



# education

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Department:  
Education  
North West Provincial Government  
**REPUBLIC OF SOUTH AFRICA**

## PROVINCIAL ASSESSMENT

**GRADE 10**

**BUSINESS STUDIES P2  
JUNE 2024  
MARKING GUIDELINES**

**MARKS: 100**

**These marking guidelines consist of 21 pages.**

**NOTES TO MARKERS****PREAMBLE**

The notes to markers are provided for quality assurance purposes to ensure the following:

- (a) Fairness, consistency and reliability in the standard of marking
- (b) Facilitate the moderation of candidates' scripts at the different levels
- (c) Streamline the marking process considering the broad spectrum of markers across the country
- (d) Implement appropriate measures in the teaching, learning and assessment of the subject at schools/institutions of learning

1. For marking and moderation purposes, the following colours are recommended:

Marker	Red
Internal Moderator:	Green
External Moderator:	Black/Blue
Provincial Moderator:	Pink

2. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question
3. A comprehensive marking guideline 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 marking guidelines
  - Comes from another credible source
  - Original
  - A different approach is used

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

4. 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.)
5. The word 'Sub-max' is used to facilitate the allocation of marks within a question or sub-question.
6. 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 as well as for calculation and moderation purposes
7. 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 guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
8. In an indirect question, the theory as well as the response must be relevant and related to the question.

9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.
10. No additional credit must be given for repetition of facts. Indicate with an 'R'.
11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
- 11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. Positive: 'COIDA eliminates time and costs spent<sup>√</sup> on lengthy civil court proceedings.'<sup>√</sup>
- 11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. 'COIDA eliminates time and costs spent<sup>√</sup> on lengthy civil court proceedings<sup>√</sup>, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'<sup>√</sup>
- NOTE:**
1. The above could apply to 'analyse' as well.
  2. Note the placing of the tick (√) in the allocation of marks.
12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.
- Cognitive verbs, such as:
- 12.1 Advise, name, state, 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.
- 12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, 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.
13. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer

## 14. SECTION B

14.1 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

**NOTE:**

1. This applies only to questions where the number of facts is specified.
2. The above also applies to responses in SECTION C (where applicable)

14.2 If two facts are written in one sentence, award the candidate FULL credit. Point 14.1 above still applies.

14.3 If candidates are required to provide their own examples/views, brainstorm this at the school to finalise alternative answers.

### 14.4 Use of the cognitive verbs and allocation of marks

14.4.1 If the number of facts are specified, questions that require candidates to 'describe/discuss/explain' may be marked as follows:

- Fact 2 marks (or as indicated in the marking guidelines)
- Explanation 1 mark (two marks will be allocated in Section C)

The 'fact' and 'explanation' are given separately in the marking guideline to facilitate mark allocation.

14.4.2 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 mark allocated in the marking guideline.

14.5 **ONE mark may be awarded for answers that are easy to recall, requires one-word answers or is quoted directly from a scenario/case study. This applies to SECTIONS B and C in particular (where applicable).**

## 15. SECTION C

15.1 The breakdown of the mark allocation for the essays is as follows:

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
<b>TOTAL</b>	<b>40</b>

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, paragraphs and a conclusion?	<b>2</b>
Analysis and interpretation	Is the candidate able to break down the question into headings/subheadings/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>
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Option 1: <b>Only relevant facts: 2 marks (No '-S')</b> Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis. Option 2: <b>Some relevant facts: 1 mark (One '-S')</b> Where a candidate answers less than 50% (only one sub-question) 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. Option 3: <b>Some relevant facts: 1 mark (One '-S')</b> Where a candidate answers FOUR sub-questions, but one/two/three sub-questions with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis Option 4: <b>No relevant facts: 0 mark (Two '-S')</b> Where a candidate answers less than 50%(only one sub-question) of the question withno relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.	
Originality	Is there evidence of one or two examples not older than two (2) years that are based on recent 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:**

- No marks will be awarded for contents repeated from the introduction and conclusion.
- The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.
- No marks will be awarded for layout if the headings INTRODUCTION and CONCLUSION are not supported by an explanation.

