 Province of the

EASTERN CAPE

EDUCATION

**DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)**

**HOME SCHOOLING SELF-STUDY ANSWER SHEET**

**MARKING GUIDELINES**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **SUBJECT** | BUSINESS STUDIES | **GRADE** | 11 | **DATE** | 24/04/2020 |
| **TOPIC** | BUSINESS ROLES & BUSINESS OPERATIONS | **TERM 1**  **REVISION** |  | **TERM 2 CONTENT** | **x** |

**SECTION A**

**QUESTION 1**

* + 1. C√√
    2. C√√
    3. D√√
    4. B√√
    5. A√√

1.2.1 Sustainability√√

1.2.2 Quality control√√

1.2.3 Trademark√√

1.2.4 ISO9000√√

1.2.5 Break-even√√

**10X2 (20)**

**BUSINESS ROLES: CREATIVE THINKING AND PROBLEM SOLVING**

**QUESTION 2**

2.1.1 **Ways in which NSS has applied creative thinking**

* Clients who require his services have been advised to dial Norman’s cab at no cost. √
* He allows drivers to choose their own working hours which are convenient to pick up and drop off customers to their destinations.√

**NOTE: Do not award marks for responses not quoted from scenario.**

**(2x1) (2)**

2.1.2 **Other ways NSS can create an environment that promotes creative thinking in a workplace**

* NSS must emphasise the importance of creative thinking to ensure that all staff know that their ideas will be heard. √√
* Encourage staff to come up with new ideas/opinions/solutions. √√
* Encourage job swops within the organisation/studying how other businesses are doing things. √√
* Encourage alternative ways of working/doing things. √√
* Respond enthusiastically to all ideas and never let anyone feel less important. √√
* Reward creativity with reward schemes for teams/individuals that come up with creative ideas. √√
* Provide a working environment conducive to creativity, free from distractions. √√
* Make time for brainstorming sessions to generate new ideas, e.g. regular workshops/generate more ideas/build on one another's ideas. √√
* Place suggestion boxes around the workplace and keep communication channels open for new ideas. √√
* Train staff in innovative techniques/creative problem solving skills/mind-mapping/lateral thinking. √√

Any other relevant recommendations of practical ways in which NSS can stimulate creative thinking in the workplace. **Max (8)**

2.1.3 **Advantages of creative thinking in the workplace**

* Starts/Ignites the process of problem solving, √ as there are usually more

problems and not enough solutions. √

* Better/Unique/Unconventional ideas/solutions√ are generate√
* May give businesses a competitive advantage√ if unusual/unique solutions/ ideas/strategies are implemented. √
* Complex business problems√ may be solved. √
* Managers/employees have more confidence√ as they can live up to their full potential. √
* Managers will be better leaders as they will be able√ to handle/manage change(s) positively and creatively. √
* Managers/Employees can develop a completely new outlook√, which may be applied to any task(s) they may do. √
* Leads to more positive attitudes as managers/employees√ feel that they have contributed towards problem solving/Improves motivation amongst staff members. √
* Managers/Employees have a feeling of great accomplishment √and they will not resist/obstruct once they solved a problem/contributed towards the success of the business. √
* Management/Employees can keep up with √fast changing technology. √
* Stimulates brain function of employees/managers, √as they are continuously pushed out of their comfort zone/improving the total well-being of employees. √
* Creativity may lead to new inventions √which improves the general standard of living. √

Any other relevant answer related to the advantages of creative thinking in the workplace. **Max (6)**

2.2 **Problem solving techniques**

2.2.1 Delphi Technique. √√

**Motivation**

They have requested the services of experts to generate creative ideas on how to improve their tiles to satisfy customers' needs. √√

