

Province of the **EASTERN CAPE** EDUCATION

# NATIONAL SENIOR CERTIFICATE

# **GRADE 11**

# **NOVEMBER 2012**

# BUSINESS STUDIES MEMORANDUM

MARKS: 300

This memorandum consists of 19 pages.

#### NOTES TO EDUCATORS:

 Candidate's responses must be in full sentences for SECTION B and C depending on the nature of the question. Full sentence ✓✓ (2)

Words/phrases ✓ (1)

- 2. A comprehensive memorandum 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 memorandum.
  - Comes from another source.
  - Is correct and original.
  - Relates to another applicable LO or AS.
- 3. Please take careful note of other relevant answers provided by candidates and allocate marks accordingly.
- 4. SECTION B
  - 4.1 If, for example, FIVE facts are required, mark the candidates FIRST FIVE responses and ignore the rest of the responses.
  - 4.2 If two facts are written in one sentence, award the candidate FULL credit.
  - 4.3 In questions that require candidates to "name/list/mention", the answers of the candidates can be in phrases and not necessarily in full sentences.
- 5. SECTION C
  - 5.1 The breakdown of the mark allocation for essays is as follows:

| Introduction | 3  |             |  |
|--------------|----|-------------|--|
| Content      | 27 | Maximum: 32 |  |
| Conclusion   | 2  |             |  |
| Insight      | 8  |             |  |
| Total marks  | 40 |             |  |

#### 5.2 INSIGHT CONSISTS OF THE FOLLOWING COMPONENTS

| Layout/Structure: (Is there an introduction, body using proper paragraphs and conclusion/is there a logical flow/link in the discussion?)   | 2             |
|---|---------------|
| Analysis and interpretation: (Did the candidate analyse the question to show understanding of what was asked?)  | 2             |
| <b>S</b> ynthesis: (Did the candidate put together only the relevant facts in the answer?)  | 2             |
| <b>O</b> riginality: (Has the candidate been able to illustrate the concepts with examples, preferably his/her own? Originality in approach, ideas and responses. Current trends and developments.) | 2             |
| TOTAL FOR INSIGHT:<br>TOTAL MARKS FOR FACTS:<br>TOTAL MARKS FOR ESSAY (8 + 32):   | 8<br>32<br>40 |

- 5.3 Indicate insight in the left-hand margin with a symbol e.g. LASO.
- 5.4 The components of insight are indicated at the end of the suggested answer for each question. Note: The components may vary for each question.
- 5.5 Mark all relevant facts until the MAXIMUM mark in a subsection has been attained. Write MAX after maximum marks have been obtained.
- 5.6 At the end of each essay, indicate the allocation of marks for facts and marks for insight as follows: (L (layout/structure) and/or A (analysis) / S (synthesis) / O (originality) as in the table below).

| CONTENT     | MARKS |
|-------------|-------|
| Facts       | 32    |
| L           | 2     |
| A           | 2     |
| S           | 2     |
| 0           | 2     |
| Total marks | 40    |

The mark allocation for insight may vary for each essay.

| 4  |      | BUSINESS STUDIES   | (NOVEMBER 2012) |
|----|------|--|-----------------|
|    | 5.7  | When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the sam headings. Remember, headings and sub-headings are encourand contribute to insight (Structuring/logical/flow/sequencing) indicate clarity of thought. (See BREAKDOWN of MARKS at of each question.) | iraged<br>and   |
|    | 5.8  | If the candidate identifies/interprets the question <b>incorrectly</b> , the he/she can still obtain marks for insight.  | then            |
|    | 5.9  | If a different approach is used by candidates ensure that the a are assessed according to the mark allocation/subheadings as indicated in the memorandum.  |                 |
| 6. | Take | particular note of the repetition of facts. Indicate with an 'R'.  |                 |
| 7. |      | otals to questions must be written in the right margin. Only the question should appear in the left margin next to the appropriat ion.   |                 |
| 8. |      | ate TWO marks for complete sentences. Allocate ONE mark fo<br>ses, incomplete sentences and vague answers.   | r               |
|    |      |  |                 |

| 1.1 | 1.1.1<br>1.1.2<br>1.1.3<br>1.1.4<br>1.1.5<br>1.1.6<br>1.1.7<br>1.1.8<br>1.1.9<br>1.1.10 | $ \begin{array}{l} A \sqrt{} \\ B \sqrt{} \\ C \sqrt{} \\ C \sqrt{} \\ A \sqrt{} \\ D \sqrt{} \\ D \sqrt{} \\ B \sqrt{} \\ B \sqrt{} \\ B \sqrt{} \end{array} $           | (10 x 2)         | (20) |
|-----|---|---|------------------|------|
| 1.2 | 1.2.1<br>1.2.2<br>1.2.3<br>1.2.4<br>1.2.5   | E (Gantt chart) $\sqrt[4]{}$<br>F (stress) $\sqrt[4]{}$<br>A (Economic forces) $\sqrt[4]{}$<br>B (Tertiary sector) $\sqrt[4]{}$<br>C (social responsibility) $\sqrt[4]{}$ | (5 x 2)          | (10) |
| 1.3 | 1.3.1<br>1.3.2<br>1.3.3<br>1.3.4<br>1.3.5   | Entrepreneur $\sqrt[4]{V}$<br>Mass $\sqrt[4]{V}$<br>Franchising $\sqrt[4]{V}$<br>Ten $\sqrt[4]{V}$<br>Leasing $\sqrt[4]{V}$   | (5 x 2)          | (10) |
|     |   |   | TOTAL SECTION A: | 40   |

