



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

SEPTEMBER 2015

**CONSUMER STUDIES
MEMORANDUM**

MARKS: 200

This memorandum consists of 17 pages.

QUESTION 1: SHORT QUESTIONS

- | | | | |
|-----|--------|-----|-----|
| 1.1 | 1.1.1 | B ✓ | (1) |
| | 1.1.2 | A ✓ | (1) |
| | 1.1.3 | B ✓ | (1) |
| | 1.1.4 | D ✓ | (1) |
| | 1.1.5 | C ✓ | (1) |
| | 1.1.6 | A ✓ | (1) |
| | 1.1.7 | C ✓ | (1) |
| | 1.1.8 | B ✓ | (1) |
| | 1.1.9 | A ✓ | (1) |
| | 1.1.10 | C ✓ | (1) |
| | 1.1.11 | A ✓ | (1) |
| | 1.1.12 | D ✓ | (1) |
| | 1.1.13 | C ✓ | (1) |
| | 1.1.14 | D ✓ | (1) |
| | 1.1.15 | B ✓ | (1) |
| | 1.1.16 | A ✓ | (1) |
| | 1.1.17 | D ✓ | (1) |
| | 1.1.18 | A ✓ | (1) |
| 1.2 | 1.2.1 | D ✓ | (1) |
| | 1.2.2 | A ✓ | (1) |
| | 1.2.3 | F ✓ | (1) |
| | 1.2.4 | G ✓ | (1) |
| | 1.2.5 | A | (1) |
| 1.3 | 1.3.1 | C ✓ | (1) |
| | 1.3.2 | A ✓ | (1) |
| | 1.3.3 | E ✓ | (1) |

1.4	A, C, E	√√√	(3)	
1.5	1.5.1	E	√	(1)
	1.5.2	C	√	(1)
	1.5.3	D	√	(1)
1.6	B, C, F	√√√	(3)	
1.7	B, D, E	√√√	(3)	
			[40]	

QUESTION 2: CONSUMER**2.1 Black goods and grey goods**

- Black goods are imported illegally; grey goods are not imported
- illegally. ✓
- Black goods – custom duties are not paid; grey goods – custom duties are paid ✓
- Black goods are sold illegally; grey goods although sold, the manufacturer does not authorise them to do so and/or they should have a notice to identify them as grey goods.
- Black goods are often counterfeit goods. (Any 2 comparisons) (2)

2.2 2.2.1 Contracts

A legal agreement between two or more parties/people ✓ in which one person offers to do something and another person accepts that offer. ✓

OR

A credit contract is a legal agreement where a credit provider ✓ offers to allow the consumer to buy goods and only pay for them at a later date. ✓ (2)

NOTE: Also accept – When the parties agree to the terms and conditions of a signed contract.

2.2.2 Advice as a consumer – signing of contract

- Must be over the age of 18 to sign
- Must be of sound mind
- Must agree to the terms in the contract before signing
- Must not sign if the document is blank
- Must check all necessary details are filled in
- Must date it when signing
- Before you sign ask questions if there is anything you do not understand (Any 3 x 1) (3)

2.2.3 (i) Breach of contract

When one party does not do what they promised to do in a contract. ✓✓ (2)

(ii) Void

Not valid or legally binding. ✓✓ (2)

2.2.4 Repo rate

The interest rate at which the commercial banks can borrow money from the Reserve Bank. ✓✓ (2)

2.2.5 (i) **Inflation**

The percentage increases in prices over a year. $\sqrt{\sqrt{\quad}}$ (2)

(ii) Some people have less disposable income. It decreases the buying power of money so you can buy less with the same amount of money.

- People on fixed incomes suffer. Their salaries do not keep up with the inflation rate. e.g. a pensioner's income pays for fewer expenses.
- Our standard of living decreases.
- Investments/Savings are worth less.
- As prices increase, people buy fewer goods and the economy suffers.
- Fewer products are purchased, so manufacturers may cut back on production, which could result in job losses.

