



Province of the  
**EASTERN CAPE**  
EDUCATION

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 10**

**NOVEMBER 2020**

**BUSINESS STUDIES P1  
MARKING GUIDELINE  
(EXEMPLAR)**

**MARKS: 150**

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This marking guideline consists of 25 pages.

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**NOTES TO MARKERS**

1. A comprehensive memorandum has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:

- Uses a different expression from that which appears in the memorandum
- Comes from another source
- Original
- A different approach is used

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

2. Candidates' responses must be in full sentences for SECTION B and C. However, this would depend on the nature of the question.
3. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
4. The word 'sub-max' is used to facilitate the allocation of marks within a question or sub-question.
5. The purpose of circling marks (guided by 'max.' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts.
6. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guideline. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
7. In an indirect question, the theory as well as the response must be relevant and related to the question.
8. Incorrect numbering of questions or sub-questions in SECTIONS A and B will be severely penalised. Therefore, correct numbering is strongly recommended in all sections.
9. No additional credit must be given for repetition of facts. Indicate with an R.
10. Note that no marks will be awarded for indicating Yes/No in evaluation type questions requiring substantiation or motivation. (Applicable to SECTIONS B 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	<b>Maximum: 32</b>
Content	
Conclusion	
Insight	<b>8</b>
<b>TOTAL</b>	<b>40</b>

- 14.2 Insight consists of the following components:

<b>Layout/ Structure</b>	Is there an introduction, body, proper paragraphs and a conclusion?	<b>2</b>
<b>Analysis and interpretation</b>	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')	<b>2</b>
<b>Synthesis</b>	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')  <b>Option 1:</b> 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.  <b>Option 2:</b> 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.  <b>Option 3:</b> 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.	<b>2</b>
<b>Originality</b>	Is there evidence of examples, recent of information, current trends and developments?	<b>2</b>
<b>TOTAL FOR INSIGHT:</b>		<b>8</b>
<b>TOTAL MARKS FOR FACTS:</b>		<b>32</b>
<b>TOTAL MARKS FOR ESSAY (8 + 32)</b>		<b>40</b>

**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.

<b>CONTENT</b>	<b>MARKS</b>
Facts	32 (max.)
L	2
A	2
S	2
O	2
<b>TOTAL</b>	<b>40</b>

- 14.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember headings and sub-headings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought.  
(See MARK BREAKDOWN at the end of each question.)
- 14.8 If the candidate identifies/interprets the question **INCORRECTLY**, then he/she may still obtain marks for layout.
- 14.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guideline.

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

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

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

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

This would also depend on the nature of the question.

**SECTION A**

**QUESTION 1**

- 1.1 1.1.1 B √√
- 1.1.2 B √√
- 1.1.3 D √√
- 1.1.4 C √√
- 1.1.5 D √√ (5 x 2) (10)
  
- 1.2 1.2.1 market √√
- 1.2.2 marketing √√
- 1.2.3 lock-out √√
- 1.2.4 cash √√
- 1.2.5 internal √√ (5 x 2) (10)
  
- 1.3 1.3.1 F √√
- 1.3.2 E √√
- 1.3.3 D √√
- 1.3.4 I √√
- 1.3.5 G √√ (5 x 2) (10)

**TOTAL SECTION A: 30**

**BREAKDOWN OF MARKS**

<b>1.1</b>	<b>10</b>
<b>1.2</b>	<b>10</b>
<b>1.3</b>	<b>10</b>
<b>TOTAL</b>	<b>30</b>

**SECTION B**

Mark the **FIRST TWO** answers only.

**QUESTION 2: BUSINESS ENVIRONMENTS****2.1 The meaning of *micro-environment*.**

- This environment is the business itself; ✓ it consists of all the elements inside the business. ✓
- The micro-environment is the smallest environment, ✓ and is also known as the internal environment.
- Businesses have full control ✓ over all the features/elements/ components of the micro-environment. ✓
- Any other relevant answer related to the meaning of the micro-environment.

