



# education

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

## PROVINCIAL ASSESSMENT

**GRADE 10**

**BUSINESS STUDIES P1  
JUNE 2024  
MARKING GUIDELINES**

**MARKS: 100**

**TIME: 1 ½ hours**

**This marking guidelines consist of 22 pages.**



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√ on lengthy civil court proceedings.'√
- 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√ on lengthy civil court proceedings√, 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.'√
- 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 guidelines.

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?	2
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')	2
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 with no 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?	2
<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 SUB MAX/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 B ✓✓  
 1.1.2 D ✓✓  
 1.1.3 B ✓✓  
 1.1.4 A ✓✓  
 1.1.5 C ✓✓ (5 × 2) (10)

- 1.2 1.2.1 Micro ✓✓  
 1.2.2 Quality assurance ✓✓  
 1.2.3 Production ✓✓  
 1.2.4 Tertiary ✓✓  
 1.2.5 Regulator ✓✓ (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 ENVIRONMENTS****2.1. Organisational resources****2.1.1 Business sectors from the scenario above**

ORGANISATIONAL RESOURCES	BUSINESS SECTORS
Human resources ✓✓	WLC employs ten full time workers and eight part-time waiters. ✓
Physical resources ✓✓	They make use of three expensive coffee machines to make their signature drinks. ✓✓
<b>Sub max (4)</b>	<b>Sub max (2)</b>

**NOTE:**

1. Mark the first **TWO (2)** options 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 organisational resources even if the quote is incomplete.
5. Do not award marks for the motivations if the organisational resources were incorrectly identified.

**Max (6)**

## 2.2 Components of the market environment

### 2.2.1 Suppliers

- Suppliers are individuals or other businesses that provide/supply businesses with the inputs or resources ✓ that they need to produce/manufacture their product or services. ✓
- If suppliers fail to provide businesses with quality resources/inputs or if the suppliers don't deliver these resources/inputs on time or at the right prices ✓, then the businesses will not be able to meet their goals/objectives. ✓
- Businesses need to ensure that they identify reliable suppliers ✓ in the market. ✓
- Businesses can establish a good relationship with their suppliers ✓ by signing long-term contracts for their raw materials at fixed prices. ✓
- Any relevant answer linked to the meaning of suppliers as market environment component.

**Max (2)**

### 2.2.2. Intermediaries

- Intermediaries are individuals or businesses that distribute ✓ and sell the products/services of a business. ✓
- Intermediaries bridge the gap ✓ between producers and consumers. ✓
- Intermediaries include wholesalers, ✓ retailers, agents, brokers, transportation services, etc. ✓
- Some intermediaries assist businesses with packaging and advertising ✓ of their products and services. ✓
- Any relevant answer linked to the meaning of intermediaries as market environment component.

**Max (2)**

## 2.3 The relationship between the business sectors.

- The primary sector depends on the secondary sector for manufactured goods ✓ such as machinery/equipment/fertilisers e.g. a farmer may require seeds from another farm. ✓
- The primary sector depends on the tertiary sector ✓ for its customer needs. ✓
- The secondary sector processes the raw materials obtained from the primary sector ✓ into more useful products. ✓
- The secondary sector depends on the primary sector ✓ for raw materials and products. ✓
- The secondary sector depends on other secondary industries ✓ e.g. BMW needs tyre from DUNLOP another secondary sector player. ✓
- Secondary sector needs the tertiary sector ✓ to sell their processed or manufactured goods and for services such as banks, insurance, transport and communication ✓
- The tertiary sector depends on the primary sector ✓ for raw materials that do not need processing by the secondary sector. ✓
- The tertiary sector depends on the secondary sector for manufactured goods ✓ such as office machines/office furniture/stationery etc. ✓
- Any other relevant answer related to the relationship between the different business sectors.

**Max (6)**



**2.4 The importance of a business organisational structure with specific reference to an organogram.**

- The organisational structure helps to ensure the smooth and efficient functioning of the business. ✓✓
- The organisational structure ensures that work happens with precise co-ordination and minimum wastage of resources. ✓✓
- The organisational structure helps the business to work towards its goals. ✓✓
- The organisational structure shows the connections between various positions and tasks in the business. ✓✓
- The organisational structure describes the coordination between various departments in the business. ✓✓
- Any other relevant answers linked to the importance of quality control.