(Any 5 x 1) (5)

[20]

QUESTION 3: FOOD AND NUTRITION

- 3.1 3.1.1 **Risk factors**
- High blood pressure
 - Diabetes
 - Stress
 - Obesity (weight loss – therefore overweight) (Any 3 x 1) (3)
- 3.1.2 **Complex carbohydrates**
Unrefined ✓✓ high class carbohydrate/It has lots of fibre. (2)
- 3.1.3 **Cholesterol**
- (i) A soft, white, fatty substance ✓✓ produced in the liver. (2)
- (ii) Lowers the cholesterol. (2)
- (iii)
 - The arteries will become clogged up/narrowed.
 - The arteries harden and thicken.
 - This is known as atherosclerosis.
 - Blood flow is restricted/supply cut off
 - Oxygen supply cut off to parts of the heart
 - A blood clot can also block the flow of blood in an artery already narrowed.
 - Heart muscles becomes weaker.
 - Blood flow blocking supply to the brain – stroke.
(Any 5 x 1) (5)
- 3.1.4 **Complications of high blood pressure**
Strokes, kidney failure, eye damage and premature death
(Any 2 x 1) (2)
- 3.1.5 **Minerals to manage HBP**
Calcium and magnesium (2)
- NOTE:** NOT selenium or phosphorous.
- 3.1.6 **Type 2 diabetes**
The body does not produce enough insulin ✓ or is unable to use the insulin it makes properly. ✓
The blood glucose level becomes abnormally high and the body therefore cannot control the blood glucose levels. ✓ (3)

3.1.7 Nutrients role in the AIDS patient

Not selenium, vitamin B, iron – these are in the article.

Protein – Replace protein losses due to malabsorption due to diarrhoea

Vitamin A – Keeps the linings of the lungs and intestines intact so the bacteria cannot easily enter the body and cause infection.

Vitamin E – Increases antibodies.

Vitamin B₆ – Maintains a healthy immune and nervous system

Vitamin C – Helps recover from infection

Zink:

- Protects the immune system
- Reduces diarrhoea
- Improves immune cell function

(Any 3 nutrients + 3 matching points) (6)

3.1.8 Gluten intolerance

(i) Coeliac/Celiac disease (1)

(ii) The lining of the intestine contain villi which get damaged. Damaged villi are now less able to absorb nutrients. This causes the nutrients to pass too quickly through the body (without being absorbed). ✓✓ (2)

3.2 GMO

3.2.1 Genetically Modified Organisms ✓✓ (2)

3.2.2 Natural environment

Concerns are around:

- Will these products affect the soil?
- What happens to the genes inserted into other products?
- What happens if GM plants pollinate conventionally grown plants?
- May be used to cause animals to grow bigger and faster than usual. They are then slaughtered at a younger age.
- Concerns about plant, insect, bird and animal life where GM crops are grown.

Economic environment

Positives are:

Yields are lower as they need more land to grow the same amount of food as non-organic foods.

- More jobs available as more manpower needed.
- More expensive than conventional farming. More labour intensive and the yields are lower.
- Shelf life shorter as no preservatives are added.

(4 marks for natural + 4 marks for economic) (8)

[40]

QUESTION 4: CLOTHING4.1 4.1.1 **Sustainable textiles**

- Textiles that are grown or produced and manufactured in an environmentally way/has minimal impact on the environment.
- This means that the plants yields good crops and require little water with few chemicals used during the growth of the plant and processing the textile.
- Resources are not depleted or damaged when the product is manufactured.
- Produced in an economically viable way and the welfare of employees and others involved in production has been taken into consideration. (Any 2 x 1) (2)

4.1.2 **African cotton**

- Organic cotton/environmentally friendly/Eco-friendly/Green ✓
- The article refers to the fact that it uses ' 67% less water and 62% less energy in the wash process' and with zero harmful chemicals.
- The above quote match the description of organic textiles which is textiles that are grown without the use of herbicides and pesticides or manufactured without harmful dyes.
- The above quote match the description of organic textiles which is textiles that are grown without the use of herbicides and pesticides or manufactured without harmful dyes.
- No toxins to flow into the ecosystem.
- By buying this the negative effect of unsustainable practices on the environment are reduced. ✓✓ (1 + Any 2) (3)