**Max. (4)**

**2.2 Importance of a business organogram/organisational structure.**

- The organisational structure shows each person's tasks ✓ and level of authority and responsibility. ✓
- The structure also shows the flow of instruction ✓ and feedback in the business. ✓
- It determines the position of management, ✓ the departments and the employees. ✓
- It determines who reports to whom, ✓ and which departments fall under which manager. ✓
- The structure also indicates the way decisions are taken ✓ and carried out. ✓
- Duties (jobs) with the same function are grouped together ✓ and coordinated. ✓
- Any other relevant answer related to the importance of a business organogram.

**Max. (4)**

**2.3 TWO ORGANISATIONAL RESOURCES****2.3.1 Human resources ✓✓**

**Motivation:** They employ 5 full time workers. ✓

**Physical resources ✓✓**

**Motivation:** They use custom-made freezers to keep products fresh. ✓

**Financial resources ✓✓**

**Motivation:** They borrowed money from MoneyWise to expand the business. ✓

**(6)**

**NOTE: Only mark the FIRST TWO answers.  
Do not award marks for the motivation if the type of resource is incorrect.**



**2.4 Suppliers as a component of the market environment.**

- Suppliers are individuals/agents ✓ who provide the raw materials/transport/other services to the business. ✓
- The business requires suppliers to supply the right quality ✓ and quantity at the right time. ✓
- Suppliers play an important role in the success or failure of a business ✓ e.g. consumers will purchase the product/services from another business if a supplier is unable to supply a particular product/services. ✓
- Pricing ✓ and credit terms must be considered when choosing suppliers. ✓
- Any other relevant answer related to suppliers as a component of the market environment.

**Max. (6)****2.5 TWO reasons why NGOs and CBOs form part of the market.**

- They employ workers ✓ and supply and consume goods and services. ✓
- They satisfy important needs ✓ of the community. ✓
- They are concerned ✓ with the welfare of others. ✓
- Any other relevant answer related to the reasons why NGOs and CBOs form part of the market.

**Max. (4)****NOTE:** Mark the first TWO reasons only.**2.6 TWO efforts to create an inclusive workforce.**

- Develop employment policies that seek to promote inclusivity and diversity in the workplace. ✓✓
- Treat all employees equally irrespective of gender/race/age/sexual orientation. ✓✓
- Adhere to laws 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 ways businesses can promote an inclusive workforce.

**Max. (4)****NOTE:** Mark the first TWO efforts only.

## 2.7 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 a temporary closure of the business. ✓
- Any other relevant answer related to impact of crime on businesses.

**Max.** (6)

### 2.8.1 THREATS

- The increase in interest rates caused cash flow problems in the business. ✓
- A new competitor opened a salon in the area. ✓

**NOTE:** Mark the first TWO threats only.

**Max.** (2)

### 2.8.2 STRATEGIES

#### **Increase in interest rates**

- Try to negotiate for better interest rates. ✓✓
- Pay debt off sooner. ✓✓
- Any other relevant answer related to an increased in interest rates.

#### **A new competitor opened a salon in the area.**

- Have better quality products. ✓✓
- Start intensive advertising campaign. ✓✓
- Any other relevant answer related to a new competitor.

**NOTE:** Mark only the first strategy in each threat.

**Max.** (4)

**BREAKDOWN OF MARKS**

<b>QUESTION 2</b>	<b>MARKS</b>
<b>2.1</b>	<b>4</b>
<b>2.2</b>	<b>4</b>
<b>2.3.1</b>	<b>6</b>
<b>2.4</b>	<b>6</b>
<b>2.5</b>	<b>4</b>
<b>2.6</b>	<b>4</b>
<b>2.7</b>	<b>6</b>
<b>2.8.1</b>	<b>2</b>
<b>2.8.2</b>	<b>4</b>
<b>TOTAL</b>	<b>40</b>

**[40]**

**QUESTION 3: BUSINESS OPERATIONS****3.1 TWO types of organisational structures**

- Line ✓
- Line and staff ✓
- Functional ✓
- Project ✓
- Matrix organisation ✓

**NOTE: Mark the first TWO (2) only.****(2 x 1) (2)****3.2 Consumer rights according to the NCA**

Consumers have a right to:

