



Education and Sport Development

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NORTH WEST PROVINCE

**NATIONAL
SENIOR CERTIFICATE**

GRADE 10

BUSINESS STUDIES

PAPER 1

MEMORANDUM

JUNE 2018

MARKS: 100

This memorandum consists of 10 pages.



SECTION A

COMPULSORY

QUESTION 1

1.1

- 1.1.1 D √√
- 1.1.2 C √√
- 1.1.3 B √√
- 1.1.4 D √√
- 1.1.5 B √√

(5x2) (10)

1.2

- 1.2.1 C √√
- 1.2.2 F √√
- 1.2.3 H √√
- 1.2.4 B √√
- 1.2.5 D √√

(5x2) (10)

TOTAL SECTION A [20]

SECTION B

Answer any **TWO QUESTIONS** from this section.

QUESTION 2

2.1 Business Resources

- 2.1.1 Human resources √√ (2)
- 2.1.2 Physical resources √√ (2)

2.2 Market Environments

2.2.1 Components of Market environments

- Regulators √√ (2)
- Competitors √√ (2)

2.2.2 Explanation on Components of Market Environment

Regulators

- Aan organization that ensures that the code of conduct and rules of fair business practices are adhered to. √√ (2)

Competitors

- A business that sells the same/similar goods/services to consumers. √√ (2)

2.3 Elements of Macro environments

2.3.1 **Physical environment**

- The physical environment consists of water, raw materials and climate needed to produce goods and services. √√
- Includes also infrastructure such as roads, railways, bridges, airports, water pipelines and power lines. √√



- Businesses should decrease the negative effects of pollution e.g. safe ways to get rid of waste materials. ✓✓
- Find alternative energy sources such as solar energy and wind energy. ✓✓
- Treat the physical environment responsibly e.g. recycling materials and using wood from sustainable forests. ✓✓

Any 2 x 2 (4)

2.3.2 Political environment

- Unstable government with poor relations between government and the business world will influence the business negatively. ✓✓
- The governing party influences all businesses. ✓✓
- Decisions made by politician’s influences businesses. ✓✓
- Politicians such as Ministers of different State Departments make laws that must be implemented by businesses. ✓✓
- Decisions made for example by the Minister of Finance during the budget speech influences businesses e.g. 15% VAT. ✓✓
- There are also a variety economic measurements like foreign exchange control, reducing inflation, etc that are implemented through political decision-making. ✓✓

Any 2 x 2 (4)
[20]

QUESTION 3

3.1 Business Operations

- 3.1.1 Administration function ✓✓ (2)
- 3.1.2 Financial function ✓✓ (2)
- 3.1.3 Human Resource function ✓✓ (2)

3.2 Legislations relevant to Purchasing Department

- National Credit Act ✓
- National Consumer Protection Act ✓

Any 2 x 1 (2)

3.3 Strengths and Weaknesses that have impact on the success of the business

- 3.3.1 Weakness ✓✓ (2)
- 3.3.2 Weakness ✓✓ (2)

3.4

Business function	Small business	Large business
3.4.1 Production function	<ul style="list-style-type: none"> • Limited funding and resources to take advantage of mass production ✓✓ <p style="text-align: right;">Sub max 2</p>	<ul style="list-style-type: none"> • Mass production and extensive use of technology. ✓✓ • Division of labour is possible. Sub max 2



3.4.2 Marketing function	<ul style="list-style-type: none"> Marketing is very expensive and small campaigns do not always reach the full target audience. √√ Focused but quality often compromised√√ <p style="text-align: right;">Sub max 2</p>	<ul style="list-style-type: none"> Big budgets are available for marketing and employees with lots of lots of experience and expertise ensure that the target market is reached. √√ Expertise to ensure to ensure good quality. √√ <p style="text-align: right;">Sub max 2 Max (8)</p>
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[20]

QUESTION 4

4.1 **Classify following businesses according to the appropriate sectors:**

Business	Primary	Secondary	Tertiary	Informal	Public	Private
4.1.1 Eskom					√	
4.1.2 Street vendor				√		
4.1.3 Marikana mines	√					
4.1.4 Advertising agency			√			

Max (4)

4.2. **Explain any TWO of the four tasks of the general management function of the business.**

Planning √√

- It involves the process of setting goals; √ developing strategies; and outlining tasks to accomplish the enterprises goals. √
- Planning is the processes that will take√ you from where the business is to where it plans to go to√.
- In planning, the manager looks ahead at the future to determine the objectives that the business wishes to achieve.√
- The manager also determines√ the activities that must be carried out to meet the businesses objectives.√
- Planning is done in all departments√ by all employees with the objectives of the company in mind. √
- (Any other relevant answer)

