



education

Department:
Education
REPUBLIC OF SOUTH AFRICA

**NATIONAL
SENIOR CERTIFICATE**

GRADE 10

BUSINESS STUDIES

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This memorandum consists of 17 pages.

SECTION A**QUESTION 1**

QUESTION 1.1

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

5 x 3 = (15)

QUESTION 1.2

- 1.2.1 FALSE - NEGATIVELY
- 1.2.2 FALSE – LABOUR
- 1.2.3 TRUE
- 1.2.4 FALSE – PUBLIC RELATIONS
- 1.2.5 FALSE – 21

5 x 3 = (15)

QUESTION 1.3

- 1.3.1 (B) Natural Resources
- 1.3.2 (H) Information
- 1.3.3 (D) Adaptability
- 1.3.4 (A) Working
- 1.3.5 (C) Private**

5 x 2 = (10)

[40]

SECTION B

QUESTION 2

2.1 List five (5) components of the micro business environment.

1. Vision
2. Mission
3. Objectives
4. Resources
5. Management functions or business functions.
6. Skills
7. Management tasks.
8. Immediate work environment.
9. Any other acceptable correct answers.

Any 5 x 2 = (10)

2.2 Read the given case study carefully and answer the questions that follow.

2.2.1 Thandi approaches you as a business consultant to assist her in the decision of starting her new business. You advise her that market research must be conducted before finally making the decision.

What information would Thandi need to start her business?

- (1) Nature of products or service that consumers want.
- (2) Other related products or services on the market that may be in competition,
- (3) Willingness of consumers to purchase the product or service
- (4) Price consumers will be prepared to pay for the product or service.
- (5) Quantity of the product or service they are willing to purchase.
- (6) Other correct possibilities.

Any 4 x 2 = (8)

2.2.2 Design a market research questionnaire that could be used by Thandi to collect information on the setting up of her new business.

You are required to design **FIVE (5)** questions that can be used in the questionnaire.

- (1) Will you buy products such as greeting cards, postcards or writing paper made from environmental resources?
- (2) Are the same or similar products sold in the immediate or nearby vicinity?
- (3) Do you think the paper products are sold at reasonable prices?
- (4) Are you willing to buy these products?
- (5) How many of these products are you willing to buy?
- (6) Other correct possibilities.

Any 5 x 2 = (10)

2.2.3 Using examples identify the components of Thandi's marketing mix. (8)

- (1) Product/s: per products, greeting cards, writing paper, postcards.
- (2) Place: Mpumalanga
- (3) Promotion: Brochures
- (4) Price: Competitive

4 x 2 = (8)

2.2.4 Conduct a SWOT analysis for this new business venture.

Strengths	Weaknesses
1. Hands on business experience. 2. Availability of resources. 3. Entrepreneurship. 4. Target market – tourists. 5. Natural resources such as elephant and rhino dung – tourist attraction. $2 \times 2 = (4)$	1. Lack of sufficient capital. 2. Competitors 3. Limited marketing and management experience and training. 4. Trained labourers for the type of business. $2 \times 2 = (4)$
Opportunities	Threats
1. Tourism market. 2. Very few competitors 3. Pricing competitive 4. Abundance of resources. 5. Special attraction – wild animal dung $2 \times 2 = (4)$	1. Threat of competitor – change of prices, diversify product to use Thandi's ideas. 2. New business or similar products to be established. 3. Financing (securities not existing). 4. To be bought out by bigger businesses. $2 \times 2 = (4)$

Note: Any other acceptable correct answer.

$4 \times 4 = (16)$

2.2.5 Briefly describe the most important components of Thandi's business plan.

1. Vision, mission and objectives.
2. Location of premises.
3. Marketing plan.
4. Financial plan.
5. Target market
6. Future expansion.
7. Distribution plan for products.
8. Sustainability of business.
9. Any other suitable possibilities.

$4 \times 2 = (8)$

(60)

QUESTION 3

3.1 You are the manager of this company. Indicate and write down how you would make best use of time to ensure long-term success of the company.

- (1) Set clear goals.
- (2) Scheduling: Plan the year, month, week and day.
- (3) Eliminate wasteful activities.
- (4) Practise key management techniques.
- (5) Prioritise tasks.
- (6) Set deadlines.
- (7) Use time saving devices: fast tracking, outsourcing etc.
- (8) Help to organise the workspace of workers.
- (9) Any other suitable answer.