**Max (4)**

**BREAKDOWN OF MARKS**

QUESTION 2	MARKS
2.1	6
2.2.1	2
2.2.2	2
2.3.	6
2.4	4
<b>TOTAL</b>	<b>20</b>

**QUESTION 3: BUSINESS OPERATIONS**

**3.1 Level of management**

**3.1.1 Level of management from the scenario above**

	LEVEL OF MANAGEMENT
<b>MR CLARKE</b>	Top level ✓✓
<b>MS HENDERSON</b>	Middle level ✓✓

**TAKE NOTE:**

1. Answer does not have to be in a table format.
2. Mark the first TWO (2) options only.

**Max (4)**

**3.1.2 Responsibilities of the MIDDLE LEVEL of management/Ms Molefe**

- Controls the people✓ and processes in the business. ✓
- The middle level manager is the link between top management✓ and lower-level management.✓✓
- Implement the plans ✓ made by top-management. ✓
- Implement the vision & mission ✓ made by top management. ✓
- Pass information from top management ✓ to lower management.✓
- Focuses on how the business will carry out✓ the strategic decisions✓
- Acquire resources✓ needed in their department.✓
- Pass information from top management ✓ to lower management.✓
- Middle level managers make medium-term✓ tactical decisions. ✓
- Any relevant answer related to the responsibilities of the middle management.

**3.2 Meaning of quality**

- Quality is the ability✓ to satisfy customer/consumer needs. ✓
- Quality refers to the features/characteristics of a product/service✓ that meets customer's requirements. ✓
- Quality guarantees the degree of excellence✓ to which a product or service meets the required needs of customers. ✓
- Any relevant answer related to the meaning of quality.

**Max (2)****3.3 Business functions****3.3.1 Business functions from the scenario**

<b>BUSINESS FUNCTIONS</b>	<b>MOTIVATION</b>
Human resources ✓✓	Tshepo maintains a healthy relationship between him, and the employees and he make sure there is a good recruitment policy that attracts best candidates. ✓
Administration ✓✓	Tshepo knows that all documentation of her clients should be kept neatly and orderly in a safe place. ✓
<b>Sub max (4)</b>	<b>Sub max (2)</b>

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

**Max (6)****3.3.2 Quality indicators for business functions  
Administration function**

- The administration function should collect data that can be used in decision-making, and store it safely. ✓✓
- Financial documents should be kept up to date and recorded accurately. ✓✓
- Vital information should be available to management when needed. ✓✓
- The relevant information should be available to make a quick decisions. ✓✓
- All systems and processes should be documented. ✓✓
- The latest technology should be used. ✓✓
- Complaints should be handled quickly and effectively. ✓✓
- Any relevant answer linked to the quality indicators of the administration function.

**Max (4)****OR**

**Quality indicators for the human resources function**

- HR manager follows a fair and equitable selection process. ✓✓
- Low rate of staff turnover in the business. ✓✓
- Provide good working conditions. ✓✓
- Motivate and reward employees. ✓✓
- Makes sure there is a good recruitment policy that attracts best candidates. ✓✓
- Offer performance incentives for staff to enhance productivity.
- Good relationship with employees. ✓✓
- Ensure that employee understand the goals and objectives of the business. ✓✓
- Understand the interrelatedness of different departments. ✓✓
- Low rate of staff turnover in the business. ✓✓
- Maintain a healthy relationship between employees and employer. ✓✓
- Any relevant answer linked to the quality indicators for the human resources function.

**NOTE: Do not award marks for responses that were quoted in QUESTION 3.1.1**

**Max (4)**

**BREAKDOWN OF MARKS**

QUESTION 3	MARKS
3.1.1	4
3.1.2	4
3.2	2
3.3.1	6
3.3.2	4
<b>TOTAL</b>	<b>40</b>

**QUESTION 4: MISCELLANEOUS TOPICS**

**BUSINESS ENVIRONMENTS**

**4.1 Examples of formal and informal sectors.**

**Formal sector examples**

- Mining ✓
- Manufacturing ✓
- Retail ✓
- Banking ✓
- Any relevant example that links with a formal sector.