- Apply for credit. ✓✓
- Information in one's official language. ✓✓
- Be protected against unfair discrimination in granting credit. ✓✓
- Be given reasons why an application for credit is refused. ✓✓
- Be informed about the interest rate and any other costs of the proposed credit transaction. ✓✓
- Receive a copy of a credit contract and a replacement copy when the consumer asks for one. ✓✓
- Apply for debt counselling if a customer has too much debt. ✓✓
- Any other relevant answer related to consumer rights according to the NCA.

**Max. (6)****3.3 BUSINESS FUNCTIONS**

3.3.1 - Public relations ✓✓

**(2)****3.3.2 Other methods of Public Relations**

- **Direct contact** ✓✓
- Information about the business is passed on to the members of the public who have dealt with the business previously. ✓
- Direct contact with employees or telephonic communication is a popular form of public relations. ✓
- **Brochures** ✓✓
- Excellent way of distributing information in a cost-effective way. ✓
- **Exhibitions** ✓✓
- The business is introduced to the public and meets existing customers in shopping centres ✓
- **Social responsibility** ✓✓
- The business uplifts the community as the community supports the business by buying their products. ✓
- **Transit advertising** ✓✓
- Advertising on vehicles such as taxis, busses, vans etc. ✓
- **Use of the telephone** ✓✓
- A potential customer phones the business to enquire about something; the person answering the phone is perceived as the business. ✓

- If the potential customer is pleased with the information that was required, then that person can become an important customer. ✓
- Any other relevant answer related to ways to carry out public relations.

**NOTE: Do NOT accept social media as an answer.  
Mark the first TWO only.**

**Max. (6)**

### 3.4 Interrelatedness of the business functions

- The eight business functions depend on each other ✓ and are interrelated. ✓
- These functions work together as a team ✓ for the business to be successful. ✓
- The general management is directly linked ✓ to all seven business functions. ✓
- The financial and administration functions are responsible for gathering/storing/processing information ✓ and financial records. ✓
- The purchasing, production and marketing functions ✓ are responsible for the delivery of goods. ✓
- The purchasing function buys raw material for the production function ✓ to process raw material into finished goods. ✓
- The marketing function sells the product ✓ which the production function has produced. ✓
- The marketing function promotes the product ✓ while the public relations function promotes the business and ensures that there is a good relationship between the business and the public. ✓
- All the staff with the right skills and qualifications are appointed ✓ by the human resources function. ✓
- Any other relevant answer related to the interrelatedness of the business functions.

**Max. (6)**

### 3.5 TWO reasons why a 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 computers, machinery and equipment. ✓
- Expansion ✓✓
- Money to grow a successful business. ✓
- Any other relevant answer related to why a business needs finance.

**(6)**

**NOTE:** Mark only the first TWO reasons.

3.6 Differentiate between *fixed capital* and *working capital*

FIXED CAPITAL	WORKING CAPITAL
- Money to buy fixed assets, √ e.g. land and buildings etc. √	- Money used for day-to-day activity, √ e.g. trading stock, raw materials, etc. √
- Finance long term capital needs √ of the business. √	- Finance the short-term capital √ of the business. √
- Examples: capital market, selling shares, mortgage bonds etc. √	- Examples: money market, credit allowed by suppliers, short terms loans etc. √
- Any other relevant answer related to fixed capital.	- Any other relevant answer related to working capital
Sub-max. (2)	Sub-max. (2)

- NOTE:**
1. The answer does not have to be in tabular format.
  2. The differences do 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 CPA 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 consumers' 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 against 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	2
3.2	6
3.3.1	2
3.3.2	6
3.4	6
3.5	6
3.6	4
3.7	8
<b>TOTAL</b>	<b>40</b>

[40]

**QUESTION 4: MISCELLANEOUS****BUSINESS ENVIRONMENTS****4.1 Components of the macro environment**

4.1.1 Social ✓✓

4.1.2 Economic ✓✓

4.1.3 Environmental/Physical ✓✓

(6)

**4.2 Macro environment can be a challenge to the business**

- 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 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 why the macro environment can be a challenge to the business.