- 15.3 Indicate insight in the left-hand margin with a symbol e.g. '(L, A, -S and/or O'.)
- 15.4 The breakdown of marks is indicated at the end of the suggested answer/marketing guideline to each question.
- 15.5 Mark all relevant facts until the SUB MAX/MAX mark in a subsection has been attained. Write MAX after maximum marks have been obtained, but continue reading for originality "O".
- 15.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

<b>Content</b>	<b>Marks</b>
<b>Facts</b>	<b>32 (max)</b>
<b>L</b>	<b>2</b>
<b>A</b>	<b>2</b>
<b>S</b>	<b>2</b>
<b>O</b>	<b>2</b>
<b>TOTAL</b>	<b>40</b>

- 15.7 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 subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought.  
(See MARK BREAKDOWN at the end of each question.)
- 15.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 15.9 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.
- 15.10 15.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 15.10.2 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.
- 15.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guidelines, 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 D ✓✓  
1.1.2 B ✓✓  
1.1.3 A ✓✓  
1.1.4 A ✓✓  
1.1.5 C ✓✓ (5 × 2) (10)
- 1.2 1.2.1 Shareholders ✓✓  
1.2.2 MOI ✓✓  
1.2.3 Unlimited ✓✓  
1.2.4 Gambling ✓✓  
1.2.5 Corporate social responsibility ✓✓ (5 × 2) (10)

**TOTAL SECTION A: 20****BREAKDOWN OF MARKS**

QUESTION 1	MARKS
1.1	10
1.2	10
<b>TOTAL</b>	<b>20</b>

**SECTION B**

**Mark the answers to the FIRST TWO questions only.**

**QUESTION 2: BUSINESS VENTURES**

**2.1 Types of co-operatives.**

- Housing co-operative ✓
- Worker co-operative ✓
- Social co-operative ✓
- Agricultural co-operative ✓
- Co-operative burial society ✓
- Consumer co-operative ✓
- Financial services co-operative ✓
- Transport co-operative ✓

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

**(3 x 1) (3)**

**2.2 Differences between a profit and non-profit company**

<b>Profit Companies</b>	<b>Non-Profit Companies</b>
- This company is formed with one aim ✓ of making a profit. ✓	- This company is formed for charity purposes ✓ or to promote social and cultural activities. ✓
- A company incorporated/started ✓ for financial gain for its shareholders. ✓	- A non-profit company is an association incorporated/started ✓ not for gain. ✓
- Profit organisations are responsible for paying taxes ✓ based on their profit. ✓	- Non-profit organisations are not required to pay taxes ✓ on net income. ✓
- Any relevant answer related to the profit making companies	- Any relevant answer related to the non-profit making companies
<b>Sub max (2)</b>	<b>Sub max (2)</b>

- 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. Mark either profit or non-companies only.

**Max (4)**

**2.3 Forms of ownership**

**2.3.1** Public company ✓✓

**Sub max (2)**

**Motivation:**

The two partners want to change to a form of ownership where it will be compulsory to audit financial reports ✓

**TAKE NOTE:**

1. Only award marks for the responses that are quoted from the scenario.
2. Award marks for the company even if the quote is incomplete.
3. Do not award marks for the motivation if the form of ownership was incorrectly identified.

**Sub max (1)**

**Max (3)**



**2.3.2 Characteristics of a public company**

- A minimum of one person ✓ is required to start a public company. ✓
- The company name ends with ✓ the letters Ltd. ✓
- Shareholders have limited liability ✓ and are not personally liable for the debts of the business. ✓
- A prospectus is issued to the public ✓ to invite the public to invest in the company to raise capital. ✓
- A public company has a separate legal personality ✓ and therefore has unlimited continuity. ✓
- Requires three or more directors ✓ and three or more shareholders. ✓
- Profits are shared in the form of dividends ✓ in proportion to the shares held. ✓
- A public company is required to hold an AGM ✓ where shareholders vote to elect a new board of directors. ✓
- A public company must register with the Registrar of Companies ✓ by drawing up a Memorandum of Incorporation. ✓
- A public company raises capital by issuing shares to the public ✓ and borrowing capital by issuing debentures. ✓
- Auditing of financial statements is compulsory ✓ and audited statements are made available to shareholders and the public. ✓
- Any other relevant answer related to the characteristics of a public company.