**Sub max (1)**

**Informal sector examples**

Examples include companies such as:

- spaza shops ✓
- street vendors ✓
- homebased hairdressers, gardening services or car washes ✓
- Any relevant example that links with a formal sector. ✓

**Sub max (1)**

**Max (2)**

## 4.2 Opportunities and threats

### 4.2.1 Threats from the scenario

- The increase in interest rates caused cash flow problems in the business. ✓
- A new competitor is planning to open in the area. ✓

**NOTE:** 1. **Mark the first TWO (2) options only.**  
2. **Only award marks for the responses that are quoted from the scenario.**

**Max (2)**

### 4.2.2 The meaning of opportunities

- Opportunities are any factors in the external environment ✓ that will contribute or is already contributing to the success of the business. ✓
- Businesses need to constantly seek opportunities ✓ in their external environment to remain competitive. ✓
- Any answer related to the meaning of opportunities.

**Max (2)**

## 4.3 The importance of the formal sector

- Business activities are included in the GDP figures of the country. ✓✓
- Companies pay taxes on their profits. ✓✓
- People who are employed at companies pay personal income tax. ✓✓
- Provides employment to highly skilled, semi-skilled and unskilled labourers. ✓✓
- The formal sector supply legal products to consumers. ✓✓
- Products supplied by the formal sector are guaranteed, which means that faulty goods can be returned. ✓✓
- People working in the formal sector gain the necessary skills to start their own businesses. ✓✓
- Provides a large variety of goods and services to satisfy consumers. ✓✓
- Any other relevant answer related to the importance of the formal sector.

**Max (4)**

## BUSINESS OPERATIONS

### 4.4. Management tasks

- Media ✓
- Direct contact ✓
- Brochures ✓
- Exhibitions ✓
- Social responsibility ✓
- Transit advertising ✓
- Use of the telephone ✓

**NOTE:** 1. **Mark the first TWO (2) options only.**

**Max (2)**

**4.5 The difference between the leadership and management**

<b>LEADERSHIP</b>	<b>MANAGEMENT</b>
- Leads by inspiring ✓ and motivating employees. ✓	- Manages processes ✓ by using their authority. ✓
- Provides guidance ✓ and direction to employees. ✓	- Instructional in their approach ✓ when dealing with employees. ✓
- Promotes creativity ✓ to improve productivity levels. ✓	- Follows the plans ✓ to reach targets. ✓
- Focuses on the vision ✓ and mission of the organisation. ✓	- Focuses on organisation ✓ targets. ✓
- Focuses on the potential ✓ of employees. ✓	- Focuses on the processes ✓ involved in the production process. ✓
- Influences the actions ✓ of employees. ✓	- Controls the actions ✓ of employees. ✓
- Can be creative/innovative ✓ when dealing with challenges. ✓	- Administers plans ✓ as set out by top management. ✓
- People-orientated ✓, thus putting employees first. ✓	- Task orientated, ✓ ensuring the job gets done. ✓
- The process by which a leader guides, inspires, and influences ✓ the behaviour and work of employees in pursuit of the organisation's goals. ✓	- The act of getting people together to accomplish desired goals ✓ and objectives using available resources efficiently and effectively. ✓
- Any relevant answer related to leadership.	- Any relevant answer related to management.
<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 leadership or management only.**

**Max (4)****4.6 Quality indicators of the general management function**

- Develop/Implement/Monitor effective strategic plans. ✓✓
- Set direction and establish priorities for their business. ✓✓
- Effectively communicate shared vision, mission and values. ✓✓
- Ensure that all departments/the business meet their deadlines/targets. ✓✓
- Learn about/understand changes in the business environment on an on-going basis. ✓✓
- Be prepared to set an example of the behaviour that is expected from employees in terms of ethics as well as productivity. ✓✓
- Any relevant answer related to the quality indicators of the general management function.