4.1.3 **Carbon footprint**

- It keeps millions of plastic bottles out of the landfills each year/ less waste created/reduces waste.
- The greenhouse-gas emissions that contribute to global warming is reduced.
- It uses less water, less energy and fewer chemicals
- Polyester is produced from oil so it saves oil.
- The amount of new fabric that needs to be manufactured. (Any 2 x 1) (2)

4.2 Upcycling

- Sell or exchange them to a second hand shop
- Adapt the garment by making it shorter e.g. a pair of jeans can be made into shorts by cutting the legs and using the off cuts for a denim bag.
- Donate the garment to a charity shop.
- Give away to someone in need.
- Hand in at a recycling depot.
- Use as rags for house cleaning purposes. (Any 2 x 1) (2)

NOTE: Do not mark an upcycling example e.g. an old garment is taken apart and stitched into an entirely new garment.

4.3 Corporate work wear

- Projects the image of the Spur brand
- Can advertise the Spur name
- Says something positive about the company (all workers neat ensuring a basic standard of dress maintained)
- It is easy to identify the company's employees by the company logo on the shirt
- Staff do not have to worry about what to wear each day.
- May be cheaper than having to buy own work wear. (Any 2 x 1) (2)

4.1 Work wear outfit

4.4.1 Suitable colours

- The *jacket* is suitable. It is cream or white – a basic colour
- The *pants* colour (not the pants style) being darker is suitable.
- A patterned *top* in a colour that complements your complexion is suitable. (Any 2 x 1) (2)

Advice

- Choose basic colours for the *pants and jacket* i.e. neutral colours such as grey, beige, cream, navy etc.
- Black is a good choice for smart and formal wear
- Light colours reflect heat from the body – cool for summer days
- The colour chosen should complement your skin tone
- Do not have too many patterned tops for variation. Any 1 x 1) (3)

4.4.2 Suitable formal wear

- *Jeans* are too casual
- The *jacket* is formal and a classic style and suitable
- A good choice jacket for mixing and matching with skirts or pants
- The *top* brings in a different look and cool for summer season
- The top is not really a formal style but can be dressed up with the jacket. (Any 2)

Advice

- Choose a *formal style pants* with a classic cut, one in a fabric to suit all seasons.
- Length – long enough to wear with heels but not so long that they drag on ground when worn with flats.
- Choose a style to complement your figure and well fitting. (Any 1 x 1)

Top:

- One top can be bright for variation
- Another top with lustre/sheen for formal occasions
- Get varying length and different basic colours
- Again, choose a style to suit your figure. The *jacket* – must match clothes, buy the best quality you can afford – to last.

Advice

- Symmetrical balance gives a formal look
- Curved lines for a feminine, softer look
- Smooth, shiny textures give the illusion of formality
- For winter, plan to layer garments
- Do not choose revealing styles (3)

4.4.3 Accessories

- Necklace, earrings, bags and shoes are all suitable to dress up outfit
- *Earrings and beads* = a professional choice

Advice

- Accessories in latest styles and fashion colours can provide interest and style to the outfit – a fresh look
- Use less expensive items as accessory fads go out of fashion.
- Use accessories to stamp your own individuality to your outfit
- Combine colours well that suit your complexion and complement each other.

Handbags

- Should be the same/similar colour as the shoes
- If another colour is used, it should be a shade lighter than the handbag
- Handbag size in proportion to your body size
- Buy a good quality bag that looks chic.

Shoes

- Should be darker than the bottom part of the garment
- Of good quality and comfortable
- Leather shoes last longer
- Basics include boots, sandals, flat shoes and heels

Beads and earrings: Harmonise with the clothing
(Also mark any logical evaluations and advice.)

(3)
[20]

QUESTION 5: HOUSING**5.1 Pros of buying compared with renting**

Renting is cheaper in the short term.