5 x 2 = (10)

3.2 In the light of the above statement discuss the most important self-management characteristics of highly successful entrepreneurs.

- (1) Need to be in control of yourself. Actions, thoughts and attitudes.
- (2) Practise self-discipline and remain self-critical.
- (3) Be an efficient and effective manager and leader.
- (4) Display attitudes and values that allows you to lead the business in a positive way.
- (5) Be self-confident and self-reliant.
- (6) Be creative and versatile.
- (7) Be trustworthy and dependable.
- (8) Execute tasks accurately and carefully.
- (9) Be willing to commit yourself.
- (10) Be energetic, hardworking and creative.

Any 5 x 2 = (10)

3.3 Give ONE (1) example of business objectives by applying the above criteria.

Business objectives must have the following characteristics e.g. SMART

S = (5) Specific – Increase profits, sales or turn-over by 10%

M = (2) Measurable - Profits at the end of the current financial year.

A = (7) Action – Vigorous advertising in the newspaper and other media.

R = (6) Realistic – Top management has decided that increasing sales by 10% is a realistic objective.

T = (3) Time-management – Weekly, monthly report on sales to evaluate progress towards achievement of our objective.

5 x 3 = (15)

- 3.4.1 Assume you are the owner of M & C General Store. Identify the problem that is experienced by the store.

There is a problem with the specific canned food bought by Thulule and Smith.
(3)

- 3.4.2 You as the owner of M & C General store has to solve the problem. Discuss Six (6) logical steps that you will follow to solve the problem.

- (1) Identify the problem – canned food.
- (2) Definition of the problem – poisoned canned food.
- (3) Construct strategy for problem solving – withdraw product from shelf & contact manufacturers.
- (4) Decide how to implement strategy – suggestion that product should be tested and in the meanwhile not offering it for sale.
- (5) Allocation of resources – call two customers in and offer to pay doctors expenses and free alternative product.
- (6) Monitor problem solving – progress report from manufacturer. Press release.
- (7) Evaluate problem solving – successful or not. Did you manage to change customers perception about your store?

Any 6 x 2 = (12)

- 3.5.1. Explain **FIVE (5)** criteria for successful and collaborative team performance in a business.

- (1) People in the team must be prepared to work together.
- (2) Objectives of the team must be formulated carefully.
- (3) Each member must know his/her role within the group.
- (4) Each member must have a skill, experience or quality that adds value to the team.
- (5) Team members must support each other.
- (6) Team members must have team spirit, trust and be participative.
- (7) Openness and expression of ideas.
- (8) Good decision-making skills.
- (9) Review of the team process.
- (10) Team members must be innovative and creative to solve problems.

5 x 2 = (10)

(60)

QUESTION 4**4.1 Discuss any FIVE (5) business functions.****(1) Marketing**

- (a) Responsible for the pricing, distribution and marketing of the product.
- (b) Ensure the correct marketing mix to boost sales.
- (c) Transfer of the goods and services from producer/manufacturer to the consumer.

(2) Human Resources

- (a) Employment of skilled and unskilled labour.
- (b) Training schedules to up-skill workers.
- (c) Appointment, maintenance of human resources

(3) Production

- (a) Ensure quality products are manufactured.
- (b) Transformation of raw materials into finished products.

(4) Administration

- (a) Structuring of activities through administration imperative.
- (b) Storage and retrieval of information should be in order.
- (c) Employees to be trained in all aspects of administration to be well informed.

(5) Financing

- (a) Responsible for provision and utilisation of capital.
- (b) Control of cash flow.
- (c) Preparation of financial statements and reporting to the shareholders.

(6) Purchasing

- (a) Enterprise must buy products, machinery and raw materials from other suppliers.
- (b) Suitable quality at the lowest possible prices should be acquired.
- (c) Responsible for stock management.

(7) Public relations

- (a) Business cannot exist in isolation.
- (b) Interact with the social, political and environmental issues.
- (c) Develops good relations between the public and the company.

(8) General management.

- (a) Combines all activities of the other functions into one.
- (b) Sets up the enterprises' vision, goals and objectives.
- (c) Combines the planning, organising, activating and control elements.