Heading 2

**Explanation 2 Sub
max (4)**

Organising √ √

- Refers to the process of breaking√ a plan down into smaller tasks√
- Organising is necessary to put √ a plan into action. In organising a manager determines√ which employee must take responsibility for which activity. √
- Any other relevant answer



Heading 2
Explanation 2
Sub max (4)

Leading√√

- It is the process of inspiring employees√ to carry out their assigned tasks to the best of their ability. √
- Employees must be guided√ in the right direction so that the business can achieve its goals. √
- Leading is also motivating employees√ to regard the business's objectives highly and to work towards them positively. √
- Any other relevant answer

Heading 2
Explanation 2
Sub max (4)

Controlling and Directing√√

- It means to guide, guidance will help √ subordinates to complete their tasks in time and correctly.√
- Controlling involves the process of comparing√ actual operating results with the results that the business wishes to achieve. √
- If the business is not achieving the results√ that it wants to achieve corrective steps must be taken to put the enterprise on the right track again. √
- Any other relevant answer

Heading 2
Explanation 2
Sub max 4

NOTE: Mark Any 2 Max (8)

4.3 Distinguish between the private and public sector and provide examples.

Private sector	Public sector
<ul style="list-style-type: none"> • Businesses are privately owned √√ • Examples are : sole traders , partnership or companies with a profit motive √√ • Aims to make profit. √ √ • Any relevant answer <p style="text-align: right;">Sub max (4)</p>	<ul style="list-style-type: none"> • Includes are businesses and institutions that are owned by the state √√ • Examples: SAA , Wesgro, Golden Arrow bus service √√ • Funding is generated by tax. √√ • Any relevant answer <p style="text-align: right;">Sub max (4)</p>

Max (8)
[20]

TOTAL SECTION B [40]



SECTION C

Choose ONE question from this section

QUESTION 5

INTRODUCTION

- The purchasing function aims to ensure that the business has the necessary assets and stock available to manage the business successfully. ✓
- Businesses must adhere to all legislation that concerns the business. ✓
- Any other relevant answer.

2 x 1 (2)

BODY

Three business environments

Micro

- This is the internal environment of the business. ✓✓
- The business has total control over this business. ✓✓

Market

- This is the environment immediately outside the business. ✓✓
- The business has no control, but can influence this environment. ✓✓

Macro

- This environment is part of the external/outside environment of the business.
- The business has no control over this business. ✓✓

Max 12

Purchasing procedure

Purchasing request ✓✓

- The department within the business that needs the asset ✓ completes the requisition and hands it to the purchasing department. ✓

Collect information ✓✓

- The procurement department investigates ✓ possible suppliers of the required item. ✓
- Can consult through the telephone, catalogues from suppliers, yellow pages, and the internet or by placing a tender in the newspaper.

Select the most suitable supplier ✓

- Consider different suppliers ✓✓ by looking at the following: price, quality, and date of delivery and after sales services. ✓

Place an order ✓✓

- Can be placed telephonically, ✓ complete an order form, via email or consult a sales representative of the supplier. ✓

Follow up ✓✓

- The procurement department must follow up ✓ the order with regard to receipt of order, delivery date, and etcetera. ✓

Receipt of ordered stock ✓✓

- The supplier must issue a delivery note ✓ to the business when delivering the goods. ✓



- Compare the agreed price, ✓specified goods and ordered number of items on the order form with the invoice and ensure that all items are delivered as ordered. ✓
- Differences must be indicated on the delivery note✓ before the receiver signs the delivery note as acknowledgement of receipt. ✓

Distribution of goods✓✓

- The stock ordered must be sent to the relevant department, who needs to acknowledge receipt in writing.
- If it is an asset, ✓it needs to be captured in the asset register by the relevant department. ✓

Pay the supplier✓✓

- The procurement department hands✓ the following documents to the financial department as instruction for payment: requisition form; order form; invoice from the supplier; delivery note. ✓

File documentation✓✓

- The financial department hands✓the above mentioned documents as well as proof of payment over to the administration department for filing. ✓

Max 8

Consumer rights as stipulated by the National Consumer Rights Act

- right to choose ✓
- right to information ✓
- right to accountability from suppliers✓
- right to fair and responsible marketing✓
- right to fair and reasonable terms and conditions✓
- right not to be discriminated against, unfairly✓
- Any other relevant answer