**NOTE: Do not award marks for responses that were quoted in QUESTION 2.3.1.**

**Max (6)**

**2.4 Disadvantages of a non-profit company.**

- It is not easy to set up an NPC, in most cases professional assistance is needed. ✓✓
- NPCs does not generate enough capital to cover their expenses. ✓✓
- Donations may not always be enough to finance the company's expenses ✓✓
- Assets are not distributed to the members upon closing down. ✓✓
- Creating an NPC takes time/effort/money. ✓✓
- Obtaining grants can be a slow and tiring process. ✓✓
- Incorporators cannot take along the assets accumulated by the NPC if they decide to leave. ✓✓
- NPCs are not allowed to pay bonuses to members. ✓✓
- NPCs are compelled to prepare annual financial statement. ✓✓
- Any other relevant answer related to the disadvantages of a non-profit company.

**Max (4)**

**BREAKDOWN OF MARKS**

QUESTION 2	MARKS
2.1	3
2.2	4
2.3.1	3
2.3.2	6
2.4	4
<b>TOTAL</b>	<b>20</b>

**QUESTION 3: BUSINESS ROLES****3.1 Types of gambling**

- Pyramid schemes ✓
- Money laundering ✓
- Card games ✓
- Casino ✓
- National lottery ✓
- Scratch cards ✓
- Slot machines ✓
- Horse betting ✓
- Fafi/Mochina ✓
- Unofficial lottery type schemes ✓
- Bingo halls ✓
- Unlicensed casino's ✓
- Internet gambling, as it is sometimes linked to organised crime animal fighting ✓
- Unlicensed operations offering gambling to the public. ✓
- Any relevant answer linked to the types of gambling.

**NOTE:****Mark the first FOUR (4) only.****(4 × 1) (4)****3.2 Strikes****3.2.1 Meaning of strikes**

- A strike occurs when employees refuse to work, ✓ usually to petition a specific issue. ✓
- A strike is usually the result of a dispute, ✓ such as employee grievances or the fear of being retrenched in the workplace. ✓
- Any relevant answer linked to the meaning of strikes.

**(2)****3.2.2 Negative impact of strikes on business operations**

- Strikes could cause the business to be unable to meet its contractual obligation ✓ and the business losing contracts. ✓
- The cost of making up all the working hours ✓ is too high. ✓
- Strikes can be violent ✓ because strikers intimidate those employees who do not want to go on a strike. ✓
- When a strike becomes violent ✓ the striking employees may cause damage to the business buildings.
- Strikes scares off potential investors ✓, as they do not want to invest in businesses that often strikes. ✓
- May results in losses of production ✓ as employees stay absent from work during strikes. ✓
- Strike actions may lead to production losses ✓ and decline in sales. ✓
- Businesses may be forced to close down operations ✓ after strike actions. ✓
- Any other relevant answers linked to the negative impacts that strikes have on business operations.

**Max (4)**

**3.3 Socio-economic issues from scenario**

**3.3.1 Socio-economic issues**

<b>SOCIO-ECONOMIC ISSUES</b>	<b>MOTIVATIONS</b>
1. Counterfeiting ✓✓	Some informal traders are selling fakes of the products that SSS produces ✓
2. Crime ✓✓	Recently some machinery and stock of SSS were stolen at night when the store was closed. ✓
<b>Sub max (4)</b>	<b>Sub max (2)</b>

**NOTE**

1. **Mark the first TWO (2) only.**
2. **The answer does not have to be in tabular form.**
3. **Only award marks for the responses that are quoted from the scenario.**
4. **Award marks for the socio-economic issues even if the quote is incomplete.**
5. **Do not award marks for the motivations if the socio-economic were incorrectly identified.**

**Max (6)**

**3.3.2 Initiatives that SSS can take to address socio economic issues**

**Counterfeiting**

- Businesses must raise awareness of counterfeiting, by educating customers how to recognise fake products. ✓✓
- Businesses should secure a patent, trademark or copyright, and register these in other countries where counterfeit products may originate. ✓✓
- Businesses must use technology to make it easier to identify and stop counterfeiters by creating distinctive patterns using special devices to uncover fakes. ✓✓
- Retailers must invest in stopping the problem before it happens or before it becomes more difficult to regulate. ✓✓
- Businesses should also track down and prosecute counterfeiters by monitoring the market. ✓✓
- Businesses should find easy ways for their customers to identify and report fake products. ✓✓
- Any relevant answer linked to how SSS can address counterfeiting as a socio-economic issue.