Any 5 x 4 = (20)

4.2.1 Calculate the total cost of production.

		R	
Opening stock:		45 000	
Add: Purchases		100 000	√
		145 000	
Less: Final stock		15 000	√
		130 000	√
Add: Direct labour cost		80 000	√
		210 000	
Add: Overhead expenses		70 000	√
Depreciation	15 000		√
Water & Electricity	25 000		√
Insurance	10 000		√
Indirect labour	20 000		√
Total cost of production		280 000	√
Total marks			(10)

4.2.2 Calculate the cost of the production of one T-Shirt.
(Note: 1 000 T-shirts were manufactured)

$$\begin{aligned} \text{Cost of production of 1 T-shirt} &= \frac{280\,000}{1\,000} \\ &= 280 \checkmark\checkmark\checkmark\checkmark \end{aligned} \quad (4)$$

4.2.3 Calculate the selling price of one T-shirt if the business uses a 50 percent mark-up.

$$\begin{aligned} \text{Selling price} &= \text{Cost price} + \text{mark-up} \\ &= 280 + (50\% \times 280) \checkmark \\ &= 280 \checkmark + 140 \checkmark\checkmark \\ &= 420 \checkmark\checkmark \end{aligned} \quad (6)$$

4.3 Use the following given information and classify it according to the correct business function of the enterprise.

Example: Information on debtors and creditors. Answer: Financial function.

- 4.3.1 The image of the company: Public relations department
- 4.3.2 Sales figures: Marketing: Financial department
- 4.3.3 Competitors and consumers: Marketing department
- 4.3.4 Suppliers: Purchasing department
- 4.3.5 Use of people and machinery: Production department

$$5 \times 2 = (10)$$

4.4 Classify the following sources of capital into:

Own capital or
Borrowed capital:

- | | |
|--|------------------|
| 4.4.1 Bank overdraft: | Borrowed capital |
| 4.4.2 Long-term mortgage bond: | Borrowed capital |
| 4.4.3 Sale of shares: | Own capital. |
| 4.4.4 Short-term loans from a commercial bank: | Borrowed capital |
| 4.4.5 Sale of debentures: | Borrowed capital |

5 x 2 = (10)

(60)

TOTAL FOR SECTION B = [180]

SECTION C**MARKS: [80]****ANSWER ANY TWO QUESTIONS****PLEASE NOTE THAT CREDIT WILL BE GIVEN FOR :****AN INTRODUCTION, BODY INCLUDING HEADINGS, SUB-HEADING AND A CONCLUSION.****Please note: Memo should be adjusted to accommodate introduction and conclusion for a maximum of 5 marks by the teacher in order not to disadvantage the learner without the introduction and conclusion.****Questions 6 and 7 provide examples of the application of marks of a good essay with an introduction and a conclusion.****QUESTION 5.**

Identify the sector in which Johannes Vermaak operates. Compare this sector with the other kinds of enterprises and discuss the salient characteristics of each, using suitable examples.

5.1 Johannes Vermaak operates in the Primary industry. √√

5.2.1 Primary sector. √√

- (1) Businesses involved in the extraction of products and raw materials from natural resources. √√
 - (2) These products are required to be processed in final products. √√
 - (3) Examples of businesses in this sector: agriculture, forestry, and fishing. √√
- Max: (6)

5.2.2 Secondary sector: √√

- (1) This sector also known as the industrial sector. √√
 - (2) Businesses involved in the sector change the form of the unprocessed products and raw materials from the primary sector by processing them into final products. √√
 - (3) Secondary sector changes products into a more useful form that is useful to consumers. √√
 - (4) Examples of businesses: food, clothing, petroleum products, machinery, motor vehicles, furniture etc. √√
- Max: (8)

5.2.3 Tertiary sector: √√

- (1) Businesses that operate in this sector facilitate the flow of goods and services from producers to consumers. √√
- (2) This sector adds place and time value to goods and services because the products are brought within reach of consumers and are made available at a time and place it is needed. √√
- (3) Includes all the services provided by government to communities. √√
- (4) Examples of tertiary sector: education, policing, defence, health, welfare, banking, household and vehicle insurance, transport, storage etc. √√

Max: (8)

(24)

5.3 Components of the market environment.**5.3.1 Consumers**

- (1) These people have unlimited needs to be satisfied with limited means.
- (2) Different behaviour patterns.
- (3) Needs changes over time.
- (4) Business must be able to adapt to needs of consumers.