**NOTE: Do not allocate marks for motivation that is not quoted directly from scenario Max (4)**

2.2.2 **Ways in which AT can apply the Delphi Technique**

* AT must invite a panel of experts √ to research the complaints from customers. √
* Experts do not have to be in one place √and will be contacted individually. √
* AT must design a questionnaire consisting of questions on how to improve the quality of their tiles√ and distribute it to the panel members/experts. √
* Request the panel to individually respond to the questionnaire√/suggest improvements to the products and return it to businesses. √
* Summarise the responses from the experts√ in a feedback report. √
* Send the feedback report and a second set of questions/questionnaire√ based on the feedback report to the panel members. √
* Request panel members to provide further input/ideas√ on how to improve the quality of their tiles after they have studied the results/documentation. √
* Distribute a third questionnaire based on previous feedback√ from the second round. √
* Prepare a final summary/feedback report with all the methods√ to improve the quality of products. √
* AT should choose the best solution/proposal√ after reaching consensus. √
* Any other relevant answer related to the application of the Delphi technique by AT.

**NOTE: Do not allocate marks for advantages and disadvantages as the question focuses on the process/application of the technique Max (8)**

2.2.3 **Ways in which AT can apply the force field analysis**

* AC should describe the current situation√ and the desired situation. √
* Write a plan/proposal for change√ in the middle. √
* List all the forces driving (positive) √and resisting (negative) change√.
* List all forces in support of the change in one column.
* Assign a score for each, √ from 1 (weak) to 5 (strong) √
* Determine if change is viable. √ If not, check which resisting forces can be influenced/mitigated/avoided to make the change possible. √
* If so, find ways to increase the forces for change√ and diminish the forces against change. √
* Based on this outcome, come up with a strategy√ to help reduce the resisting forces and ensure that the changes can be done. √

Any other relevant answer related to the application of the force field by AT.

**NOTE: Do not allocate marks for advantages and disadvantages as the question focuses on the process/application of the technique** **Max (8)**

2.2.4 **Distinction between decision-making and problem-solving**

|  |  |
| --- | --- |
| **DECISION MAKING** | **PROBLEM SOLVING** |
| -It is often done by one person/a member of senior management√ who makes it authoritarian.√ | -Problems can be solved by a group/ team√ or an individual team member.√ |
| -Various alternatives are considered√ before deciding on the best one.√ | -Alternative solutions are generated/ identified√ and critically evaluated.√ |
| -It is part of the problem solving cycle√ as decisions need to be made in each step.√ | -Process of analysing a situation√ to identify strategies to bring about change.√ |
| -Any other relevant answer related to decision making. | -Any other relevant answer related to  problem solving. |
| Sub max (2) | Sub max (2) |

**NOTE: 1. The answer does not have to be in tabular format, but the distinction must be clear.**

**2. Award a maximum of TWO (2) marks if the distinction is not clear/ Mark either decision making or problem solving only. Max (4)**

**TOTAL (40)**

**BUSINESS OPERATIONS: MARKETING FUNCTION (MARKETING ACTIVITIES)**

**QUESTION :3**

3.1 **Definition of marketing**

* Marketing is used to deliver value to the customers√ and satisfying their needs. √
* The aim is to link the business products and services√ with the customer needs√ and wants. √
* Marketing also aims to get the right product or service√ to the right customer at the right place and at the right time. √
* Businesses also establish a target market or maintain market share of a current product√ and locate the most appropriate customers through marketing activities √

Any other relevant answer related to the definition of marketing.  **Max (2)**

3.2 **Role of the marketing function**

* Support the overall objectives of a business, √ which is to maximise profits√
* The marketing team needs to work closely with staff members√ from other business functions. √
* Gather information about customer needs, √ preferences and buying behaviour and share information with other departments. √
* Assist the development of the marketing strategy√ in collaboration with senior management from other business functions. √
* Develop a marketing plan√ using elements of the marketing mix. √
* Develop sales forecasts and projections√ and provide this information to other business functions. √
* Decide which products or services the business will sell√ and how the products will be distributed. √
* Determine what prices (cash or credit) √ they are going to sell. √

Any other relevant answer related to the role of the marketing function. **Max (6)**

3.3 **Marketing activities represented by each scenario**

3.3.1 Standardisation and grading√√

3.3.2 Storage√√

3.3.3 Transportation√√

3.3.4 Financing√√

3.3.5 Risk taking√√

3.3.6 Buying and selling√√ **(12)**

3.4 **Categories of consumer goods**

* Convenience goods√√
* Shopping goods√√
* Specialty goods√√
* Unsought goods√√
* Services√√