You are not making a long financial commitment with freedom of movement/Flexibility and less responsibility. ✓

Buying property over the medium to long term: you will end up owning an asset (investment) ✓

Satisfaction

- Of owning your own home/legal owner
- A sense of pride

Security

- Financially value of property will increase over time
- Sense of independence
- Risk of losing out on an investment versus good financial discipline in a long term commitment

Five other advantages

- You can sell the home and make a profit when the market is favourable
- Additions made to the structure will increase use value of the property
- Minor changes do not have to be approved
- The house can be used as security for a bank loan
- The house can be used as collateral for other debt
- You can earn income by renting out a room/garden cottage
- A business can be run from home provided the local authority approves therefore save by not having to rent other property for your business

(3 marks from interpretation of statement + 5 other advantages) (8)

NOTE: If an advantage in the response for the first part of the question is not mentioned – it can be marked under other advantages.

5.2 5.2.1 Transfer duties

A government tax to transfer the property into your name.

The amount is based in the value of the property. (2)

5.2.2 Legal fees

- For the attorney who pays the transfer duty on your behalf to the Receiver of Revenue.
- Fees to the attorney who compiles the document – the deed of transfer (called the title deed once the registrar of deeds has signed it)
- Fees for the attorney who registers the mortgage bond at the deeds office.

(Any 3 x 1) (3)

5.2.3 **Mortgage costs**

- Initiation fee for setting up home loan account.
- Valuation fee for bank to assess the property.
- Ongoing bond repayments
- Administration fees
- Interest fees
- Home Owner’s comprehensive insurance
- Life insurance premiums

(Any 4 x 1) (4)

5.3 **Sectional title vs freehold title**

	ASPECT	SECTIONAL TITLE	FREEHOLD
5.3.1	Monthly levy	<ul style="list-style-type: none"> • pay for the upkeep of the common property • OR pay to the body corporate for the upkeep of the common property • OR calculated according to the value of the property/unit 	No levy paid
		(1)	(1)
5.3.2	Maintenance costs	<ul style="list-style-type: none"> • Less maintenance costs compared to a larger property/full title ownership • You benefit from shared maintenance costs • OR Do not have to personally maintain common facilities 	<ul style="list-style-type: none"> • More maintenance costs • OR Responsible for all maintenance and upkeep of the property.
		(1)	(1)
5.3.3	Alterations to the exterior of the house	Permission must be sought from the body corporate	<p>You can make your own decisions regarding alterations.</p> <p>OR</p> <p>Major additions-approval from municipality must first be sought.</p>
		(1)	(1)

(6)

5.4 Building

Firstly find a suitable plot and buy land. ✓ Then get an architect to design your house plan. ✓ Select a contractor/builder to build your house. ✓ Apply for a home loan ✓ (Must be in this order.) (4)

5.5 Occupation certificate ✓✓ (2)

5.6 LG Eco hybrid tumble dryer**5.6.1 Energy consumption**

- (i) Easier to iron – Save time (2)
- (ii) the use of electricity (1)

5.6.2 Energy efficient

- (i) Less electricity to do one large load rather than 2 smaller loads and run the dryer twice. (2)
- (ii) When the moisture level is determined, the dryer will use less heat if the clothing is just damp thus saving electricity. (2)

5.6.3 Greenhouse effect

Less water vapour in the air ✓ therefore less solar radiation for the earth's atmosphere to trap, therefore less heat radiated back to the earth's atmosphere. ✓ (2)

5.6.4 Warranty – consumer responsibilities

To ask the seller to explain the terms of the warranty if you do not understand them.

To take the appliance back for repairs or the replacement of parts if it does not work properly.