**Max.** (4)**4.3 Negative impact of HIV/Aids on a 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 workplace against employees that are affected by HIV/Aids. ✓✓
- The pool of available skilled workers is getting smaller due to the high rate of HIV infection. ✓✓
- Any other relevant answer related to the negative impact of HIV/Aids on the business.

**Max.** (4)**4.4 Relationship between *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 most of 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/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 interrelatedness of the environments.

**Max.** (6)

**4.5 TWO remedies of the NCA**

- The Consumer Tribunal ✓
- National Consumer Commission ✓
- Consumer Court ✓
- Ombudsman ✓

**NOTE:** Mark only the first TWO answers.

(2)

**4.6 Distinguish between *quality control* and *quality assurance***

<b>QUALITY CONTROL</b>	<b>QUALITY ASSURANCE</b>
- 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)

#### 4.7 Quality indicators for the financial function

- Ensuring a healthy cash flow by ensuring payments are made on time. √√
- Effective management of cash-by-cash budgeting. √√
- Financial records to be kept up to date. √√
- Accountability through tight financial processes. √√
- Negotiate better interest rates in order to keep financial cost down. √√
- Draw up accurate financial statements timeously/regularly. √√
- Invest surplus funds to create sources of passive income. √√
- Ensuring a healthy cash flow through ensuring payments are made on time. √√
- Any other relevant answer related to quality indicators in the financial function.

**Max.** (4)

#### 4.8 Implication of the CPA on the marketing function

- Bundling of goods/services should benefit consumers, √ e.g. offering a cellphone and a tablet at a special price. √
- Comply with the requirements √ regarding promotional competitions. √
- Businesses should not discriminate when marketing √ their products and services in different areas/places. √
- Any other relevant answer related to the implications of the CPA on the marketing function.

**Max.** (4)

#### 4.9 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. √
- Any other relevant answer related to the purpose of stock control.

**Max.** (6)

#### BREAKDOWN OF MARKS

QUESTION	MARKS
4.1.1	2
4.1.2	2
4.1.3	2
4.2	4
4.3	4
4.4	6
4.5	2
4.6	4
4.7	4
4.8	4
4.9	6
<b>TOTAL</b>	<b>40</b>

[40]

**TOTAL SECTION B: 80**

**SECTION C**

Mark ONE answer in this section.

**QUESTION 5: BUSINESS ENVIRONMENTS (BUSINESS SECTORS AND SOCIO-ECONOMIC ISSUES)**

**5.1 Introduction**

- Businesses can be divided into the formal sector and the informal sector depending on the level of compliance with government's business laws. ✓
- Developing countries tend to have a larger informal sector than developed countries. ✓
- Piracy is the deliberate illegal copying or reproduction of somebody's product without their permission. ✓
- Any other relevant introduction related to the business sectors and piracy.

**(2 x 1) (2)**

**5.2 Advantages/Importance of the informal sector**

- Provides jobs and income to communities thereby alleviating poverty. ✓✓
- People working in the informal sector gain work experience to be used in the formal sector. ✓✓
- Encourages entrepreneurship as self-employment.
- Provides opportunity for the marginalised/disadvantaged by encouraging street trade. ✓✓
- Serves as buffer between employment and unemployment. ✓✓
- Any other relevant answer related to the importance of the informal sector.