**NOTE: Mark the first THREE (3) only. (3x2) (6)**

3.5 **Packaging**

3.5.1 **Type of packaging linked to the scenario**

|  |  |
| --- | --- |
| **STATEMENT FROM THE SCENARIO** | **TYPE OF PACKAGING** |
| (a) They want to attract their customers by giving some of their sweets an exclusive image√ | Speciality√√ |
| (b) Customers can also use the sweets containers to store other home supplies. √ | Re-usable√√ |
| (c) They also sell related types of sweets in one box. √ | Multiple packaging√√ |
| (d) Recently some of RGD’s sweet packages changed to keep up with the 2018 world cup theme.√ | Kaleidoscopic √√ |
| Sub max (4) | Sub max (8) |

**NOTE: 1 Statements must be quoted directly from the scenario.**

**2 Do not mark the types of packaging if the statements are incorrectly quoted. (12)**

3.6 **Pricing techniques**

* Psychological pricing√
* Odd pricing√
* Bait pricing√
* Skimming prices√
* Cost based /oriented pricing√
* Mark-up pricing√
* Customer/target based pricing√
* Competition based/orientation pricing√
* Promotional pricing√
* Penetration pricing.
* Any other relevant answer related to pricing techniques

**NOTE: Mark the first TWO) only (2X1) (2)**

**TOTAL:40**

**QUESTION 4**

4.4.1 **Introduction**

* Consumers will pay money for products if they think it will satisfy a need or want. √
* Price can be very important to the consumer and businesses must monitor consumer responses to price and price changes√
* Businesses must always look for ways to get the product to the consumer√
* Any other relevant answer related to price and distribution channels.

**(2x1) (2)**

4.4.2 **Factors that influence pricing**

* Input costs: The higher the input costs, the higher the final price. An increase in labour or transportation could increase the final price√√
* Demand for the product: The higher the demand, the higher the production volume, the lower the input costs, the lower the final price√√
* Target market: Income level of the target market√√
* Type of product: Luxury products can be priced higher√√
* Pricing technique used to determine the price. Promotional pricing could be lower than demand oriented pricing√√
* Substitutes and complements: If there are similar products that could replace a product, a high price may result in loss of sales to the substitute√√
* If the price and demand of complement good increases, the other product may increase at the same rate, e.g. prices of computers and keyboards may increase at the same time. √√
* The economic climate and availability of goods and services: When there is a shortage of a certain product, people are prepared to pay more for it. √√
* Any other relevant answer related to the factors that can be used to determine prices.

**Max (10)**

* + 1. **Differences between direct and indirect distribution**

|  |  |
| --- | --- |
| **Direct distribution** | **Indirect distribution** |
| -Involves the producer√ and the consumer√ | -There are middlemen between the producer√ and the consumer√ |
| -The wholesaler and the retailer are cut√ from the process√ | -The wholesalers and retailers act as negotiators√ between the producer and consumer√ |
| -Direct contact with target market√ for feedback and improvements√ | -Very little control√ over customer service√ |
| -Better end user price√ as no intermediary costs√ | -Products may be expensive√ as costs are intermediary costs are added√ |
| -Carry all the risks √ | -Risks are shifted to intermediaries√ during the distribution of the product to end user√ |
| -Any other relevant answer related to direct distribution | -Any other relevant answer related to direct distribution |
| Sub max (4) | Sub max (4) |

**NOTE: Differences must be clear but do not have to link Max (8)**

* + 1. **Different types of distribution channels**

**Producer-consumer**√√

* This is the shortest channel√ as the producer sells directly to the consumer√
* Any other related answer related to the channels of distribution. Sub max (4)

**Producer→ retailer→ consumer**√√

* The producer sells goods to the consumer√ using the retailer. √
* This is a single distribution channel√
* Any other related answer related to the channels of distribution Sub max (4)

**Producer→ wholesaler→ retailer→ consumer**√√

* This is the traditional distribution channel, the consumer buys from the shop, which buys from a wholesaler, √ which in turn gets its stock in bulk from the manufacturer√
* Consumer products such as maize meal are sold by the producers to the wholesalers, who again sell to retailers√ then to the consumers√
* Any other related answer related to channels of distribution Sub max (4)