Max 6

Differences between the public and the private sector

FORMAL SECTOR	INFORMAL SECTOR
• Comprises large, legally registered business. ✓✓	• Are not registered. ✓✓
• Complies with all required regulations and laws applicable to them✓✓	• Do not usually keep accounting records. ✓✓
• Not easy to enter this sector as businesses have to be legally registered. ✓✓	• Do not require qualifications or specialized skills. ✓✓
• They pay tax. ✓✓	• Do not pay tax. ✓✓
• Employees enjoy protection provided by labour laws. ✓✓	• Employees are not protected and can be exploited. ✓✓
• Small, medium and large size operations. ✓✓	• Easy to enter their market. ✓✓
• Made up of highly skilled, semi-skilled and unskilled labour. ✓✓	• Do not require much capital, equipment or machinery. ✓✓
• Any other relevant answer. Sub max 4	• Any other relevant answer. Sub max 4 Max 8



CONCLUSION

- The business must be fully aware of the consequences of non-compliance to the Consumer Protection Act. ✓✓
- Any other relevant answer.

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Body:		
Business Environments	12	
Purchasing procedure	8	
Consumer rights	6	
Differences between the Formal and Informal sector	8	
Conclusion	2	
Insight		
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.

Zero where requirements are not met at all.

QUESTION 6: BUSINESS OPERATIONS

INTRODUCTION

- Quality refers to the standard of something measured against other things of a similar kind. ✓
- The departments of a business is related to the different business functions and there for each function must perform at its best to ensure quality of the business performance. ✓
- Quality management is the way the business must conduct quality in the various business functions. ✓
- Quality management must be done in an efficient and reliable manner. ✓
- Any relevant introduction

(2x1) (2)

BODY

Describe the concept of quality management:

- Quality management includes quality control, quality assurance and quality improvement. ✓
- it starts with proper planning, organizing, leading and controlling but does not end there. ✓
- The concept of total quality management was developed to cover all the functional management areas as well as the employees in the business. ✓



- Any other relevant introduction.

(2x1) (2)

Discuss the role of management in the success of a business

- It is to create a suitable mission and vision√ for the business enterprise. √
- Organizing employees√ in the most efficient way. √
- Demonstrating effective leadership. √
- Controlling all processes. √
- Communicating with employees. √ Involving employees in decision making processes. √
- Instituting disciplinary action if necessary. √
- It is to take effective decisions. √
- (Any other relevant answer)

Max (10)

The role of quality in the following business functions:

Financial Function

- Obtaining capital from the most suitable sources available. √√
- Drawing up budgets. √√
- Ensuring that financial records are up to date. √√
- Investigating strategies to increase profitability. √√
- Investing surplus funds effectively. √√

Max (6)

Administration Function

- Applying technology efficiently. √√
- Collecting data and information. √√
- Ensuring that captured data or information is accurate. √√
- Processing data and information. √√
- Making information available to management so that management can react to opportunities and threats. √√

Max (6)

Human Resources Function

- Effective recruitment to attract the best candidates. √√
- Fair selection processes. √√
- Employee development to keep up with changes in technology and in the industry.
- Employee retention and training. √√
- Fair remuneration. √√

Max (6)

Production

- Choosing a suitable production system. √√
- Doing regular quality control. √√
- Maintain equipment. √√
- Adhering to all safety procedures and regulations to contribute to the safety of all factory workers. √√



- Performing inspections on a regular basis. ✓✓

Max (6)

Recommend ways on how the PUBLIC RELATIONS FUNCTION can impact positively in a large business.

- Shape the public's opinion regarding the business ✓ because of a favourable image will help to sell products ✓, attract suppliers ✓ and satisfy shareholders. ✓
- Promote the products ✓ which the business sells in supporting the sales department. ✓
- Gain the goodwill ✓ and support of the community. ✓
- Attract ✓ the best employees. ✓
- Create a positive perception ✓ among staff members towards the business. ✓

Max (10)

Conclusion

- Quality management in various business functions ensure productivity. ✓✓
- If productivity prevail the business can attract more customers and therefor it will ensure profitability. ✓✓
- Any relevant conclusion.

Max 2

[40]

BREAKDOWN OF THE MARK ALLOCATION

DETAILS	MAX MARKS	SUBTOTAL	TOTAL
Introduction	2	50	32
Concept of quality management	2		
Role of management in success of business	10		
Role of quality in business functions	24		
Positive impact of the public relations function in large business	10		
Conclusion	2		
INSIGHT			
Layout		2	8
Analysis		2	
Synthesis		2	
Originality		2	
			40

LASO- for each component

Allocate 2 marks if all the requirements are met

Allocate 1 mark if some of the requirements are met

Allocate 0 mark if none of the requirements are met

TOTAL SECTION C: 80

GRAND TOTAL 300