(2)

(12)

(10)

(Any 5 x 2)

# **SECTION B**

# **QUESTION 2**

## 2.1 2.1.1 LO3 AS5

Crisis is any situation that threatens people in their individual or group capacity, at home or at work.  $\sqrt{\sqrt{}}$ 

#### OR

Crisis is an unforeseen event that can cause major changes in an organisation.  $\sqrt{\sqrt{}}$ 

## 2.1.2 LO3 AS3

- Knowing the environment.  $\sqrt{\sqrt{}}$
- Showing a passion for their beliefs.  $\sqrt{\sqrt{}}$
- Building strong teams  $\sqrt{\sqrt{}}$
- Challenging the existing knowledge within the organisation.  $\sqrt{\sqrt{}}$
- Involve everyone.  $\sqrt{\sqrt{}}$
- Encourage support.  $\sqrt{\sqrt{}}$
- Access the cultural landscape.  $\sqrt{\sqrt{}}$
- Communicate the message.  $\sqrt{\sqrt{}}$
- Prepare for the unexpected.  $\sqrt{\sqrt{}}$
- Perseverance  $\sqrt{1}$
- Reward  $\sqrt{\sqrt{}}$
- Transferring ownership to a working team.  $\sqrt{\sqrt{}}$  (Any 6 x 2)

## 2.1.3 LO2 AS8

- Khanya Ltd is a legal person separate from the shareholders.  $\sqrt{\sqrt{}}$
- Unlimited continuity.  $\sqrt{\sqrt{}}$
- It enjoys limited liability.  $\sqrt{\sqrt{}}$
- Shares are freely transferable.  $\sqrt{\sqrt{}}$
- Capital raised by issuing shares to the public.  $\sqrt{\sqrt{}}$
- Managed by board of directors.  $\sqrt{\sqrt{}}$
- It pays tax at a fixed percentage of its profits.  $\sqrt{\sqrt{}}$
- Name ends with Ltd.  $\sqrt{\sqrt{}}$
- Financial statements are published.  $\sqrt{\sqrt{}}$  Any relevant answer.

# 2.1.4 LO1 AS3

- Loss of skills.  $\sqrt{\sqrt{}}$
- Decline in standard of living.  $\sqrt{\sqrt{}}$
- Low self-esteem/pride.  $\sqrt{\sqrt{}}$
- Increase in crime.  $\sqrt{\sqrt{}}$
- Increase in poverty.  $\sqrt{\sqrt{}}$
- Increase in consumer debts.  $\sqrt{\sqrt{}}$
- Inability of the country to realise full potential in the production.  $\sqrt{\sqrt{}}$ Any other relevant answer. (Any 4 x 2) (8)

#### 2.2 LO3 AS6

- Say no if you cannot take on any more work.  $\sqrt{\sqrt{}}$
- Plan your time and prioritise what is really important.  $\sqrt{\sqrt{}}$
- Set realistic goals.  $\sqrt{\sqrt{}}$
- See failure positively.  $\sqrt{\sqrt{}}$
- Create a pleasant working environment.  $\sqrt{\sqrt{}}$
- Take time off and relax.  $\sqrt{\sqrt{7}}$
- Look after the body and mind (exercise).  $\sqrt[3]{}$ Any applicable answer. (Any 5 x 2) (10)

## 2.3 LO3 AS6

- Personality styles.  $\sqrt{\sqrt{}}$
- Office layout.  $\sqrt{1}$
- Tools and technology.  $\sqrt{\sqrt{}}$
- Organisational culture.  $\sqrt{\sqrt{}}$
- Team process and procedures.  $\sqrt{\sqrt{}}$

#### 2.4 LO4 AS2

- Brands make the identification of products easier for consumers.  $\sqrt{\sqrt{}}$
- They guarantee an expected standard of quality.  $\sqrt{\sqrt{1+1}}$
- Offer protection to consumers.  $\sqrt{\sqrt{}}$
- Encourage familiarity and loyalty.  $\sqrt{\sqrt{1+1}}$
- They are protected against competitors using their names and colour, etc.  $\sqrt[]{\nu}$
- Branded products are perceived by consumers as having a high value.  $\sqrt[]{}$
- They allow for extension of product ranges and product lines.  $\sqrt{\sqrt{}}$

(Any 5 x 2) (10)

(Any 4 x 2)

[60]

(8)