**Producer→ agent→ wholesaler→ retailer→ consumer**√√

* Agents often connect the manufacturer√ to the wholesaler or retailer√
* The more intermediaries there are in a distribution channel√ the more consumers can be reached√
* Especially consumers in the rural areas√ who will also have access to goods√
* Any other related answer related to distribution channels. Sub max (4)

**NOTE: Mark the first FOUR distribution channels only** **Max (16)**

* + 1. **Justify the importance of intermediaries in the distribution process.**
* Intermediaries are specialists in selling, √ so the producer may be able to reach a wider audience√
* They can achieve greater sales √by using intermediaries√
* The producer may not have the expertise or resources√ necessary to sell directly to the public√
* The intermediary may be able to provide more efficient distribution logistics, √ for e.g. transporting the product to various points of sale. √
* Overall distribution costs may be lower using an intermediary√than if the business undertook distribution itself, even when the intermediary’s commission is taken into account. √
* Any other relevant answer related to the importance of intermediaries.

**Max (8)**

* + 1. **Conclusion**
* Distribution is the place element of the marketing mix√√
* A business that fails to get its product displayed on a store shelf is unlikely to succeed√√
* Any other relevant answer related to price and distribution. **Max (2)**

**QUESTION 5**

5.1.1 **Introduction**

* Businesses that aim to succeed are those that diversify their operations. √
* Successful businesses compete globally with their counterparts. √
* Local businesses can team up with businesses in other countries in order to enter foreign markets. √

Any other relevant introduction related to foreign marketing. **Max (2)**

5.2 **The meaning of foreign marketing**

* Businesses market their products in more than one country, √ across national borders. √
* Local companies can expand their local target market√ and take advantage of overseas prices and exchange rates. √
* Businesses are also able to export and import goods√ and services through e-marketing and advertising. √
* Any other relevant answer related to the meaning of foreign marketing. **Max (4)**

5.3 **Restrictions and regulations that control foreign marketing**

Trade agreements**√√**

* Certain countries enter into trade agreements √in order to promote trade between those two countries√
* Any other relevant answer related to trade agreements. Sub max (4)

Tariffs√√

* Custom tariffs or import duties are taxes placed on goods√ brought into South Africa. √
* The import taxes are imposed on imports in order to control the amount of money leaving the country√ and to encourage South Africans to buy local goods. √

Any other relevant answer related to tariffs Sub max (4)

Export subsidies**√√**

* South Africa wants to encourage exports to foreign countries√ and therefore provides a subsidy on certain goods and services that are exported. √
* Certain products that are exported may get reduced transport rates√ to encourage lower prices and therefore increase international sales. √
* Any other relevant answer related to export services Sub max (4)

Protection policies/Protectionism**√√**

* The South African government puts laws in place√ to protect local industries√
* Goods that fall under these protection policies will have additional taxes added to them√ which make them more expensive than local ones√
* This is done to ensure that consumers buy local goods√ and money stays in the country. √
* Any other relevant answer related to protection policies Sub max (4)

**NOTE: Mark the first FOUR responses only. Max (16)**

* 1. **Ways in which the production function can align its processes in order to meet global demand.**
* The production function needs to be closely involved in this planning√ and decision making. √
* Products might need to be adapted, modified or redesigned√ to suit different customer needs. √
* Production methods and quality management systems implemented by business can change √as some countries have strict quality and safety requirements. √
* All countries have different standards in terms of quality√. Export products have to meet the international standards. √
* Although exports bring money into the country √ transportation, custom duties can add up and potentially make the good or service very expensive. √
* Processes should be as efficient as possible√ and that the most appropriate process is used for the particular good or service√
* The laws relating to trade vary from country to country √and a South African business may experience difficulties√ unless research into safety, quality and packaging regulations are taken into account. √
* New sources of raw materials/labour may mean that new production facilities can be developed in a foreign country, √ leading to globalisation of production as well as sales. √
* Any other relevant answer related to how the production function can align its processes.

