ✓
 - The shirt is not revealing. ✓ The jacket adds formality ✓
 - The neutral colours (tan and white) will not be too flashy ✓
 - The necklace is not too bulky ✓ and goes with the tan colour ✓
 - The features of her face will be seen/emphasis is on the face so clothes will not dominate ✓
- (Any 3 x 1) (3)

4.6 Explain the term *sustainable* as it relates to clothing and analyse the statement to conclude whether recycled polyester is sustainable or not.

Sustainable means that during the growing/production of crops and manufacturing of fabrics resulted in minimal impact on the environment/ environmentally friendly ✓ and resources are not depleted/damaged/made from renewable resources ✓

Clothing made from recycled polyester/plastic bottles would otherwise land up as waste in our landfills. ✓ It means that less new fabrics must be manufactured, and some resources are saved (petroleum) ✓ and reduce our carbon footprint ✓ due to less energy and fewer chemicals to make recycled fibres ✓ less air pollution and greenhouse gases ✓ Therefore, it is a better option than buying clothing new. ✓

Recycled polyester is not biodegradable ✓ plastic is derived from petroleum which is non-renewable ✓ therefore is not environmentally friendly ✓ and therefore it does not fulfil the meaning of the word sustainable. ✓

To conclude: Recycled polyester is not sustainable. ✓

NOTE: 2 marks for the term sustainable.
3 marks for discussion relating to statement.
1 mark for the conclusion.

(6)
[20]

QUESTION 5: HOUSING**5.1 5.1.1 Name the two parties that sign a lease.**

- Landlord / lessor / property owner ✓
- Tenant / lessee / renter / Brett ✓ (2)

5.1.2 THREE disadvantages that Brett experienced when he previously rented.

- He could not have/keep a dog ✓
- He did not change the bathroom as it required permission/consult first with landlord ✓
- He did not like some of the rules ✓ (3)

5.1.3 List TWO requirements that Brett will have to carry out should he wish to run his own business from his rented accommodation.

- He must get permission from the landlord. ✓
- He must obtain approval from the municipality. ✓ (2)

5.1.4 Describe how the property owner is protected when a lease is signed.

- The owner can keep the deposit if the tenant vacates the premises before the lease expires. ✓
- He can use the deposit to pay for damages to the property. ✓
- He has the deposit if the tenant does not pay rent for that month or two ✓
- A signed lease should mean that the property should have been checked and a list of defects made so the landlord has proof that the damage was not there when the tenant moved in. ✓
- The lease is a legal document in serious cases will be used in court in order to evict a tenant ✓ (Any 3 x 1) (3)

5.2 Differentiate between the responsibility for costs for security and maintenance between full-title ownership and sectional title ownership.

Full title – one is responsible to pay for their own security and maintenance ✓
Sectional title – you are responsible for your own unit when it comes to security and maintenance ✓ but the security around the complex and maintenance of the common property is shared / levies paid will cover these costs. (3)

5.3 5.3.1 List TWO responsibilities of the consumer when purchasing this microwave oven with regards to the warranty.

- To be informed by reading the warranty/note how long the warranty is ✓
- Fill in the warranty card and sent to manufacturer ✓
- Keep all the relevant documents/receipts to support the warranty ✓
- Use the features of the microwave that are covered by the warranty during the period that is covered ✓ (Any 2 x 1) (2)

5.3.2 Promote this microwave as a salesperson to a customer on how the features of this microwave will save energy. Include both human and non-human energy in your sales talk.