(2)

# **QUESTION 3**

# 3.1 LO1 AS 2

3.1.1 Competitive advantage is when consumers regard the product or service offered by the business as better than a competitor's product.  $\sqrt{\sqrt{}}$ 

## 3.1.2 LO1 AS2

- Lower cost of production  $\sqrt{\sqrt{}}$
- New and good ideas.  $\sqrt{\sqrt{}}$
- Purchasing supplies and raw materials at better prices.  $\sqrt{\sqrt{}}$
- Using new and approved production methods.  $\sqrt{\sqrt{}}$
- A strong sales team and effective selling techniques.  $\sqrt{\sqrt{}}$
- A well-known brand name  $\sqrt{\sqrt{}}$
- Entry into new markets  $\sqrt{\sqrt{}}$  (Any 5 x 2) (10)

## 3.2 LO4 AS5

## 3.2.1 DIRECT MATERIALS COST

| Add<br>Tota<br>Less | purchases of raw materials<br>I<br>s: raw materials (31 December 2011  | )  | R25 000 √<br><u>20 000 √</u><br>45 000 √<br>( <u>15 000) √</u><br>R30 000 √√   | (6)   |
|---------------------|--|--|--|---|
| PRI                 | MARY COSTS   |  |  |   |
| Add                 | direct material costs  | <u>30 00</u>   | <u>0 √</u>   | (3)   |
| (a)                 | FIXED OVERHEAD COST<br>Depreciation<br>Insurance<br>Rent<br>Total  | 3 000<br><u>2 000</u>  | $ \begin{array}{c}                                     $   | (4)   |
| (b)                 | VARIABLE OVERHEAD COST<br>Casual labour<br>Electricity<br>Total  | <u>1 000</u>   | <u>)                                    </u>   | (3)   |
| Prim<br>Add         | ary cost (Direct material, Direct labo<br>overhead cost (fixed and variable)                                     | our)   | R60 000 √<br><u>18 000 √</u><br>R78 000 √  | (3)   |
| Unit                | Costs = <u>Total Production</u><br>No. of units produced $$<br>= $\frac{78\ 000\ }{400\ }$<br>= R1 950 $\sqrt{}$ |  |  | (5)   |
|                     | Add<br>Tota<br>Less<br>Direc<br>Add<br>Tota<br>(a)<br>(b)<br><b>Tota</b><br>Prim<br>Add<br>Tota                  | Direct material cost<br><b>PRIMARY COSTS</b><br>Direct labour costs<br>Add direct material costs<br>Total<br>(a) <b>FIXED OVERHEAD COST</b><br>Depreciation<br>Insurance<br>Rent<br>Total<br>(b) <b>VARIABLE OVERHEAD COST</b><br>Casual labour<br>Electricity<br>Total<br><b>Total production cost</b><br>Primary cost (Direct material, Direct labourded and variable)<br>Total<br>Unit Costs = <u>Total Production</u><br>No. of units produced $\sqrt{2}$<br>$= \frac{78\ 000\ \sqrt{2}}{400\ \sqrt{2}}$ | Add purchases of raw materials<br>Total<br>Less: raw materials (31 December 2011)<br>Direct material cost<br><b>PRIMARY COSTS</b><br>Direct labour costs R30 C<br>Add direct material costs 30 00<br>Total R60 C<br>(a) <b>FIXED OVERHEAD COST</b><br>Depreciation 2 00C<br>Insurance 3 00C<br>Rent 2 00C<br>Total R7 0<br>(b) <b>VARIABLE OVERHEAD COST</b><br>Casual labour R10<br>Electricity 1 00C<br>Total R11<br><b>Total production cost</b><br>Primary cost (Direct material, Direct labour)<br>Add overhead cost (fixed and variable)<br>Total<br>Unit Costs = <u>Total Production</u><br>No. of units produced $$<br>= <u>78 000 <math></math></u><br>400 $$ | Add purchases of raw materials $20\ 000\ $ Total45\ 000\ Less: raw materials (31 December 2011) $(15\ 000\ $ Direct material costR30\ 000\ PRIMARY COSTSDirect labour costsR30\ 000\ Add direct material costs $30\ 000\ $ Add direct material costs $30\ 000\ $ Add direct material costs $30\ 000\ $ TotalR60\ 000\ (a) <b>FIXED OVERHEAD COST</b><br>DepreciationDepreciation $2\ 000\ $ Insurance $3\ 000\ $ Rent $2\ 000\ $ TotalR7 000\ (b) <b>VARIABLE OVERHEAD COST</b><br>Casual labour<br>ElectricityCasual labour<br>TotalR10\ 000\ Primary cost (Direct material, Direct labour)<br>Add overhead cost (fixed and variable)R60\ 000\ TotalR78\ 000\ Unit Costs =Total Production<br>No. of units produced<br>$\frac{78\ 000\ }{400\ }$ |

# 3.1 LO1 AS2

3.1.1 Competitive advantage is when consumers regard the product or service offered by a business as better than a competitor's.  $\sqrt{\sqrt{}}$ 