**Max (4)**

**BREAKDOWN OF MARKS**

<b>QUESTION 4</b>	<b>MARKS</b>
4.1	2
4.2.1	2
4.2.2	4
.3	4
4.4	2
4.5	4
4.	4
<b>TOTAL</b>	<b>20</b>

**TOTAL SECTION B: 40****SECTION C****Mark the answer to the FIRST question only.****QUESTION 5 BUSINESS ENVIRONMENTS (MICRO, MARKET AND INTERRELATIONSHIP BETWEEN ENVIRONMENTS)****5.1 Introduction**

- The micro environment is the environment within which a business operates and consists of the business itself. ✓
- The micron environment is the decision-making environment because management make decisions that help the business achieve its goals. ✓
- Micro environment can also be referred to as the immediate environment in which a business operates and includes all the internal factors of the business. ✓
- Businesses are also influenced by two external environments, called the market environment and the macro environment. ✓
- The three business environments are interrelated and influence one another. ✓
- Any other relevant introduction related to the components of the micro environment, the differences between borrowed and own capital, the relationship between the three environments and the reasons why technological and social environment poses a challenge to business.

**Any (2 × 1) (2)**

**5.2 Components of the micro environment**

- Vision refers to a statement that explains what a business aims to achieve. ✓✓
- A mission statement describes what the business provides and the reason for the business existence. ✓✓
- Goals can be defined as long term objectives of what the business want to achieve. ✓✓
- Objectives is the short-term tasks/steps that guides the business how to achieve the goals. ✓✓
- Strategy outlines how the business will achieve its vision in line with its mission statement and objectives. ✓✓
- Organisational culture refers to how things are done in the business. ✓✓
- Organisational resources are the assets that the business uses to produces goods/services and to achieve its goals. ✓✓
- Organisational structure is how the business will be organised into a structure that show each person's task, the level of authority and responsibility, also called the organogram or hierarchy. ✓✓
- The business functions are important components/task/departments needed for the business to operate/produce. ✓✓
- Management and leadership are needed to give the business direction by means of leading, controlling and motivating workers to achieve the business' goals. ✓✓
- Any other relevant answer related to the components of the micro environment.

**Max (10)****5.3 Reasons why competition poses a challenge to businesses**

- Competition as one of the components of the market environment✓ poses a challenge to businesses because it is not within the control of the business. ✓
- Consumers will buy from the business where they get the most value for money✓ and they could choose the competitor. ✓
- Business could find that they are unable to make sufficient profit✓ when the demand is not high enough. ✓
- Businesses could find it hard to differentiate itself from its competitors✓ to gain a competitive advantage. ✓
- New entrants with better products can also enter the market ✓ and divide the market even more thus decreasing the businesses market share. ✓
- Competition keeps prices down✓ and reduces the business profitability. ✓
- It forces businesses to find new ways to produce an existing product ✓ or develop new products/ services. ✓
- A business may close down ✓if it is unable to compete with other businesses.✓
- Competition reduces the business market share✓ and its target market. ✓
- Any other relevant answer why competition poses a challenge to businesses.

**Max (12)**

**5.4 The relationship between the micro, market, and macro environments**

- Changes in the macro environment may affect the micro environment ✓ which may then affect the market environment. ✓
- Businesses (the micro environment) are in constant interaction ✓ with components of the market and macro environment. ✓
- Businesses are challenged by changes in the market and macro environment ✓ which cannot be controlled by the business. ✓
- Changes in the market environment ✓ may affect the micro environment. ✓
- Businesses must adapt to challenges ✓ from the macro-environment by formulating strategies to cope with these challenges. ✓
- Any other relevant linked to a relationship between micro, market and the macro environment.

**Max (12)****5.5 Reasons why the following macro environment components poses a challenge to businesses****5.5.1 Technological environment**

- Businesses may not be able to keep up. ✓ with/be aware of the latest technology. ✓
- Employees may not be skilled to operate/maintain new technology/equipment. ✓✓
- Staying up to date with the latest and greatest technology can be expensive. ✓✓
- Businesses experiencing systems failure will be rendered paralysed, which will cause businesses to lose capital due to stalling in operations. ✓✓
- Business's IT systems may be hacked by fraudsters, and this could expose its confidential information/be damaging to the business. ✓✓
- Any relevant answer linked to the reasons why the technological environment poses a challenge to the business

