



Education and Sport Development

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**NATIONAL
SENIOR CERTIFICATE**

GRADE 10

**BUSINESS STUDIES
PAPER 2
JUNE EXAM MEMORANDUM
2018**

MARKS: 100

This memorandum consists of 9 pages.



NW/JUNE/BUSDS/ EMIS/6*****

**SECTION A
QUESTION 1**

COMPULSORY

- 1.1.
- 1.1.1. B ✓✓
- 1.1.2. A ✓✓
- 1.1.3. B ✓✓
- 1.1.4. B ✓✓
- 1.1.5. B ✓✓

(5x2) (10)

- 1.2
- 1.2.1 E ✓✓
- 1.2.2 F ✓✓
- 1.2.3 A ✓✓
- 1.2.4 C ✓✓
- 1.2.5 B ✓✓

(5x2) (10)

Total Section A: (20)

**SECTION B
QUESTION 2**

2.1

2.1.1 Identify the forms of ownership given in the pictures above

- A. Partnership ✓
- B. Public company ✓

(2)

2.1.2 Tabulate the difference between the forms of ownerships identified in 2.1.1

	Partnership	Public company
Name	Owner can choose any name. ✓	Ends with Ltd. ✓
Number of owners	At least two ✓	At least one ✓
Owners are known as	Partners ✓	Shareholders ✓
Managed by	Partners ✓	Directors ✓
Formation	No formalities – partners usually sign a partnership agreement ✓	File Memorandum of Incorporation with the CIPC ✓
Liability for debts	Jointly and severally. Members may be asked to stand surety ✓	Shareholders have Limited liability ✓
Continuity	No continuity ✓	Has continuity ✓

Max (8)

2.2

2.2.1 Memorandum of Incorporation ✓✓

(2)

2.2.2 ADVANTAGES OF NPC

- Tax : many receive complete ✓ tax exemption ✓
- Public benefit: NPC's have been established for public benefit ✓ and not for individual profit like other forms of ownership. ✓
- Donations: start-up capital can come from donations ✓ from profit making organizations. ✓
- Surplus income: the company must use it ✓ to expand their activities. ✓
- Any other relevant answer

(Any 4x2) (8)
(20)

QUESTION 3

3.1

3.1.1 THREE socio-economic issues

- Crime ✓
- Poverty ✓
- HIV/ Aids ✓

(3)

3.1.2 IMPACT OF SOCIO-ECONOMIC ISSUES

• Crime

- Loss of income due to fraud ✓ and the replacement of stolen goods. ✓
- Increase in expenses, ✓ e.g. to improve security (alarms, security gates, security guards) ✓
- Loss of skilled employees ✓ who emigrated. ✓
- Loss of productivity ✓ when employees use work time for personal matters. ✓

Sub max 3

• Poverty

- The cost of inequality and poverty for businesses are high, ✓ because many businesses spend money on relieving poverty through their social responsibility programmes. ✓
- Inequality and poverty shrink the market ✓ because poor people cannot afford to buy luxuries. ✓
- This leaves businesses with only a small portion ✓ of the market to sell their products to. ✓
- Inequality and poverty often lead to crimes ✓ such as robbery and shoplifting. ✓
- Businesses suffer losses as a result of these crimes, ✓ because money must be spent on improving security ✓.
- Insurance premiums also increase ✓ when businesses claim from their insurance.

Sub max 3

• HIV/ Aids

- High absenteeism ✓ – employees living with Aids will generally need more sick leave than employees who do not have Aids. ✓
- Reduction of the business enterprise's labour force ✓ – sick employees will eventually stop working. ✓
- This means that the work must now be done ✓ by fewer employees. ✓



- Reduction in the country's workforce ✓ – because the HIV/Aids prevalence rate in South Africa is so high, it reduces the labour force in general. ✓
- Increased recruitment costs ✓ – HIV and Aids cause business enterprises to hire employees more frequently. ✓
- There are costs involved in hiring ✓ new candidates. ✓
- This puts an additional financial burden ✓ on businesses. ✓