Heading: 2 marks = (2)
Any other fact 2 marks = (2)
(4)

5.3.2 Suppliers

- (1) People who provide resources to the business.
- (2) The right quality, quantity, to be supplied on time.
- (3) Pricing and credit terms must be considered.

Heading: 2 marks = (2)
Any other fact 2 marks = (2)
(4)

5.3.3 Intermediaries/agents

- (1) People who bridge the gap between the business and the consumer.
- (2) Bring goods and services within easy reach of the consumer.
- (3) Consider their input costs and final price to consumer when making use of the agents.

Heading: 2 marks = (2)
Any other fact 2 marks = (2)
(4)

5.3.4 Competitors.

- (1) Competition from other businesses selling the same or similar product must be considered.
- (2) The price offered must be as competitive as possible to attract customers.
- (3) Future competition must also be taken into account.

Heading: 2 marks = (2)
Any other fact 2 marks = (2)
(4)

(16)

TOTAL: [40]

Reminder: Memo should be adjusted to accommodate introduction and conclusion for a maximum of 5 marks.

QUESTION 6

You are required to give a detailed outline of all the factors that you will consider when advising Sandy on the location of the factory to ensure a successful setting of the factory.

6.1 INTRODUCTION

- (1) The location refers to where a business enterprise will be set up.
- (2) The location should attract as many customers as possible
- (3) Future profit and costs are influenced by this decision.

6.2 LOCATION FACTORS.**6.2.1 PROXIMITY OF MARKETS**

- (1) Business has to be situated as close as possible to potential customers.
- (2) Examples: shopping centres, boutiques.
- (3) The shortest distance must be considered to save on transport costs.

6.2.2 PROXIMITY TO SUPPLIERS.

- (1) The factory must also be situated close to suppliers of raw materials.
- (2) Agents, intermediaries as a source of supply must also be considered.
- (3) The pricing structure of suppliers i.e. credit terms, discounts etc. must be taken into account.

6.2.3 LABOUR.

- (1) Sources of labour.
- (2) Skilled and unskilled labour and training.
- (3) Negotiations with unions regarding salaries and wage structures and conditions of employment.
- (4) Transport, accommodation of labour.

6.2.4 LEGAL OBLIGATIONS.

- (1) Registration with the local municipality.
- (2) Registration as a sole trader or any other form of ownership.
- (3) Registration with the SARS.
- (4) Professional registration where applicable.

6.2.5 INFRASTRUCTURE

- (1) Proximity to taxi ranks, railway station, harbours and main roads.
- (2) Availability of water and electricity.
- (3) Suitable building for the factory – ergonomic issues.
- (4) Parking.

6.2.6 OTHER FACTORS

- (1) Personal factors: preference of manufacturer, location etc.
- (2) Economic factors: purchasing power of target market/clients.
- (3) Existence of competition: other shops/factories selling the same or similar product.
- (4) Geographical factors: proximity to markets, raw materials, etc.

Any 20 x 2 = [40]

6.2 CONCLUSION

- (1) The abovementioned factors are of vital importance for the sustainability of a business.
- (2) A wrong location decision can add cost to the business and end into failure.

QUESTION 7

In the light of the above scenario explain the term 'creativity' and illustrate why it is important for an entrepreneur to encourage creativity in the business environment. You are also required to elaborate on the characteristics of a creative business environment.

7.1 INTRODUCTION**DEFINITION/EXPLANATION :**

- (1) Creative thinking involves inventive, imaginative, new ideas and thoughts about your entire business enterprise.
- (2) Creative thought is about finding opportunities where less creative thought would not have seen potential.
- (3) It is a way of thinking that generates new ideas and helps generate unique solutions to problems.
- (4) Creative thinkers try new approaches in their tasks and introduce new perspectives to projects.

(4)

7.2 CHARACTERISTICS OF CREATIVE BUSINESS ENTERPRISES.**7.2.1 EMPLOYEES ARE ENCOURAGED TO GENERATE NEW IDEAS**

- (1) An environment that supports creative thinking at all levels of management should be encouraged.
- (2) Employees need the confidence to take risks and use unusual ideas.
- (3) New ideas should be accepted, not crushed.
- (4) Business needs to support ideas. It is not enough to have ideas.
- (5) A good manager will be able to help any team to fulfill its potential and draw innovative ideas and motivation from employees.
- (6) Encourage the use of motivational speakers.