Non-human energy / electricity / monthly bill is saved / is less ✓
 Non-human refers to the ECO Mode setting which significantly reduces power usage, delivering savings to your household on monthly energy bills or / The eco mode setting will ensure that the oven draws less current when the oven is not used but is still plugged in for example the time/clock is still operative. ✓
 The power levels save electricity as you have a selection to match the power level to the cooking need ✓ The higher the power level the more current it draws, so when full power is not necessary you can save electricity. ✓
 Human energy / physical effort is saved as the interior surface is easy to clean/no more scrubbing ✓ Easy to clean and also saves time ✓
 Human energy / time that is saved as the microwave cooks food quickly. ✓

NOTE: A mark cannot be awarded just for the feature mentioned. The feature must link to the human or non-human explanation. **Marks cannot be awarded for only a discussion on human or non-human. Both forms of energy must be covered for full marks**

(5)
[20]

QUESTION 6: ENTREPRENEURSHIP

6.1 Define the term *target market*.

A certain group of people who will be most likely to buy your product/service

OR

The group of people you aim to sell your product to ✓✓

(2)

6.2 Give TWO advantages of routine/preventative maintenance of equipment when running a business.

- Ensures a continuous production flow/ does not slow down/ don't stop production ✓
- Reduces repairs therefore decreases costs of repairs ✓
- Reduces unscheduled maintenance which will disrupt production ✓
- Prevents unexpected interruptions/breakdowns during production ✓
- Prevents a loss of income for the business ✓

(Any 2 x 1) (2)

6.3 List THREE reasons why a business should do stock control.

- Ensure the purchase of the correct, high quality raw materials and make them available for production. ✓
- Avoids running low/shortage on raw materials which would slow down/stop production ✓ and harm reputation of the business when you miss orders ✓
- Prevents waste of raw materials due to incorrect purchasing or overstocking /damage in storage ✓ / Overstocking needs more storage space ✓
- Prevents spending too much money spent on stock that could be used more effectively elsewhere ✓
- Helps to prevent theft which will slow down production ✓
- It prevents waste – old, expired stock/use ingredients before they spoil. ✓

(Any 3 x 1) (3)

6.4 6.4.1 Identify the factor that was available to Thabo when he chose a product for his business from the sentences given below.

- (a) Availability of human skills ✓
- (b) Availability of workspace ✓

(2)

6.4.2 State TWO advantages of Thabo using the truck as his point of sale.

- He can drive to where his target market is/be closer to the target market/ be in the right place ✓
- He can distribute his products directly to the customers/ direct selling has more advantages ✓
- He can be in contact with his target market/be very aware of their needs/make them feel important as he is personally selling his product ✓
- Get feedback from the customers as they can speak to him and so improve his business/keep customer happy ✓
- He can control his brand image himself as he is personally promoting the product ✓

(2)

6.4.3 Identify TWO start-up needs.

- Capital (from his uncle)
- Truck
- Ingredients
- Cooldrinks
- Sanitiser (in the truck)

NOTE: Not equipment, as he had all the equipment at home.

(Any 2 x 1) (2)

6.4.4 **Discuss how the products will appeal to the target market.**

- The products/roosterkoek and vetkoek is homemade not mass produced ✓
- Can be eaten anytime in the day – breakfast, lunch and snacks ✓
- Offers a choice of filling to suit customer preference ✓
- The fillings were tasty and tested them out on his friends ✓
- He would have used his own tried and trusted recipes ✓
- Well known, popular products ✓
- The products are bread / dough based so they are filling to satisfy hunger ✓
- The products are reasonably priced/ value for money ✓
- The business is coming to them, which is convenient ✓ (Any 4 x 1) (4)

6.4.5 **Give THREE items of information that should appear on the label if the product was pre ordered and packaged.**

- Name of the product
- Description of product (Filling flavour)
- Contact details
- Ingredient list
- Date of manufacture / sell by date (Any 3 x 1) (3)

6.4.6 **Describe SIX hygiene practices that need to be followed to ensure that the food is safe for the customers when selling the food from the food truck during the COVID-19 pandemic.**

- He must wear a mask when assembling and selling the food ✓
- Have hand sanitiser to sanitise his hands regularly ✓
- Wipe the surfaces in the truck ✓
- His hair must be covered ✓
- Serve the food with gloves on ✓
- Each individual portion must be separately sealed for sale ✓
- Fillings and cooked dough must be covered when working with the food ✓
- There must be social distancing (1 meter) between him and the customer ✓
- The customers must socially distance whilst in the queue ✓
- The customers must all wear masks ✓
- Have sanitiser to spray on customers' hands ✓ (Any 6 x 1) (6)