**Max (4)**

**OR**

**Crime**

- Businesses should encourage their employees to participate in community policing forums. ✓✓
- Businesses should also become involved in sustainable projects within the local community. ✓✓
- Businesses could sponsor special sports programmes by providing finance for special community events. ✓✓
- Any relevant answer linked to how SSS can address crime as a socio-economic issue.

**Max (4)**

**BREAKDOWN OF MARKS**

QUESTION 3	MARKS
3.1	4
3.2.1	2
3.2.2	4
2.3.1	6
3.3.2	4
<b>TOTAL</b>	<b>20</b>

**QUESTION 4: MISCELLANEOUS TOPICS****BUSINESS VENTURES****4.1 Difference between a private and a personal liability company**

PRIVATE COMPANIES	PERSONAL LIABILITY COMPANIES
The name ends with (PTY) Ltd. ✓	The name ends with INC. ✓
The directors are not personally liable for the debts of the business. ✓	The directors are personally liable for the debts of the business. ✓
<b>Sub max (1)</b>	<b>Sub max (1)</b>

- 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 ONE (1) mark if the difference is not clear. Mark either private or personal liability companies only.
  4. If learners wrote ONE sentence and the meaning is clear, award full marks.

**Max (2)****4.2 Forms of ownership from the scenario****4.2.1 Forms ownership**

BUSINESS FROM SCENARIO	FORM OF OWNERSHIP
1. Mercia's Bakery	Sole trader ✓✓
2. M & T Cakes and Bakes	Partnership ✓✓

- NOTE**
1. Mark the first TWO (2) only.
  2. Answer does not have to be in tabular form.

**Max (4)**

**4.2.2 Advantages of partnerships**

- Each partner will bring their knowledge, skills, experience, and contacts to the business thus giving the business a better chance to succeed. ✓✓
- All partners have a personal interest in the business, which means business will be well looked after. ✓✓
- The workload and responsibility are shared between partners and each partner can focus on their strengths. ✓✓
- Partners invest new capital into the business to finance expansion. ✓✓
- Partners share responsibilities for decision-making and managing the business. ✓✓
- Partnerships are not compelled by law to prepare audited financial statements. ✓✓
- Partners are taxed in their capacities, which could lead to lower taxation depending on the level of income of each individual. ✓✓
- Partners share profits made and are therefore motivated to work harder. ✓✓
- Any relevant answer related to the advantages of partnerships.

**Max (4)****BUSINESS ROLES****4.3 Social Responsibility definition**

- Being socially responsible means that individuals take responsibility for the effects of their behaviour ✓ and lifestyle on the environment and on others. ✓
- Social responsibility means that each person has a duty ✓ to act in the best interests of their environment and society as a whole. ✓
- Social responsibility means that every individual ✓ and organisation can contribute towards the well-being of the community and the environment in which they live. ✓
- Any relevant answer related to the meaning of social responsibility.

**Meaning: Sub max (2)****Practical examples of business opportunities**

- home care services for senior citizens ✓✓
- online education programmes ✓✓
- catering and ready-made meals ✓✓
- Any relevant answer related to the examples of CSR.

**Examples (2 × 1) (2)****Max (4)****4.4 Unemployment****4.4.1 Meaning of unemployment**

- Unemployment is the condition where people want to work ✓ and are able to work but cannot find a job. ✓
- The state of job-seeking people in the economically active population who are able to find work ✓ despite being willing and able to work. ✓
- Unemployment often goes with a lack of skills or the wrong skills for the current job market, ✓ but if the economy is not growing fast enough to absorb new jobseekers, many skilled people will also struggle to find employment. ✓
- Any relevant answer linked to the meaning of unemployment.