#### 3.1.2 LO1 AS2

- Lower cost of production  $\sqrt[]{}$
- New and good ideas.  $\sqrt{\sqrt{}}$
- Purchasing supplies and raw materials at better prices.  $\sqrt{\sqrt{}}$
- Using new and approved production methods.  $\sqrt{\sqrt{}}$
- A strong sales team and effective selling techniques.  $\sqrt{\sqrt{}}$
- A well-known brand name  $\sqrt{\sqrt{}}$
- Entry into new markets  $\sqrt{\sqrt{}}$  (Any 5 x 2) (10)

#### 3.2 LO4 AS 4

## 3.2.1 DIRECT MATERIALS COST

|       | Raw material C1 Jan 2011)<br>Add purchases of raw materials<br>Total<br>Less: raw materials (31 December 2017<br>Direct material cost | 1)                                      | R25 000 √<br><u>20 000 √</u><br>45 000 √<br>( <u>15 000) √</u><br>R30 000 √√ | (6) |
|-------|---|---|--|-----|
| 3.2.2 | PRIMARY COSTS   |   |  |     |
|       | Direct labour costs<br>Add direct material costs<br>Total   | R30 0<br><u>30 00</u><br>R60 0          | <u>0 √</u>   | (3) |
| 3.2.3 | (a) <u>FIXED OVERHEAD COST</u><br>Depreciation<br>Insurance<br>Rent<br>Total  | 2 000<br>3 000<br><u>2 000</u><br>R7 00 | $\frac{}{}$ .  | (4) |
|       | (b) <b>VARIABLE OVERHEAD COST</b><br>Casual labour<br>Electricity<br>Total  | R10 0<br><u>1 000</u><br>R11 0          |  | (3) |
| 3.2.4 | <b>Total production cost</b><br>Primary cost (Direct material, Direct lab<br>Add overhead cost (fixed and variable)<br>Total          | our)                                    | R60 000 √<br><u>18 000 √</u><br>R78 000 √                                    | (3) |
| 3.2.5 | Unit Costs = <u>Total Production</u><br>No. of units produced $$<br>= $\frac{78\ 000}{400}$<br>= R1 950 $\sqrt{}$                     |   |  | (5) |

(2)

(9)

# 3.3 LO4 AS2

- Cost based pricing √ Cost of production and supply are calculated, and a profit is added.  $\sqrt{\sqrt{1}}$
- Demand based pricing  $\sqrt{}$ The business estimates what the consumers can afford and considers the size of its profit.  $\sqrt{\sqrt{}}$
- Competition based technique  $\sqrt{}$ The price of the product is compared with that of competitors and fixed on the basis of those prices.  $\sqrt{\sqrt{}}$
- Market based pricing  $\sqrt{}$ The number of buyers and sellers in the market determines the prices.  $\sqrt{\sqrt{1+1}}$ (Any 3 x 3)

# 3.4 LO4 AS2

- It helps with exchange of information, skills, knowledge and experience.  $\sqrt{\sqrt{1-1}}$
- It decreases the duplication of work and effort.  $\sqrt{\sqrt{2}}$
- It helps people of different levels, organisations and backgrounds to interact.  $\sqrt{\sqrt{}}$
- Helps to address complex development problems.  $\sqrt{\sqrt{}}$
- Can help people as a source of peer support and motivation.  $\sqrt{\sqrt{1+1}}$
- It can create awareness amongst people that they may have similar problems.  $\sqrt{\sqrt{}}$ Any relevant answer.

(Any 3 x 2) (6)

# 3.5 LO4 AS2

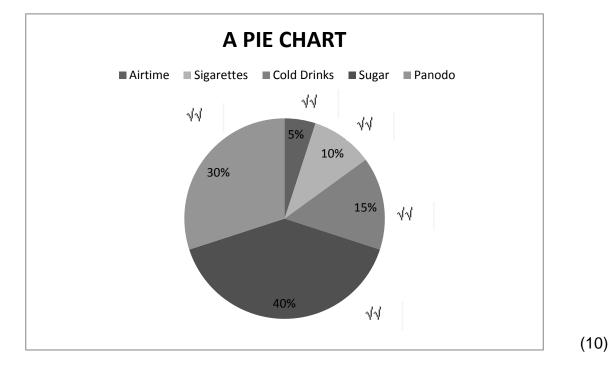
• Convenience goods  $\sqrt{}$ 

These are usually low priced items purchased by consumers without giving it much thought.  $\sqrt{\sqrt{}}$ 

- Shopping goods/select goods.  $\sqrt{}$ Consumers do not buy them very regularly and they are prepared to spend a considerable amount on the time and energy going to various shops until they are sure that they get the best value for money.  $\sqrt{\sqrt{1+1}}$
- Speciality goods √ These are consumer goods that usually have brand identification.  $\sqrt{\sqrt{3}}$ (9)

[60]