**Max. (10)**

**5.3 Comparison of the formal sector and informal sector**

<b>FORMAL SECTOR</b>	<b>INFORMAL SECTOR</b>
Contribute towards the GDP of the country ✓ because they are legally registered. ✓	Contribute little towards the GDP ✓ and fall outside the mainstream economic activities. ✓
Made up of highly skilled, semi-skilled ✓ and unskilled labour. ✓	Made up of a large number of poor people ✓ within the rural and urban areas. ✓
Not easy to enter this sector ✓ as businesses have to be legally registered. ✓	Easy to enter ✓ this sector. ✓
Small, medium ✓ and large size operations. ✓	Small scale ✓ operations. ✓
Could be capital, technological ✓ and labour intensive depending on type of industry. ✓	Labour intensive ✓ with adaptable technology. ✓
Comply with the relevant laws ✓ such as Labour Laws and Occupation and Health Act. ✓	Unregulated in a legal ✓ and social environment. ✓

Pay tax. ✓✓	Do not pay tax ✓ as they are not registered. ✓	
Any other relevant answer related to the formal sector.	Any other relevant answer related to the informal sector.	
Sub-max. 8	Sub-max. 8	(16)

- NOTE:**
- Answer does not have to be in tabular format
  - Differences must be clear otherwise only award 8 marks.

#### 5.4 Impact of piracy on the business.

- The businesses producing the original goods ✓ have their profits reduced if piracy occurs. ✓
- Piracy also deprives the original artist ✓ of his/her income. ✓
- People who buy pirated copies ✓ contribute to the problem. ✓
- The copying of trademarks ✓ confuses consumers. ✓
- The market is flooded with copies of the article ✓ so the price is pushed down. ✓
- Any other relevant answer related to the impact of piracy on the business.

**Max.** (8)

#### 5.5 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 4  
Sub-max. 6

- **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 4  
Sub-max. 6

- **Trademark** √√
  - o A unique mark that represents a business enterprise √ and which belongs to the business enterprise. √
  - o 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. √
- Any other relevant answer related to trademarks as a solution to piracy.

Heading	2
Description	4
Submax.	6
Max.	12

**Mark only the first TWO (2) solutions to piracy.**

**5.6 Conclusion**

- There are strict laws that protect property rights and the punishment for transgressions is severe. √√
- It is difficult for people from the informal sector to do business with government departments or big businesses. √√
- Any other relevant conclusion related to the informal sector and piracy.

(1 x 2) (2)  
[40]

**QUESTION 5: BREAKDOWN OF MARK ALLOCATION**

DETAILS	MAXIMUM	TOTAL
Introduction	2	<b>Max. 32</b>
Importance of informal sector	10	
Differences between formal and informal sector	16	
Impact of piracy	8	
TWO solutions to piracy	12	
Conclusion	2	
<b>INSIGHT</b>		<b>8</b>
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>
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 different managers in organisations operate on three different levels. ✓
- Quality is the level of excellence that a business achieves. ✓
- Quality is about knowing what to do and how to do it. ✓
- Quality includes learning from mistakes and continuously trying to improve all aspects of a business. ✓
- Any introduction related to management tasks, quality, levels of management. **(Max. 2 x 1)** (2)

**6.2 Outline FOUR management tasks.**

- **Planning** ✓
- Is the process in which a manager considers the future ✓ set goals/objectives ✓ and decides how to carry out activities of the business to achieve its goals and objectives. ✓
- Is part of a process that must be carried out ✓ in order to achieve goals. ✓
- Any other relevant answer related to planning as a management task. **Max.** (2)
  
- **Organising** ✓
- Is the process of looking at what needs to be done ✓ and organising resources in such a way ✓ that you meet your goals and objectives. ✓
- Is the first part of the action stage, ✓ where management needs to make sure that everyone knows what, when and how they must do it. ✓
- Any other relevant answer related to organising as a management task. **Max.** (2)
  
- **Leading** ✓
- To guide/motivate and inspire others ✓ to achieve goals. ✓
- To provide a clear vision/goals for the employees ✓ to ensure they know what they need to achieve. ✓
- Any other relevant answer related to leading as a management task. **Max.** (2)
  
- **Directing** ✓
- Directing involves guiding and influencing the activities of the business ✓ to make sure that the employees are made aware ✓ of what is expected of them. ✓
- Management has to direct the processes and procedures. ✓
- Ensure that the correct processes are followed ✓ and that the required standards are met. ✓
- Any other relevant answer related to directing as a management task. **Max.** (2)