**Max (2)**

**4.4.2 The impact of the unproductive workforce on businesses.**

- There is always tension between the employers and employees because employees are not performing below employers' expectations. ✓✓
- Low profits for business and make it difficult to survive an economic recession. ✓✓
- When the workforce is unproductive it causes stress for both employees and employers. ✓✓
- Unproductive labour is a major stumbling block to economic growth and sustainability. ✓✓
- Unproductive workforce pushes up production costs and make way for cost-efficient foreign competition who employ highly qualified skilled and motivated people. ✓✓
- Could result in decreased employment opportunities if businesses switch over to advanced technology to replace labourers. ✓✓
- Any relevant answer linked to the meaning of unemployment.

**Max (4)****BREAKDOWN OF MARKS**

<b>QUESTION 4</b>	<b>MARKS</b>
<b>4.1</b>	<b>2</b>
<b>4.2.1</b>	<b>4</b>
<b>4.2.2</b>	<b>4</b>
<b>4.3</b>	<b>4</b>
<b>4.4.1</b>	<b>2</b>
<b>4.4.2</b>	<b>4</b>
<b>TOTAL</b>	<b>20</b>

**TOTAL SECTION B: 40**

**SECTION C**

Mark the answer to the **FIRST** question only.

**QUESTION 5 BUSINESS VENTURES (FORMS OF OWNERSHIP)****5.1 Introduction**

- Forms of ownership refers to the legal position of the business and the way it is owned. ✓
- An entrepreneur may decide which of the forms of ownership will best suit their type of business. ✓
- Each form of ownership has advantages, disadvantages and characteristics that needs to be considered before start-up. ✓
- Any other relevant introduction related to the characteristics of a sole trader, the difference between a private and a public company, the advantages of a private company and the disadvantages of a public company.

**Any (2 × 1) (2)**

**5.2 Characteristics of a sole trader**

- There are no legal requirements regarding the name of the business. ✓✓
- Legally, the sole trader and the business are not separate entities. ✓✓
- A sole trader may be started without performing any legal formalities/registration. ✓✓
- There may be some persons to help run the business but ultimately control lies with the owner. ✓✓
- The owner has a personal interest in the management and the services that are rendered. ✓✓
- The owner has unlimited liability. ✓✓
- The business dissolve when the owner dies. ✓✓
- Any relevant answer linked to the characteristics of a sole trader. ✓✓

**Max (10)**

**5.3 Differences between a private company and public company**

<b>PRIVATE COMPANY</b>	<b>PUBLIC COMPANY</b>
- The business may not offer shares to the general public.	- The business trades its shares publicly on the Johannesburg Securities Exchange (JSE).
- Shares are not freely transferable.	- Shares are freely transferable.
- The business is managed by minimum of one director.	- The business is managed by Minimum of three directors.
- Name must end with Proprietary Limited/(Pty) Ltd.	- Name must end with Limited/Ltd.
- Annual financial statements does not need to be audited and published.	- Annual financial statements need to be audited and published.
- The business does not need to publish a prospectus as it cannot trade its shares publicly.	- The business must register and publish a prospectus with the CIPC.
- Any relevant answer related to private companies.	- Any relevant answer related to public companies
<b>Sub max (6)</b>	<b>Sub max (6)</b>

- 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 SIX (6) marks if the difference is not clear. Mark private companies or public companies only.**

**Max (12)****5.5 Advantages of a private company**

- A company can continue to trade even if one shareholder dies/resigns.
- A private company is managed at least by one competent highly skilled director.
- Shareholders must agree to the sale of transfer of shares.
- Shareholder's liability is restricted to the number of shares they own.
- Information in a private company is only available to shareholders.
- A private company is not required to file annual financial statements with the commission.
- Shareholders can appoint the most capable directors to manage their company.
- The company has its own legal identity and shareholders have no direct legal implications/limited liability.
- A large amount of capital can be raised since there is no limit on the number of shareholders.
- A private company may be sold as it is a legal entity in its own right.
- The management of the company can improve since directors are appointed by shareholders.
- The company can access long-term capital and therefore has good long-term growth opportunities.
- The company is a separate legal person so it may purchase assets in its name.
- Any relevant answer related to the advantages of a private company.