4.1 LO2 AS6



## 4.2 LO4 AS2

- <u>The development of product ideas.</u> √
   A variety of creative thinking techniques are used to generate ideas for the development of the product. √√
- <u>The selection of the product idea.</u> √
   Once a number of product ideas have been generated they must be sorted based on the abilities of the business to properly supply the product to the market. √√
- The design and testing of the product ideas.  $\sqrt{}$ The product must be made and tested for safety and utility.  $\sqrt{}$
- <u>Developing the product concept.</u> √
   Research is required to find out how the market will respond to your product idea. √√
- <u>Analyse the profitability product concept.</u>  $\sqrt{}$ The business must make sure that the product will be profitable.  $\sqrt{}$
- <u>Making and testing the actual product.</u>  $\sqrt{}$ At this stage of its development, any practical problems in relation to the making of the product must be solved.  $\sqrt{\sqrt{}}$
- <u>Standardising and grading.</u>  $\sqrt{}$ Standardisation concerns the production of goods and the delivery of services so that there is uniformity.  $\sqrt{\sqrt{}}$
- <u>Testing the market.</u>  $\sqrt{}$ The product should now be available in its practical form.  $\sqrt{\sqrt{}}$ Any other relevant answer. (Any 5 x 3) (15)

#### 4.3 4.3.1 **GANTT CHART – LO2 AS3**

| Activity<br>Or Task                        | WEEK 1 | WEEK 2            | WEEK 3  | WEEK 4            | Person<br>Responsible |
|--|--------|-------------------|---------|-------------------|-----------------------|
| Buy<br>furniture√                          |        | $\sqrt{\sqrt{1}}$ |         |                   | Siya and<br>Naomi √   |
| Business<br>licence√                       |        | $\sqrt{\sqrt{1}}$ |         |                   | Siya √                |
| Buy<br>crockery√                           |        | $\sqrt{\sqrt{1}}$ |         |                   | Siya √                |
| Buy<br>cutlery√                            |        |                   |         | $\sqrt{\sqrt{1}}$ | Naomi √               |
| Order<br>bedding<br>and<br>curtaining<br>√ |        |                   | <u></u> |                   | Naomi √               |
| Arrange<br>security√                       |        |                   |         | $\sqrt{\sqrt{1}}$ | Siya √                |

Accept any order.

#### 4.3.2 LO2 AS7

- Entrepreneurial and management assistance is given.  $\sqrt{\sqrt{}}$
- Training is provided.  $\sqrt{\sqrt{}}$
- The franchiser markets an established product.  $\sqrt{\sqrt{}}$
- A business can start up quickly as market research has already been done.  $\sqrt{\sqrt{}}$
- The failure rate tends to be lower.  $\sqrt{\sqrt{2}}$
- Banks grant financing more readily to franchisers.  $\sqrt{\sqrt{}}$
- Assistance is provided with promotion and education.  $\sqrt{\sqrt{}}$
- The owner gets the profits.  $\sqrt{\sqrt{}}$
- Franchiser has the right to use a recognised name/product.  $\sqrt{\sqrt{}}$
- The franchiser receives marketing support.  $\sqrt[4]{}$ Any other relevant answer. (Any 5 x 2)

## 4.3.3 LO2 AS 7

- Kentucky Fried Chicken  $\sqrt{}$
- Nandos √
- MacDonald√
- Wimpy √
- Steers  $\sqrt{}$

Any other relevant answer.

(Any 1 x 1) (1)

[60]

(10)

## **SECTION C**

#### **QUESTION 5**

#### 5.1 **INTRODUCTION**

#### LO4 AS2

- Packaging is the planning, design and creation of a container in which a product item is placed so that it may be protected.√
- Packaging facilitates handling so that the contents are not damaged. $\sqrt{}$
- Packaging allows for better marketing opportunities and also fulfils a number of other functions. √
   Any relevant introduction. (Any 3 x 1)

#### CONTENT

#### 5.2 **PURPOSE OF PACKAGING**

- Packaging protects the product.  $\sqrt{\sqrt{}}$
- Makes the product to appeal to consumers/promote the product.  $\sqrt{\sqrt{1+1}}$
- It makes it easy for the seller to display.  $\sqrt{\sqrt{2}}$
- It provides information about the product.  $\sqrt{\sqrt{2}}$
- It enables the handling of the product.  $\sqrt{\sqrt{}}$ Any relevant answer.

#### 5.3 THE REQUIREMENTS FOR A GOOD PACKAGING

- It must attract the attention of consumers.  $\sqrt{\sqrt{}}$
- Must create a unique identity.  $\sqrt{\sqrt{}}$
- It must be suitable for the product.  $\sqrt{\sqrt{2}}$
- Must be suited to the market.  $\sqrt{\sqrt{}}$
- It must be suitable for display purposes.  $\sqrt{\sqrt{}}$
- Must be recyclable and re-useable.  $\sqrt{\sqrt{}}$
- Must be strong, light and easy to handle.  $\sqrt{\sqrt{}}$
- Must be different from that of competitors.  $\sqrt{\sqrt{}}$ Any other relevant answer.