Sub max 3

3.2 Social responsibility and CSR

3.2.1 Evaluation of the cartoon

Yes/Agree

Motivation

- Businesses invest in the community ✓ so that the community can in turn buy goods and services ✓
- No business can make a profit in the long run ✓ if it always ignores its stakeholders and the environment in which they live ✓
- Businesses that ignore the trend towards being socially responsible ✓ risk the loss of profits ✓
- Investors usually invest in good sustainable businesses ✓ that are socially responsible ✓
- Social responsibility gives the business good publicity ✓ and raises the business reputation ✓
- The community can boycott or not buy the products ✓ if the business does not participate in social responsibility programmes ✓
- Any other relevant motivation related to social responsibility

(3)

Max 4

3.2.2 Differences between Social responsibilities and Cooperate Social Responsibility

Social responsibilities	Cooperate Social Responsibility
Initiatives taken by businesses that protects the environment ✓ and improve people's quality of life ✓	Practices of a business that aim to protect the health ✓ and rights of its stakeholders ✓
Businesses get involved in projects ✓ that have a positive impact on society ✓	Continuing commitment by business to behave ethically ✓ and contribute to economic development ✓
Businesses become actively involved in building the community ✓ and addressing social concerns within the community ✓	The goal of CSR is to have appositve impact ✓ on the environment/consumers/employees/com munities etc. ✓
Any other relevant answer related to social responsibility	Any other relevant answer related to CSR

NOTE: The differences must be clear

**MAX (4)
(20)**

QUESTION 4

BUSINESS VENTURES

4.1

4.1.1 Characteristics of a sole proprietor

- Exists when a business is owned by one person ✓
- Business owner handles everything ✓ including the actions/processes and decisions ✓
- All business expenses ✓ form part of the owner's personal income ✓



- Easy to establish ✓ as there are no legal processes to follow to set up a sole proprietor ✓
- Lacks continuity ✓ because the continuity of the business is linked to the life span of the owner
- Unlimited liability ✓ because the owner is personally liable for the all debts and claims against the business ✓
- All profits of the business ✓ belong to the owner ✓
- Any other relevant answer related to the characteristics of a sole proprietor

MAX (8)

4.1.2 Differences between a partnership and private company

Partnership	Private company
-Minimum of TWO ✓ to infinite ✓	-Minimum of ONE ✓ to Fifty shareholders ✓
-Name does not have ✓ suffix ✓	-Name ends ✓ with (Pty) Ltd ✓
-Needs to draw up a ✓ written partnership agreement/article ✓	-Must register a ✓ Memorandum of Incorporation (MOI) ✓
-All partners manage ✓ the business ✓	-The business is managed ✓ by board of directors ✓
-Profit is shared ✓ equally ✓	-Profits are shared ✓ according to the number of shares in a form of a dividend ✓
-Owners ✓ are called partners ✓	-Owners are ✓ called shareholders ✓
-Unlimited liability ✓	-Limited liability ✓
-Subject to single taxation ✓	-Subject to double taxation ✓
-Any other relevant answer related to a partnership	-Any other relevant answer related to a private company

NOTE: The distinction must be clear

MAX (4)

BUSINESS ROLES

4.2.1 Recommend solutions to piracy

Copyright ✓

- Only an owner of intellectual property has the right to produce and copy it. ✓

Patent ✓

- Someone who holds a patent has the sole right to produce and sell an invention. ✓

Trade mark ✓

- A unique mark that represents a business enterprise and that belongs to the business enterprise. ✓
- Includes words, slogans, designs, signs and symbols. ✓
- Registered trademarks may not be used by anyone else, except by the business enterprise/person it belongs to. ✓

(6)

4.2.2 Suggest an initiative businesses can take to address each of these socio-Economic issues in their communities.

A. Gambling - Have gambling rehabilitation programs. ✓✓
Having gambling awareness programs. ✓✓

(2)

B Environmental issues - Nature conservation programs ✓✓
Teach community to clean their surroundings. ✓✓