**Sub max (6)****5.5.2 Social, cultural, and demographic environment**

- Social issues affect consumer spending and business profitability. ✓✓
- Serious health issues have a negative effect on employee productivity. ✓✓
- Customers may not be able to afford products because of low-income levels. ✓✓
- Problems may arise because of the different cultural backgrounds/may create conflict in the workplace. ✓✓
- Businesses may not be conversant with the local language of their customers. ✓✓
- Any relevant answer linked to the reasons why the technological environment poses a challenge to the business

**Sub max (6)  
Max (12)**



**5.6 Conclusion**

- The micro, market and macro environments does not exist in isolation, instead they are interrelated. ✓✓
- The market/macro environment comes with its own set of threats and opportunities and the business has little control over the market environment. ✓✓
- Any other relevant conclusion related to the components of the micro environment, the differences between borrowed and own capital, the relationship between the three environments and the reasons why technological and social environment poses a challenge to business.

Any (1 x 2) (2)

**QUESTION 5: BREAKDOWN OF MARK ALLOCATION**

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Components of the micro environment	10	
Discuss the reasons why competition poses a challenge to the business.	12	
Discuss the relationship between micro, market, and macro environments.	12	
Challenges from macro environment	12	
Conclusion	2	
<b>INSIGHT</b>		
Layout	2	Max 8
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 OPERATIONS (BUSINESS FUNCTIONS AND THE CONCEPT OF QUALITY)**

**6.1 Introduction**

- The purchasing function is responsible for buying quality raw materials and services for the business. ✓
- The purchasing function should continuously look for new, and better suppliers. ✓
- The purchasing function should place orders with suppliers and follow up on them to ensure that the ordered products are delivered on time. ✓
- The purchasing function should ensure that ordered goods are delivered at the agreed price, right quantities, and right quality. ✓
- Any other relevant introduction related to the purpose of the purchasing function, the difference between own and borrowed capital, the purchasing procedure and the impact of the NCA on businesses.

Any (2 x 1) (2)

**6.2 The purpose of the purchasing function**

- The financial function has to obtain capital from the most suitable sources. ✓✓
- The business should negotiate a lower/better interest rate to keep financial costs as low as possible. ✓✓
- The financial records should be kept up to date at all times and should be accurate in order for the business to be tax compliant. ✓✓
- Accurate financial statements should be drawn up so that management can see the performance of the business. ✓✓
- Surplus funds should be invested to save for future projects/expansion/growth. ✓✓
- Any relevant answer linked to the quality indicators of the financial function.

**Max (10)****6.3 Differences between own and borrowed capital**

<b>OWN CAPITAL</b>	<b>BORROWED CAPITAL</b>
Owner ✓ provides capital. ✓	Money is obtained ✓ from financial institutions. ✓
Permanent capital ✓ as company is not under obligation to repay the amount. ✓	Temporary capital ✓ as it is to be repaid after a fixed period. ✓
Owned capital is not a liability ✓ for a business. ✓	Borrowed capital is a liability ✓ for a company. ✓
Return on capital ✓ is on profits. ✓	Return on capital ✓ is paid in the form of interest. ✓
Any relevant answer related to own capital	Any relevant answer related to borrowed capital
<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 either own capital or borrowed capital only.

**Max (12)**

## 6.4 Steps of the purchasing procedure

### Determine the need for the product/Requisition ✓✓

- Liaise with the financial department to establish the budget for the purchasing of goods and services. ✓
- Determine the product/material/ resource needs of the businesses. ✓
- Find the right quality/quantity of goods and services at the right price and at the right time. ✓
- Any relevant answer linked to determining the need for the product as a step of the purchasing procedure.

**Purchasing procedure step (2)**  
**Discussion (1)**  
**Sub max (3)**

### Determine the price of the product ✓✓

- Find the best price by obtaining quotes/tenders or making enquiries. ✓
- Any relevant answer linked to determining the price of the product as a step of the purchasing procedure.

**Purchasing procedure step (2)**  
**Discussion (1)**  
**Sub max (3)**

### Select/Choose a suitable supplier ✓✓

- The purchasing department should choose reliable suppliers for its raw materials/products. ✓
- Evaluation criteria based on quality of raw material/prices/delivery time, should be used to select the best suitable supplier. ✓
- The purchasing department should conduct a thorough investigation about potential suppliers, their reputation and reliability. ✓
- Any relevant answer linked to choosing a suitable supplier as a step of the purchasing procedure.