**Max (12)**



**5.6 Disadvantages of a public company**

- Public companies are vulnerable to increased scrutiny from the government and the public. ✓✓
- Difficult and expensive to establish as the company is subjected to many legal requirements. ✓✓
- A public company must prepare their financial reports in accordance with the Generally Accepted Accounting Principles (GAAP). ✓✓
- Directors may not be motivated to work very hard because shareholders decide on the directors' remuneration. ✓✓
- Directors may not have a direct interest in the company, which slows down the growth and profit. ✓✓
- Increased director's fees will increase expenses which will reduce net profit. ✓✓
- Some shareholders may not exercise their voting rights resulting in choosing the wrong person as a director. ✓✓
- A full financial report must be submitted to the major shareholders each year. ✓✓
- A large management structure can result in longer timeframes for decision-making. ✓✓
- Auditing of financial statements are compulsory. ✓✓
- Any relevant answer related to the disadvantages of a public company.

**Max (12)**

**5.6 Conclusion**

- Entrepreneurs should conduct research on the criteria that contributes to the success and/or failure of a private company ✓✓
- Any other relevant conclusion related to the characteristics of a sole trader, the difference between a private and a public company, the advantages of a private company and the disadvantages of a public company.

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

**QUESTION 5: BREAKDOWN OF MARK ALLOCATION**

DETAILS	MAXIMUM	TOTAL
Introduction	2	<b>Max 32</b>
Factors to consider when preparing for a verbal presentation	10	
Advantages/disadvantages of graphs, diagrams	12	
Differences between a partnership and private company	12	
Advantages and disadvantages of a private company	12	
Conclusion	2	
<b>INSIGHT</b>		
Layout	2	<b>Max 8</b>
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 only some requirements are met.  
 Allocate 0 marks where requirements are not met at all

**QUESTION 6 BUSINESS ROLES (CONTEMPORARY SOCIO-ECONOMIC ISSUES)****6.1 Introduction**

- The issues are societal and economic factors in the macro environment. ✓
- Socio-economic challenges are issues that affect people and the economy in a negative way. ✓
- Socio-economic issues are aspects that negatively affect individuals, communities, and businesses. ✓
- Socio-economic issues are problems that come from social/people, and it impacts economic/money circumstances. ✓
- Some of the socio-economic issues that South Africans face include inequality, poverty, inclusivity, HIV/AIDS, gambling, counterfeiting, bootlegging, strikes, political disturbances and crime. ✓
- Any other relevant introduction related to reasons why socio-economic issues poses a challenge to the business, the impact of inequality and poverty, meaning of inclusivity and the purpose of inclusivity in the workplace and initiatives that businesses can take to address HIV/Aids.

**Any (2 × 1) (2)****6.2 The reasons why socio-economic issues pose a challenge to the business**

- Socio-economic issues affect consumer spending due to poverty and unemployment. ✓✓
- These issues place extra burdens and expenditure on businesses as they have to develop policies/support systems/ informative programs to address them. ✓✓
- Businesses are expected to create as many job opportunities as possible to assist government address these issues which places a financial burden on them. ✓✓
- Businesses must also educate employees on social issues and how to become involved in the community to address these social issues. ✓✓
- Businesses may not be well supported by consumers because of the limited disposable income of the consumers. ✓✓
- Socio-economic issues cause absenteeism of employees affected by HIV/AIDS will result in a decrease in productivity of the business. ✓✓
- Socio-economic issues like counterfeiting, bootlegging and crime may lead to loss of profit for businesses. ✓✓
- Businesses may feel pressurised to offer corporate social responsibility projects in disadvantaged communities. ✓✓
- When a business takes part in CSR it could lead to increased business costs and decreased profitability. ✓✓
- Any relevant answer related to the reasons why socio-economic issues pose a challenge to the businesses.