#### FORMS/TYPES OF PACKAGING

- Packaging for immediate use.  $\sqrt{}$
- Speciality packaging. √
- Combination packaging.  $\sqrt{}$
- Kaleidoscopic packaging.  $\sqrt{}$
- Re-usable packaging.  $\sqrt{}$
- Packaging for double use.  $\sqrt{}$
- Unique packaging.  $\sqrt{}$
- Convenient packaging. √ Any other relevant answer.

Max. (10)

Max. (10)

(3)

## CONCLUSION

Packaging is also used to provide information required by law such as weight of the contents and the ingredients in food products.  $\sqrt{\sqrt{}}$  Any other relevant conclusion.

(2)

## Breakdown of mark allocation

| Details                         | Maximum | Sub-total | Total  |
|---------------------------------|---------|-----------|--------|
| Introduction                    |         | 3         |        |
| Purpose of packaging            | 10      | 27        |        |
| Requirements for good packaging | 10      |           | Max 32 |
| Forms/types of packaging        | 07      |           |        |
| Conclusion                      |         | 2         |        |
| INSIGHT (LASO)                  |         |           |        |
| Layout                          |         |           | 2      |
| Analysis, interpretation        |         |           | 2      |
| Synthesis                       |         |           | 2      |
| Originality, examples           |         |           | 2      |
| TOTAL MARKS                     |         |           | 40     |

#### **QUESTION 6**

#### LO2 AS8

#### 6.1 **INTRODUCTION**

- $\succ\,$  A partnership is an association between 2 to 20 people who intend to make a profit.  $\sqrt{}$
- > They must all contribute something to the partnership be it capital, goods, labour, knowledge or skills.  $\sqrt{}$
- > They are jointly and severally liable for the debts of the business.  $\sqrt{}$  Any relevant introduction.

#### (3)

## 6.2 CHARACTERISTICS OF A PARTNERSHIP

- > 2 20 partners  $\sqrt{\sqrt{}}$
- > Partners contribute money/assets/skills etc.  $\sqrt{\sqrt{}}$
- > Aim is to make profit.  $\sqrt{\sqrt{}}$
- > It may be an oral or written agreement.  $\sqrt{\sqrt{}}$
- Not a legal entity.  $\sqrt{\sqrt{}}$
- > Partners are taxed on the profit.  $\sqrt{\sqrt{}}$
- $\blacktriangleright$  Limited continuity.  $\sqrt{\sqrt{}}$
- > Limited capital.  $\sqrt{\sqrt{}}$ Any relevant answer.

## 6.3 6.3.1 FORMATION OF A PARTNERSHIP

- > Formed orally or in writing.  $\sqrt{\sqrt{}}$
- > Partnership agreement/articles is a founding document.  $\sqrt{\sqrt{}}$

Max. (2)

(10)

Max.

## 6.3.2 CONTENTS OF PARTNERSHIP ARTICLES

- > Name of partnership.  $\sqrt{\sqrt{}}$
- > Objectives.  $\sqrt{\sqrt{}}$
- Names of partners.  $\sqrt{\sqrt{}}$
- > Type of business activities.  $\sqrt{\sqrt{}}$
- Solution by each partner.  $\sqrt{\sqrt{}}$
- > Amount of cash drawings.  $\sqrt{\sqrt{}}$
- Ratio in which profits/losses are to be divided.  $\sqrt{\sqrt{3}}$
- > Insurance to be taken out.  $\sqrt{\sqrt{}}$
- > Salaries.  $\sqrt{\sqrt{}}$
- $\blacktriangleright$  Leave appointments.  $\sqrt{\sqrt{}}$
- > Duties of partners.  $\sqrt{\sqrt{}}$ Any relevant answer.

## 6.4 ADVANTAGES OF PARTNERSHIP

- > Cheap and easy to start.  $\sqrt{\sqrt{}}$
- > Partners' knowledge/skills are combined leads to greater effectiveness.  $\sqrt[]{\sqrt{}}$
- > Partners specialise on their area of expertise.  $\sqrt{\sqrt{3}}$
- > Partners share costs and responsibilities.  $\sqrt{\sqrt{}}$
- > A partnership is financially stronger than a sole proprietorship.  $\sqrt{\sqrt{2}}$
- > A partnership agreement can easily be changed.  $\sqrt{\sqrt{2}}$
- > Joint discussions by the partners can result in efficiency and profitability.  $\sqrt{\sqrt{}}$
- > Partners can maintain personal contact with customers.  $\sqrt{\sqrt{}}$  Any relevant answer.