**Purchasing procedure step (2)**  
**Discussion (1)**  
**Sub max (3)**

### Place an order ✓✓

- The purchasing function should place an order in writing so that goods delivered can be compared with the order. ✓
- Confirm the prices of the products on order to avoid unexpected surprises when payments are made. ✓
- Any relevant answer linked to placing an order as a step of the purchasing procedure.

**Purchasing procedure step (2)**  
**Discussion (1)**  
**Sub max (3)**

**Collect or receive the order ✓✓**

- The purchasing department should ensure that the right orders are received and recorded. ✓
- The quality and quantity of stock received should be checked against the order. ✓
- The purchasing department should keep a copy of a delivery note for records keeping purposes. ✓
- Any relevant answer linked to collect or receive the order as a step of the purchasing procedure.

**Purchasing procedure step (2)**  
**Discussion (1)**  
**Sub max (3)**

**Pay the supplier ✓✓**

- Purchasing department instructs the financial department to pay the supplier after delivery of the order. ✓
- The supplier must provide copies of the requisition form to the purchasing department. ✓
- Purchasing department must provide a delivery note to the financial department. ✓
- The supplier sends the invoice to the financial department for final payment after satisfactory delivery. ✓
- Any relevant answer linked to paying the supplier as a step of the purchasing procedure.

**Purchasing procedure step (2)**  
**Discussion (1)**  
**Sub max (3)**

**Distribute the stock ✓✓**

- The purchasing department should ensure proper distribution of stock/raw materials to all relevant departments. ✓
- Distribution of stock should be in line with pre-requisite orders from each department to avoid stock loss. ✓
- Any relevant answer linked to distribute the stock as a step of the purchasing procedure.

**Purchasing procedure step (2)**  
**Discussion (1)**  
**Sub max (3)**

**Complete the order ✓✓**

- Ensure that all the correct documentation is in place and filed for future reference. ✓
- Any relevant answer linked to complete the order as a step of the purchasing procedure.

**Purchasing procedure step (2)**  
**Discussion (1)**  
**Sub max (3)**

**TAKE NOTE: Mark the first FOUR (4) options only**

**Max (12)**

**6.5 Impact of National Credit Act (NCA) on business operations****Positives/Advantages**

- Lower bad debts✓ resulting in better cash flow. ✓
- Protects business✓ against non-paying consumers. ✓
- Increases cash sales✓ as credit can only be granted to qualifying customers.✓
- Prevents reckless lending✓ by financial institutions. ✓
- Ensures that businesses settle their debts on time✓ so that they can obtain good credit scores. ✓
- Ensures that credit process is transparent ✓ e.g. both businesses and customers know their responsibilities. ✓
- Any relevant answer linked to the positives of the NCA.

**AND/OR****Negatives/Disadvantages**

- Businesses are forced to budget ✓ to keep more cash/have enough cash on hand for stock purchases. ✓
- Businesses cannot take the risk✓ of selling poor quality goods at high prices.✓
- Businesses can no longer✓ carry out credit marketing. ✓
- Leads to loss of sales✓ as many businesses may no longer qualify to buy on credit. ✓
- Businesses can only buy limited stock✓ as credit is not available resulting loss of customers. ✓
- The Act complicates the purchasing process✓ due to too much administration work in the credit providing process. ✓
- The purchasing department must know the terms and conditions✓ of credit granting and the National Credit Act. ✓
- It may take longer to purchase goods✓ and this could influence the overall efficiency of the business. ✓
- The Act compels businesses to sell quality products✓ or businesses may be forced to reimburse the consumer. ✓
- Any relevant answer linked to the negatives of the NCA.

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

- The business needs to have a sound understanding of the National Credit Act, as this can impact their business both positively and negatively.
- Any other relevant conclusion related to the purpose of the eight business functions, the management tasks, responsibility of management levels and quality indicators of general management.

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

**QUESTION 6: BREAKDOWN OF MARK ALLOCATION**

<b>DETAILS</b>	<b>MAXIMUM</b>	<b>TOTAL</b>
Introduction	2	<b>Max 32</b>
Purpose of the purchasing function	10	
Differences own and borrowed capital	12	
Steps of the purchasing procedure	12	
Impact of the NCA on businesses	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**