(2)



SECTION C
QUESTION 5
INTRODUCTION

- An entrepreneur is someone who can control his / her own future by operating his / her own business. ✓
- Entrepreneurs have many options: some entrepreneurs, for example have consultancy firms while other are service providers. ✓
- Entrepreneurs can convert problems in profitable business opportunities. ✓

(2)

BODY

Most entrepreneurs possess universal characteristics such as:

- The need to take responsibility for themselves ✓ and to be in control. ✓
- Likes to prove themselves as innovative ✓ and hardworking. ✓
- Responsible for their own income. ✓
- The ability to take risks. ✓
- Risk is a measure of uncertainty. ✓
- Persistence / Perseverance - ✓ to keep going until you reach your goal. ✓
- Good leadership - should inspire other people ✓ to believe in their vision. ✓
- Good management skills - must have the skills ✓ to manage their own business. ✓
- Confidence in their ability to succeed. ✓
- Must not have a false sense of self- confidence whatsoever. ✓
- High energy levels ✓ - must usually do everything yourself in the beginning. ✓
- Dreams with a clear vision ✓ of what they want to achieve. ✓
- Entrepreneurs need to know exactly what they want to achieve ✓ and how their vision must be converting into a sustainable business. ✓
- The ability to think ✓ creatively. ✓
- Organizational skills / management skills required ✓ for day to day management.
- High degree of commitment ✓ - to go through with something despite setbacks. ✓
- Flexibility to adapt ✓ to changes in business environment. ✓
- Willpower ✓ to face obstacles. ✓
- To be an entrepreneur, means you are your own boss ✓ and you can create and develop your own ideas. ✓
- You will have to make your own decisions and opportunities ✓ to create wealth and security for yourself. ✓
- Entrepreneurs contribute to the community ✓, because they create jobs. ✓

Any 12 x 2 = (24)

Importance of entrepreneurship

- It is important to promote entrepreneurship ✓ because it contributes to job creation. ✓
- It alleviates ✓ poverty. ✓
- Contributing to economic growth and development.
- Contribute ✓ to International Trade ✓
- Develop local markets through creativity and insight ✓ to improve products or services ✓
- Any other relevant information

Any 2 x 2 = (4)

CONCLUSION

- Entrepreneurs make valuable contributions to society. ✓
- They do not just take responsibility for their own future, but contributes to the fight against unemployment. ✓

(2)



FACTS		
Introduction	2	MAX 32
Entrepreneurial characteristics	24	
Importance	4	
Conclusion	2	
INSIGHT	8	
Layout		2
Analysis		2
Synthesis		2
Originality		2
TOTAL		40

QUESTION 6: BUSINESS ROLES (SOCIAL RESPONSIBILITY)

Introduction

- The primary goal of a business is to be profitable, but a business uses many resources in its quest for profitability. ✓
- Businesses can reward society by playing a positive role through making contributions to alleviate socio economic problems. ✓
- Business involvement in a community is called corporate social responsibility. ✓

Max. (2)

Definition of Corporate Social Responsibility and practical examples

- Corporate social responsibility is when a business voluntarily takes steps ✓ to improve the quality of life for employees ✓, their families and the local community at large. ✓
- CSR encourages business enterprises to consider the interest of society ✓ by taking responsibility for the impact of the business's activities on customers ✓, employees, shareholders, communities and the environment. ✓

Submax. 3

Practical Examples

- The Nedbank Foundation helped establish Masisikelele and Masihlumisane bakeries, owned and operated by small groups of people in Glenmore community. ✓
- Avis supports various charities that focus on Education, Health and welfare, people living with disabilities, and the environment. ✓
- Outsurance 'Helping SA OUT' CSR programmes that were started to help disadvantaged South Africans to get employment. ✓
- COCA-COLA and the World Wild Fund have combined on the international scale to help preserve and protect freshwater resources throughout the world. ✓
- Woolworths Holdings has an impressive list of transformational and CSI projects, which vary from surplus products distribution to the orphaned and vulnerable children projects. ✓
- Any other relevant answer related to practical examples of CSR.