7.2.2 CREATIVITY IS ENCOURAGED AS AN APPROACH TO ALL SITUATIONS

- (1) Creativity needs to be understood as an approach rather than as a simple techniques.
- (2) It should not only be used occasionally.
- (3) It is a continuous process to be used at all times.

7.2.3 EMPLOYEES DEVELOPMENT AND TRAINING.

- (1) To keep up with a changing world employees need to be up-skilled, and multi-skilled.
- (2) Business and employees need to be innovative to keep up with competition and future developments.
- (3) Growth lies in its employees, this can be achieved through facilitation of on-going training and development.
- (4) Skills development Act – 1% of the Gross wage/salaries contributed by business for skills development.

7.2.4 THE BUSINESS ENVIRONMENT SHOULD BE FLEXIBLE.

- (1) To be globally competitive business enterprises needs to do research in new innovations and possible new production lines.
- (2) An environment must be created to allow employees to be free to criticise existing practices and provide effective alternative solutions.
- (3) They must learn to drive out the fear of failure when embarking on change.

MAX: (36 MARKS)**7.3 CONCLUSION**

- (1) Ideas are the driving force behind businesses that create something new as well as generating ways to find solutions to problems.
- (2) It is a way of allowing businesses to recognize and take advantage of opportunities.
- (3) Creative thought is especially rewarding in that, if it is encouraged in an organization, it actually leads to and stimulates further creative thought.
- (4) Creative thought is a way of keeping up with market change.
- (5) Eg. Changes to the packaging of products to make it more attractive to the customers. This requires creative thinking.

TOTAL: [40]

QUESTION 8

Identify the three levels of management and discuss the types of decisions that are formulated at each level. Make use of examples to illustrate the types of decisions described in your discussion. You are also required to make reference to the four basic management tasks.

8.1 LEVELS OF MANAGEMENT**8.1.1 Top level/senior level management.**√√

- (1) Consists of directors, general managers, executive heads; members in a close corporation, partners in a partnership or owner of a sole proprietorship (business)
- (2) Make strategic decisions.
- (3) Control the long-term management of the enterprise.
- (4) E.g. determine the objectives (goals) of the enterprise.

Heading: 2 marks = (2)
Any other 3 facts: 3 x 2 = (6)
(8)

8.1.2 Middle-level management.

- (1) Heads of sections, (Departments, Business Functions) e.g. marketing, human resources, administrative, financial, production, public relations, sales and purchasing heads/managers.
- (2) Make tactical decisions.
- (3) Control the medium-term management of the enterprise.
- (4) E.g. How things must be done – develop working plans.

Heading: 2 marks = (2)
Any other 3 facts: 3 x 2 = (6)
(8)

8.1.3 Lower-level/First-line Management.

- (1) Supervisory management, foremen, work team members/superintendents.
- (2) Ensure that tactical decisions are carried out.
- (3) Control the short-term management.
- (4) Possess technical knowledge.
- (5) Focus on the carrying out of instructions.
- (6) Focus on the daily execution of instructions.

Heading: 2 marks = (2)
Any other 3 facts: 3 x 2 = (6)
(8)

8 x 3 = (24)

8.2 TASKS OF GENERAL MANAGEMENT.**8.2.1 PLANNING**

- (1) Determine who is responsible for which activity.
- (2) Planning the overall operations of the enterprise.
- (3) Indicate how the organisation is going to achieve its goals.

8.2.2 ORGANISING.

- (1) Determine which people should work for the business and what their responsibilities and tasks should be structured.
- (2) Has to do with making it possible for plans to be put into action.

8.2.3 CONTROLLING

- (1) List the expected results or set standard, that is, what the enterprise wishes to achieve.
- (2) Evaluate the actual results.

8.2.4 LEADING.

- (1) Activating – put staff/personnel into action
- (2) Compile instructions and convey them to subordinates.
- (3) Delegates – transfer of authority to a subordinate.
- (4) Guidance – influence personnel in such a way that they carry out instructions spontaneously.
- (5) Motivates and effectively communicates.

Heading: 2 marks = (2)

Any 1 fact x 2 marks = (2)

4 x 4 = (16)

Total: [40]

Reminder: Memo should be adjusted to accommodate introduction and conclusion for a maximum of 10 marks.

GRAND TOTAL: /300/