- **Controlling** ✓
  - Checking that activities are carried out ✓ according to plan. ✓
  - This is done through careful observation ✓ and by asking people for feedback. ✓
  - Management has to put control systems in place to ensure that standards are met. ✓
  - Where systems are not working management needs to put mechanisms in place to correct this situation. ✓
  - Any other relevant answer related to controlling as a management task. **Max.** (2)
  
  - **Delegating/activating** ✓
  - To start doing the work ✓ that will enable an enterprise to achieve its goals. ✓
  - Putting planning into action. ✓
  - Activating (Motivating) involves encouraging staff ✓ by giving them incentives to perform their jobs well. ✓
  - Any other relevant answer related to delegating/activating as a management task. **Max.** (2)
  
  - **Risk Management** ✓
  - Identifies possible risk by finding risk-bearing activities (i.e. activities which could go wrong) ✓ within the organisation. ✓
  - Assists businesses to analyse each possible risk, ✓ to assess how likely it is that the risk will happen. ✓
  - Any other relevant answer related to risk management as a management task. **Max.** (2)
- Mark first FOUR only.** (8)

6.3 Responsibilities of the THREE levels of management

- **Top management** ✓✓
- Make strategic decisions ✓ which will have long-term outcomes/ consequences. ✓
- Plan the future ✓ of the business. ✓
- Manage change ✓ in the business environment. ✓
- Plan the activities ✓ of the business. ✓
- Gives direction ✓ to the vision, mission, goals and objectives. ✓
- Any other relevant answer related to the duties of top-level management. Heading 2
- |  |             |   |
|--|-------------|---|
|  | Description | 4 |
|  | Sub-max.    | 6 |
  
- **Middle management** ✓✓
- Make medium-term ✓ tactical decisions. ✓
- Controls the people ✓ and processes in the business. ✓
- It is the link between ✓ top management and lower-level management. ✓
- Passes information from top management ✓ to lower management. ✓
- Focuses on how ✓ the business will carry out the strategic decisions. ✓
- Acquire resources ✓ needed in their department. ✓
- Any other relevant answer related to the duties of middle level management. Heading 2
- |  |             |   |
|--|-------------|---|
|  | Description | 4 |
|  | Sub-max.    | 6 |

- **Lower level** ✓✓
- Make short-term ✓ operational decisions. ✓
- Make routine ✓ activities. ✓
- Plan the daily ✓ activities ✓
- Set individual objectives ✓ for workers working under him/her. ✓
- Offer feedback and suggestions ✓ to middle management. ✓
- Implement the objectives ✓ of the middle management. ✓
- They motivate ✓ and guide workers. ✓
- Any other relevant answer related to the duties of lower-level management.

Heading	2
Description	4
Sub-max.	6
Max.	18

**NOTE: Mark only the FIRST THREE levels of management.**

**6.4 Importance of quality for the business.**

- 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 products. ✓
- It leads to improved quality ✓ and design. ✓
- Increased ✓ customer satisfaction. ✓
- Increased competitiveness ✓ as high-quality places the business products above those of competitors. ✓
- Increased likelihood of achieving ✓ business vision and goals. ✓
- Any other answer related to the importance of quality for the business.

**Max. (8)**

**6.5 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 the responsibility of management 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 decision 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. (12)**

### 6.6 CONCLUSION

- Continuous control ensures that the business runs smoothly. ✓✓
- In an organogram there is a specific channel of command and the line of instruction, authority and responsibility must be clear. ✓✓
- Top managers do more planning and lower-level managers do more leading. ✓✓
- Any other relevant conclusion related to the tasks of management, levels of management, importance of quality and the correlation between the success of the business and management. **Max. (2)**

### QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	<b>Max. 32</b>
Four management tasks	8	
Responsibilities of THREE levels of management	18	
Importance of quality for the business	8	
Correlation between the success of the business and management	12	
Conclusion	2	
<b>INSIGHT</b>		<b>8</b>
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>
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**