Submax. 1
Max. (4)

NOTE: Allocate **THREE (3)** marks for the definition.
Award a maximum of **ONE (1)** mark for the example.

Challenges of CSR for both business and communities

Challenges for businesses



- Businesses may lack the social skills to solve societal problems. √√
- CSR requires a lot of time, which may influence employee attitude negatively. √√
- The rule of corporate law states that a company's directors may not participate in activities that would reduce profits. √√
- CSR costs money which a business could have invested more profitably. √√
- CSR can lead to an increase in prices and as result consumers will suffer. √√
- Businesses pay a lot of tax to government so that social issues can be addressed. Therefore, if a business is involved in CSR, it is actually making a double contribution. √√
- CSR can actually cause a business to be corrupt, because businesses can receive kickbacks by investing in the right organisation. √√
- Detailed reports must be prepared on the enterprise's CSR programmes. √√
- Any other relevant answer related to the challenges of the CSR for businesses.

Submax. 10

Challenges for communities

- Communities might not take responsibility for their own actions, because they know the business' CSI initiative will provide for them. √√
- CSR does not always focus on sustainability, so communities might only be helped in the short term. √√
- Communities may become dependent on CSR initiatives. √√
- Businesses might only participate in CSR for the commercial benefit they see in improving their reputation with the public. √√
- CSR may be undertaken to distract the public from the ethical questions posed by the enterprise's core operations. √√
- Some businesses care little for the environment and the welfare of employees, so rather than contributing to CSR, they will move production to sweatshops in less well-regulated countries. √√
- Any other relevant answer related to the challenges of CSR for communities.

Submax. 10

Max. (20)

Benefits of CSR for both businesses and communities

Benefits of CSI for businesses

- Assist in solving socio-economic issues like poverty. √√
- Recruit superior and happy workers who in turn will be productive and help to increase profits. √√
- Improve the perception of the business among its staff. √√
- Improve the image of the business. √√
- Attract and keep customers. √√
- Attract investors who prefer to invest in businesses that are socially responsible. √√
- Make communities a better place to live. √√
- Any other relevant answer related to the benefits of the CSR for the businesses.

Submax. 6

Benefits of CSI for communities

- CSR improves the standard of living and the quality of life of communities. √√
- CSR projects generate employment by creating jobs. √√
- Education and training can be provided by CSR projects. √√
- SCR projects contribute towards the provision of education, health care and social development. √√
- CSR projects often help to improve infrastructure which is used by all members of the community. √√



- It helps in reducing socio-economic issues. √√
- Any other relevant answer related to the benefits of CSR for communities.

Submax. 6
Max. (12)

Initiatives to address socio-economic issues

- Build schools in communities. √√
- Support youth programmes. √√
- Conduct job creation programmes. √√
- Sponsor art and cultural programmes. √√
- Special education efforts, adopting a school and providing most of the school's needs. √√
- Sponsor sporting activities and sport development programmes. √√
- Community upliftment. √√
- Caring for the environment, creating environmental programmes to emphasize the importance of preserving the environment. √√
- Establish programmes to promote early childhood development. √√
- Teach entrepreneurial skills and offer support to individuals starting new ventures. √√
- Any other relevant answer related to initiatives to address socio- economic issues.

Max. (10)

CONCLUSION

- Despite challenges, most businesses do take their social responsibility very seriously and contribute positively to communities /society. √√
- Successful CSR programmes will improve the general standard of living. √√
- CSR programmes will contribute positively if they are strategically planned and not just hand-outs /contributions given randomly. √√
- Any other relevant conclusion related to CSR.

Max. (2)

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Define the term social responsibility and give practical example	4	
Challenges of CSR for both businesses and communities	20	
Benefits of CSR for both businesses and communities	12	
Initiatives to address socio economic issues	10	
Conclusion	2	
INSIGHT		
Layout	2	8
Analysis	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

*LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if only some of the requirements are met.

Allocate 0 marks where requirements are not met at all.