6.4.7 **Calculate the profit that he will make per month. Show all calculations. (Work on 4 weeks per month)**

$$R125 \times 80 \checkmark = R10\,000 \checkmark$$

$$R10\,000 \times \frac{70}{100} \checkmark = R7\,000 \checkmark$$

$$R7\,000 \times 4 \checkmark = R28\,000 \checkmark$$

NOTE: The 'R' must be indicated to the final answer to be awarded the final mark. (6)

6.4.8 **Analyse why this business idea and the product choice has the potential to be a successful business.**

- Thabo has always had an **interest** in the food industry as he enjoyed cooking from a young age and worked in a bakery, so it is likely he has a passion in this field of work. ✓ (He would likely be enthusiastic when promoting his business when he sells the food).
He has the **human skills** as he would have learnt from the days helping his grandmother and gained experience at the bakery. ✓
Thus, he has the capability to produce these products as his products are dough-based. ✓ He may also have picked up on business skills working in the bakery. ✓
- Thabo's product is fulfilling the **need** of a light meals/snacks and food is a basic need. / He established that there would always be a demand for ready to eat food/a necessity to eat in the day as he investigated this business idea. ✓ Offering cooldrink is suitable to go with the snacks and an easy way to get extra money as they will sell. ✓
His **target market** would be all ages, so he has a potentially large target market. The variety of sweet and savoury fillings would appeal to specific preferences; ✓ he could also adapt the fillings to their likes/trends therefore, he shows understanding of the needs of the target market. This would increase the **consumer appeal** of the products so customers will want to buy his unique/homemade ✓ products. (trendy, fresh, good price) He can even use a simple cost effective, environmentally friendly packet to serve the food items. ✓
- He could use **locally available ingredients/raw materials** as this would reduce transport costs and not stop production while he waits for deliver from suppliers. ✓ It assures that the ingredients are fresh. He can tailor make the fillings to what is available. ✓
- **He tested the business idea/product.** He asked his friends to try out the fillings so got other input. ✓
- He is preparing the products from home and has the **available workspace** therefore has a production facility to plan the workflow/production line. ✓
- He is not trying to compete with large companies but offering something different and his enthusiasm will ensure excellent service therefore he has **competitive advantage.** ✓ He is planning to sell the products at a range of prices so it can meet the affordability of the customers. ✓ (This point can also be discussed under meeting the need and consumer appeal of the target market)
- **The location of** the truck. It will be parked at a busy area in town so he will be within reach of the target market ✓ (He does not have to spend money on delivery of goods for consumer appeal.)

- **Available finance.** His financial position is stable as he has the capital / low start-up costs to start the business. ✓
He does not have to borrow money from a bank, creating debt as his uncle will invest in the business and he can rent the truck from his grandfather at a reasonable price. ✓ This reduces a high capital outlay. He does not need to buy equipment as he has this at home. / He does not have high overheads. ✓ Working from home means he does not have to pay rent on a place to produce the products. ✓
No advertising costs will be necessary as people around there will see people eating and ask where they bought it. ✓
- He has the time and energy to put into the business as he does not have another job or another commitment. ✓
- In the scenario with the Covid-19 restrictions, he can still have a business where sanitising, the wearing of masks and social distancing in queues can be applied. ✓
- The business has the potential to expand as he has met the criteria of what is required in identifying a profitable business opportunity and the factors influencing his choice of suitable products as discussed above. ✓

NOTE: This is a higher order question, and the candidates cannot just quote from the case study but need to show insight as to how the information is discussed in their analysis.

For the marking of this question, the underlined words in Italics indicate the topics relating to a potential business idea and the underlined words in bold indicate that the discussion around factors that are considered for a suitable product are covered.

(Any 8 x 1)

(8)

[40]

TOTAL: 200