To return unsafe defective goods to the supplier. (Any 2 x 1) (2)

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QUESTION 6: ENTREPRENEURSHIP

- 6.1 6.1.1 **Human skills**
- A hard worker
 - Creative
 - The ability to motivate
 - Has vision
 - Time management
- (Any 4 x 1) (4)
- 6.1.2 **Profitable and sustainable**
- A business that generates enough income to earn salary/pay salaries and pay monthly expenses and still make an amount for profit.
 - The business can maintain itself with enough production and sales without exhausting all available cash.
 - Put money back into the business so the business can continue to run and grow.
 - Still produce a profit in the long term/sustain long term financial resources.
- (3)
- 6.1.3 **Marketing mix**
- (i) Product: menswear or custom made suits and shirts (2)
 - (ii) Place: showroom or his home (2)
 - (iii) People: Man or mentor (2)
- 6.1.4 **Product specification**
- A written description ✓ of an item including all the details ✓ about the product, e.g. appearance, size, materials used, equipment needed, information about the packaging etc. ✓ (3)
- 6.1.5 **Customer care as the centre focus**
- Consumer appeal:
- The product you create must meet the needs of the consumer/customer/target market.
 - The product must be one the customer will want to buy
 - Offer good value for money
 - Adapt your product as trends and needs change
 - Your product must be standardised so that it is always the same
 - Offer a fairly different product
 - Include delivery of the product
 - Give clear information about the product
 - The product should be attractive and an interesting texture (touch).
- (Any 4 x 1) (4)

Customer service/relations

- Have good customer relations from the delivery of the product right through to listening to complaints.
- Fulfil your promises e.g. returning calls or what has been promised with information about the product
- Be courteous
- Train staff in customer service
- Get feedback and use it to improve your business (Any 4 x 2) (8)

6.1.6 **Staff training**

- To ensure good quality work/work improves which leads to
- Better skills
- Better knowledge for the job
- Understand their work better

Productivity improves because

- Better employer morale
- Staff are better motivated
- Better job satisfaction
- Reduced maintenance and repair costs
- Less wastage (Any 3 x 1) (3)

6.1.7 **Advertising media**

Printed – newspaper, magazines, catalogues, bulletin boards, posters, on packaging, loose-leaf adverts ect.

Outdoor – Banners, billboards, adverts on transport ect.

Direct mail – flyers in the post

(Any 2 categories or specific examples) (2)

6.2 **Costing**6.2.1 **overheads**

Packaging	R120,00		
Transport	R50,00		
Advertising	R50,00	✓	
Admin. work	<u>R60,00</u>		
	R280,00	✓	(2)

6.2.2 **Selling price for one product**

Raw materials	R1 120,00	
Overheads	<u>R280,00</u>	
Production cost	R1400,00	✓

R1 400 x 50% profit margin

= R700,00 ✓ profit

R1 400 + R700,00 = R2 100,00

Selling price = R2 100,00 ÷ 60 products

R35,00 ✓ per product

OR

Raw materials	R1 200 ÷ 60 ✓ = R18,67 per product
Overheads	R280,00 ÷ 60 <u>R4,67</u> per product
Production cost per product	R23,34 per product ✓

R23,34 + 50%
= R11,67 mark up per product
= R11,67 + R11,67 = R23,34
Selling price per product = R35,00

OR

Production cost R1 400,00 ÷ 60 = R23,33 per product

Production cost per product	R23,33
Mark up per product	<u>R11,67</u>
Selling price per product	R35,00

NOTE: The monetary value (R) must show the final amount for the awarding of the mark. (5)

6.2.3 Best sale scenario

When a business is able to meet its sales target and achieve its sales. ✓

OR

The business does not make a loss ✓ and sells more than break-even point ✓

OR

The product sells very well ✓ and the profit you make is worth the effort you put in (the business is viable). (2)

6.2.4 Financial feasibility study

- To find out whether the business has the potential to be a success
- To decide whether your business idea will be sustainable/realistic
- To be sure you will be able to produce and sell your products
- To check if you will make a reasonable profit
- To decide if your business will be viable (will work)
- To identify strengths and weaknesses of the business
- To show how the business idea could be changed/adapted to make it successful
- To determine the losses that the business will carry
- To determine the marketing cost of the business (Any 2 x 1) (2)

[40]

TOTAL: 200