**Max (10)**

**6.3 Impact of inequality and poverty on businesses**

- Individuals and customers have less or no money to spend ✓ to buy basic goods and services which will influence the profitability of business. ✓
- Poverty results in the continuation of the cycle of unemployment and homelessness ✓ which can lead to an increase in crime affecting businesses negatively. ✓
- Some people do not have the financial means to buy goods as they have little to no disposable income ✓ leading to limited profitability of the business because of limited or no customer spending. ✓
- Limited customer spending ✓ means that businesses record lower sales figures. ✓
- Businesses may not grow ✓ because of reduced sales figures. ✓
- Businesses are pressurised by the media attention to poverty ✓ into investing in poor communities. ✓
- Businesses spend money on improving security ✓ due to robberies and shoplifting. ✓
- Any relevant answer related to the impact of inequality and poverty on businesses.

**Max (12)****6.4 Inclusivity and the purpose of inclusivity in the workplace.****Meaning of inclusivity**

- Inclusivity means that everyone should have access to equal opportunities ✓ irrespective of their race, gender, sexual orientation, disabilities, religion and education. ✓
- Inclusivity aims to address imbalances ✓ such as businesses only employing male staff members in management and top positions - a practice that was prevalent before the onset of democracy. ✓
- Inclusivity means valuing the differences between people ✓ and consciously encouraging diversity in the workplace. ✓
- Inclusivity aims to address discrimination ✓ of persons based on gender and disability. ✓
- Any relevant answer linked to the meaning of inclusivity.

**Sub max (4)****Purpose of inclusivity in the workplace**

- The goal of inclusivity is to ensure that the business ✓ implements fair labour practices. ✓
- Inclusivity seeks to redress ✓ the inequalities of the past. ✓
- Inclusivity ensures that workplaces are created where people of different ✓ races, genders and religions can work together to the benefit of the business. ✓
- Inclusivity ensures that their workforce is representative ✓ of the demographics of the country. ✓
- Inclusivity tries to ensure that the physical business setting ✓ makes provision for individuals with disabilities. ✓
- Inclusivity increases the number of middle-class people ✓ participating in the economy. ✓
- Promotes healthy/happy working environments, ✓ which in turn increase job satisfaction and productivity. ✓
- Any relevant answer related to the purpose of the inclusivity in the workplace.

**Sub max (8)****Max (12)**

**6.5 Initiatives businesses can take to address HIV/Aids**

- Businesses should conduct regular workshops and information sessions on the effects of HIV/AIDS on the employees and their peers. ✓✓
- Businesses should initiate and develop counselling programmes for infected/affected persons/employees. ✓✓
- Businesses should also develop strategies to deal with the issues around “stigma” and “discrimination”. ✓✓
- Businesses should offer voluntary HIV/AIDS testing<sup>v</sup> and counselling in the workplace and encourage employees to join HIV/AIDS support groups. ✓✓
- Businesses should roll out or support HIV/AIDS prevention programmes in the community and provide counselling programmes/train counsellors to provide support to infected and affected persons/employees. ✓✓
- Business should encourage and support the roll out of antiretroviral (ARV) treatment programmes (ART) for infected employees. ✓✓
- Businesses should also support non-governmental/community-based organisations that work with people infected/affected by HIV/AIDS in the community. ✓✓
- Any relevant answer related to the ways in business opportunities can realistically be implemented.

**Max (12)****6.6 Conclusion**

- Businesses needs to investigate their socio-economic issues and now have it impacts business operations in which it operates. ✓✓
- Businesses are required to take part in corporate social investment initiatives to help lessen the impact in the community, but it increases the cost of running a business. ✓✓
- Any other relevant conclusion linked to the reason why socio-economic issues pose a challenge for the business, discussing the impact of inequality on businesses, the definition and purpose of inclusivity.

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

**QUESTION 6: BREAKDOWN OF MARK ALLOCATION**

<b>DETAILS</b>	<b>MAX</b>	<b>TOTAL</b>
Introduction	2	<b>Max 32</b>
Reasons why socio-economic issues imported.	10	
Impact of inequality and poverty	12	
Application of Delphi and nominal group technique	12	
Initiatives to address HIV/Aids	12	
Conclusion	2	
<b>INSIGHT</b>		
Layout	2	<b>Max 8</b>
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 only some requirements are met.

Allocate 0 marks where requirements are not met at all

**TOTAL SECTION C: 40**  
**GRAND TOTAL 100**