## 6.5 **DISADVANTAGES OF A PARTNERSHIP**

- $\succ$  Partners have unlimited liabilities for debts of the business.  $\sqrt{\sqrt{2}}$
- $\blacktriangleright$  Changes to partners lead to an end to partnership.  $\sqrt{\sqrt{2}}$
- > Capital limited to what partners can contribute.  $\sqrt{\sqrt{1}}$
- > Partners bind each other with their actions.  $\sqrt{\sqrt{}}$
- > Is not a legal entity.  $\sqrt{\sqrt{}}$
- > Slow decision making consultation.  $\sqrt{\sqrt{}}$
- > A partnership is limited to 20 people.  $\sqrt{\sqrt{}}$ Any relevant answer

#### CONCLUSION

The partners take an active part in the management of the business.  $\sqrt{\sqrt{}}$  (2)

Max. (12)

Max. (6)

(4)

Max.

| Details               | Maximum | Reduced to | Sub-total | Total  |
|-----------------------|---------|------------|-----------|--------|
| Introduction          |         |            | 3         |        |
| Characteristics       | 10      |            |           |        |
| Formation             | 02      |            |           |        |
| Contents of articles  | 12      | 27         | 27        | Max 32 |
| Advantages            | 06      |            |           |        |
| Disadvantages         | 04      |            |           |        |
| Conclusion            |         |            | 2         |        |
| INSIGHT *(LASO)       |         |            |           |        |
| Layout                |         |            |           | 2      |
| Analysis,             |         |            |           | 2      |
| interpretation        |         |            |           |        |
| Synthesis             |         |            |           | 2      |
| Originality, examples |         |            |           | 2      |
| TOTAL MARKS           |         |            |           | 40     |

## Breakdown of mark allocation

## **QUESTION 7**

## LO3 AS6

## 7.1 INTRODUCTION

- $\succ$  Change is created all the time and at many levels in an organisation.  $\sqrt{1}$
- > Mostly people within the organisation simply respond to consumer needs and move on to the next project.  $\checkmark$
- They do not necessarily change their way of thinking, but they continuously learn and adapt, spread knowledge and share ideas. 
   Any relevant answer.
   (1 x 3)

# 7.2 PRINCIPLES OF CHANGE MANAGEMENT

- > Ensure extensive communication.  $\sqrt{\sqrt{}}$
- $\succ$  Involve the staff in all decisions and make sure they understand the need for the changes.  $\sqrt[]{}\sqrt{}$
- $\succ$  Plan the change according to a timetable and share it with all those affected by the change.  $\sqrt{\sqrt{}}$
- > Sell the benefits.  $\sqrt{\sqrt{}}$
- $\succ$  Be open and transparent in all dealings.  $\sqrt{\sqrt{2}}$
- > Consider that everyone has the right to dignity.  $\sqrt{\sqrt{1+1}}$
- $\blacktriangleright$  Consider people as human beings with needs, wants and feelings.  $\sqrt{\sqrt{2}}$
- $\succ$  Be accountable and responsible for your actions.  $\sqrt{}$
- $\succ$  Look for ways to lessen the impact of change.  $\sqrt{\sqrt{}}$
- Compensate people if they suffer losses. Any relevant answer.

Max. (16)

#### 7.3 FACTORS TO BE CONSIDERED WHEN MAKING A CHANGE

- > Be prepared to deviate from the plan.  $\sqrt{\sqrt{}}$
- > Expect the unexpected.  $\sqrt{\sqrt{}}$
- > Stick to the mission.  $\sqrt{\sqrt{}}$
- > Deal with critiques.  $\sqrt{\sqrt{}}$
- > Focus on the principles.  $\sqrt{\sqrt{}}$ Any relevant answer.

#### 7.4 TYPES OF CHANGE MANAGEMENT

- > Planned change.  $\sqrt{}$
- > Structural change.  $\sqrt{}$
- > Technological change.  $\sqrt{}$
- > Physical change.  $\sqrt{}$

#### 7.5 CONCLUSION

- $\blacktriangleright$  Leaders do not always have solutions to the problems of the team.  $\sqrt{\sqrt{1-1}}$
- > It is important to revisit the team's mission, to recognise what has already been achieved and what remains to be done.  $\sqrt{\sqrt{2}}$  $(1 \times 2)$

#### Breakdown of mark allocation

| Details                  | Maximum | Sub-total | Total  |
|--------------------------|---------|-----------|--------|
| Introduction             |         | 3         |        |
| Principles of change     | 16      |           |        |
| management               |         |           |        |
| Factors to be            | 08      |           | Max 32 |
| considered when          |         | 27        |        |
| making a change          |         |           |        |
| Types of change          | 03      |           |        |
| management               |         |           |        |
| Conclusion               |         | 2         |        |
| INSIGHT *(LASO)          |         |           | 2      |
| Layout                   |         |           | 2      |
| Analysis, interpretation |         |           | 2      |
| Synthesis                |         |           | 2      |
| TOTAL MARKS              |         |           | 40     |

17

(Any 4 x 2) (8)

(3)

Max.