**Max (10)**

* 1. **Ways in which South African businesses can enter into foreign marketing.**

**Direct exporting√√**

* Businesses sell directly into the market the business has chosen using in the first instance their own resources√√
* Once businesses are established a sales programme, they turn to agents and/or distributors to represent them further in that market√√
* Agents and distributors work closely with businesses in representing the business’s interests√√
* Agents/distributors become the face of the company and thus it is important that the choice of agents/distributors are handled in the same way used in hiring staff√√
* Any other answer related to how direct exporting can be used to enter foreign markets.

Sub max (2)

**Licencing√√**

* Licencing is an arrangement where a firm transfers the rights to the use of a product or service to another firm. √√
* It is a useful strategy if the purchaser of the licence has a relatively large market share in the market they want to enter√√
* Licences can be for marketing or production√√
* Any other answer related to how licencing can be used to enter foreign markets.

Sub max (2)

**Franchising√√**

* Franchising works well for firms that have a reputable business model e.g. food outlets that can be easily transferred into other markets√√
* When a business uses franchising, the business model should be unique or have a strong brand recognition that can be used internationally√√
* Any other answer related to how franchising can be used to enter foreign markets.

Sub max (2)

**Partnering√√**

* Partnering is almost a necessity when entering foreign markets and in some part of the world it may be required, e.g in Asia√√
* It can take a variety of forms from a simple co-marketing arrangement to a sophisticated strategic alliance for manufacturing. √√
* Partnering is a useful strategy in those markets where the culture is different from that of the business as local partners bring local market knowledge, contacts and customers. √√
* Any other answer related to how partnering can be used to enter foreign markets.

Sub max (2)

**Joint ventures√√**

* Joint ventures are a particular form of partnership that involves the creation of third independently managed company. √√
* Two companies agree to work together in a particular market, either geographic or product and create a third company to undertake this. √√
* Risks and profits are normally shared equally, e.g. Sony/Ericsson√√
* Any other answer related to how joint ventures can be used to enter foreign markets.

Sub max (2)

**Buying a company√√**

* Buying an existing local company may be the most appropriate entry strategy√√
* It may be the most costly and determining the true value of a firm in a foreign market will require substantial due diligence √√
* This entry strategy will immediately provide you the status of being a local company √√
* The business will receive the benefits of local market knowledge, an established customer base and be treated by the government as a local firm. √√
* Any other answer related to how buying a company can be used to enter foreign markets. Sub max (2)

**Piggybacking√√**

* Piggybacking is a particularly unique way of entering the international arena√√
* If a business has a unique product or service that they sell to large domestic firms that are currently involved in foreign markets, the business may want to approach them to see if their service or product can be included in their inventory for international markets. √√
* This reduces the business’s risk costs because they are selling domestically and the larger firm is marketing their product or service for them internationally. √√
* Any other answer related to how piggybacking can be used to enter foreign market.

Sub max (2)

**Turnkey projects**√√

* Turnkey projects are particular to companies that provide services such as environmental consulting , architecture, construction and engineering√√
* A turnkey project is where the facility is built from the ground up and turned over to the client ready to go- turn the key and the plant is operational√√
* This is a very good way to enter foreign markets as the client is normally a government and often the project is being financed by an international financial agency such as the World Bank√√
* The risk of not being paid is eliminated√√
* Any other answer related to how Turnkey projects can be used to enter foreign markets.

Sub max (2)

**Greenfield Investments**√√

* Greenfield Investments require the greatest involvement in international business. √√
* A Greenfield investment is where you buy the land, build the facility and operate the business on an ongoing basis in a foreign market. √√
* It is the most costly and holds the highest risk but some markets may require the business to undertake the cost and risk due to government regulations, transportation costs, and the ability to access technology or skilled labour. √√

Any other answer related to how Greenfield investment can be used to enter foreign markets. Sub max (2)

**Max (10)**

5.6 **Conclusion**

* Businesses must have a thorough knowledge of barriers that can restrict successful participation into foreign markets. √√

Any other relevant answer related to the conclusion. **Max (2)**

**TOTAL :100**