# LO1 AS5

# 8.1 INTRODUCTION

- $\succ$  There are three sectors involved in production and distribution, namely the primary, secondary and tertiary sectors.  $\checkmark$
- > They operate interdependently.  $\sqrt{}$
- > All three are necessary for the smooth functioning of trade.  $\sqrt{}$  Any application introduction. (1 x 3) (3)

# 8.2 **PRIMARY SECTOR**

- > Involves the extraction of products/raw materials from natural resources.  $\sqrt[]{\sqrt{}}$
- > Examples: Agriculture, forestry, fishing and mining.  $\sqrt{\sqrt{}}$  (2 x 2) (4)

# 8.3 SECONDARY SECTOR

- $\blacktriangleright$  Involves the processing of raw materials extracted from the primary sector.  $\sqrt[]{} \sqrt[]{}$
- $\succ$  It consists of manufacturing and construction industries.  $\sqrt{\sqrt{1+1}}$
- > Examples: Sappi manufactures paper from wood.  $\sqrt{\sqrt{}}$  (Any 2 x 2) (4)

# 8.4 **TERTIARY SECTOR**

- $\succ$  Consists of distributors as well as services.  $\sqrt{\sqrt{2}}$
- > Adds value to goods and services, by bringing them to consumers and making them available in the right quantities and at the right time.  $\sqrt{\sqrt{}}$
- > Examples: Traders, transport, communication, storage, insurance, advertising, personal services and financial services.  $\sqrt{\sqrt{(Any 2 x 2)}}$  (4)

# 8.5 INTERRELATED/LINKS BETWEEN THE SECTORS

# Primary Sector:

- > In the primary sector, there are farmers who need seed and food stock produced by other farmers.  $\sqrt{\sqrt{}}$
- > The primary sector is also dependant on the secondary sector for manufactured goods such as machinery, equipment, etc.  $\sqrt{\sqrt{}}$
- > The primary sector needs transport and financing provided by the tertiary sector.  $\sqrt[n]{\sqrt{1-100}}$  (Any 2 x 2) (4)

# Secondary Sector:

- > The secondary sector is dependent on the primary sector for the raw materials that are processed into more useful products, e.g. wool jerseys.  $\sqrt{\sqrt{}}$
- > The secondary sector also relies on the tertiary sector for the provision of a variety of services e.g. warehouse for storage of goods.  $\sqrt{\sqrt{}}$
- > In the secondary sector, there are manufacturers of components that are used by other manufactures in their final products.  $\sqrt{\sqrt{(Any 2 x 2)}}$  (4)

## **Tertiary Sector:**

- $\succ$  In the tertiary sector, retailers are dependent on wholesalers for the supply of their stocks.  $\sqrt[]{}$
- > The tertiary sector is also dependant on the secondary sector for manufactured goods such as office machines, office furniture, stationery, etc.  $\sqrt{\sqrt{}}$
- > The various services of transport, communication, financing, insurance and advertising are provided to the primary and secondary sectors.  $\sqrt{\sqrt{}}$  (Any 2 x 2) (4)

## **Backward link:**

- > Means that a business in a secondary sector buys products or services from the primary sector or from a business within the same sector.  $\sqrt{\sqrt{}}$
- > Example: Coal bought by steel producers from mines in the primary sector.  $\sqrt{\sqrt{1-1}}$
- > Manufacturer of clothing buys zips and buttons from another manufacturer.  $\sqrt{\sqrt{}}$

(Any 2 x 2) (4)

## Forward link:

- > A forward link means that businesses in the primary sector sell their products or services to the secondary sector or to businesses within the same sector.  $\sqrt[4]{}$
- $\blacktriangleright$  Example: Cotton sold by cotton farmers to spinning and weaving factories.  $\sqrt{\sqrt{2}}$
- $\blacktriangleright$  Example of selling within a sector: Tyre manufacturers sell tyres to car manufacturers.  $\sqrt{4}$

(Maximum of 4 marks per link.)

## 8.6 Conclusion:

- > Sectors do not operate in isolation. $\sqrt{\sqrt{1-1}}$
- > The economy of the country would not function without this interrelatedness of the economic sectors.  $\sqrt{\sqrt{}}$

(Any applicable conclusion.)

## Breakdown of mark allocation

| Details                  | Maximum | Reduced to | Sub-total | Total  |
|--------------------------|---------|------------|-----------|--------|
| Introduction             |         |            | 3         |        |
| Sectors                  | 12      | 27         | 27        | Max 32 |
| Interrelatedness         | 20      |            |           |        |
| Conclusion               |         |            | 2         |        |
| INSIGHT *(LASO)          |         |            |           |        |
| Layout                   |         |            |           | 2      |
| Analysis, interpretation |         |            |           | 2      |
| Synthesis                |         |            |           | 2      |
| Originality, examples    |         |            |           | 2      |
| TOTAL MARKS              |         |            |           | 40     |

LASO – For each component:

Allocate 2 marks if all requirements are met. Allocate 1 mark if only some requirements are met. Allocate 0 marks where requirements are not met at all. (5 x 4) (20)

(2) **[40]** 

 $(Any 1 \times 2)$