INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of **THREE sections**

   **SECTION A: COMPULSORY**

   **SECTION B:** Consists of FIVE questions, answer any **THREE** questions.

   **SECTION C:** Consists of FOUR questions, answer **ANY TWO** questions.

2. Consider the time allocated for each question when answering the question.

3. Number the answer according to the numbering system used in this question Paper.

4. Answers must be in **FULL SENTENCE**, except where other instructions are given.

5. The mark allocation of each question will determine the length of your answer.

6. Start the answer to each question on a new page, for example Question 1 new page Question 2 new page etc.

7. Use the table below as a guide for marks and time allocation for each question:

<table>
<thead>
<tr>
<th>SECTION A</th>
<th>30 MARKS</th>
<th>15 MINUTES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(COMPULSORY)</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SECTION B</th>
<th><strong>THREE QUESTIONS</strong></th>
<th>45 MINUTES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(THREE questions must be answered in this section)</strong></td>
<td><strong>3x30=90</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SECTION C</th>
<th><strong>TWO QUESTIONS</strong></th>
<th>60 MINUTES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(TWO questions must be answered in this section)</strong></td>
<td><strong>2x40=80</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL</th>
<th>200 MARKS</th>
<th>120 MINUTES/ 2HOURS</th>
</tr>
</thead>
</table>
SECTION A (COMPULSORY)

QUESTION 1

1.1 Four possible options are provided as answers to the following questions. Choose the answer and write the letter (A-D) next to the question number for example 1.1.1

1.1.1 Specific and narrowly defined outcomes that the business will work towards achieving.

A. Vision  
B. Mission  
C. Goals  
D. Objectives

1.1.2 Retail Holdings Ltd is a:

A. Public company  
B. Partnership  
C. Private company  
D. Close corporation

1.1.3 An act that gives the right to consumers providing them with information to make the right decisions before debt is made.

A. National Credit Act  
B. Consumer Protection Act  
C. National Consumer Commission  
D. None of the above

1.1.4 The basic tasks of management are...

A. production, organisation, marketing and administration
B. motivation, communication, delegation and activating
C. leading, communicating, organising and control
D. control, organising, leading and planning

1.1.5 Vodacom is an example of a business which operates in the ... sector.

A. primary  
B. tertiary  
C. secondary  
D. industrial
1.2 Choose a description from COLUMN A that matches a concept in COLUMN B. Write only the letter (A – E) next to the question number in your answer book. e.g. 1.2.6 F

<table>
<thead>
<tr>
<th>COLUMN A</th>
<th>COLUMN B</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.2.1 This function is responsible for records to assist management in</td>
<td>A. Demographic</td>
</tr>
<tr>
<td>the decision-making process.</td>
<td>B. Burglary</td>
</tr>
<tr>
<td>1.2.2 All learners have access to basic education together.</td>
<td>C. Administration Function</td>
</tr>
<tr>
<td>1.2.3 When an unauthorised person makes a forced entry into the business</td>
<td>D. Memorandum of Incorporation</td>
</tr>
<tr>
<td>premises.</td>
<td>E. Theft</td>
</tr>
<tr>
<td>1.2.4 Refers to the age, gender, education, skills and racial groups in</td>
<td>F. Basic right</td>
</tr>
<tr>
<td>a society.</td>
<td>G. Production function</td>
</tr>
<tr>
<td>1.2.5 A document needed in the formation procedure of a company</td>
<td>H. Prospectus</td>
</tr>
<tr>
<td>according to the New Companies Act (2008)</td>
<td></td>
</tr>
</tbody>
</table>

(2 x 5) = (10)

1.3 Choose the correct word(s) from those given in brackets. Write only the correct answer next to the question number.

1.3.1 (Middle level management / Top level management) controls the long-term decisions of the business. (2)
1.3.2 The analysis of opportunities when conducting a SWOT- analysis is part of the (internal environment / external environment) of a business. (2)
1.3.3 (Bootlegging / Gambling) is the act of using money to bet on an event that has an unknown outcome in the hope of winning money. (2)
1.3.4 The (primary sector / tertiary sector) plays an important role by providing the secondary sector with natural resources. (2)
1.3.5 A sole proprietor has (limited / unlimited) liability. (2)

5x2 = (10)

TOTAL SECTION A : 30
SECTION B

ANSWER ANY THREE QUESTIONS

QUESTION 2

Read the case study below and answer the questions that follow.

Ahmed’s Fabric Store

Ahmed’s Fabric Store has been the only fabric and sewing machine supplier in Napier for a number of years. However, recently two other fabric stores have opened. One of these is offering sewing classes and selling discounted sewing machines. Employees were feeling disgruntled because the other businesses where increasing wages by 6%. Sewing is not as popular as it once was and many customers are travelling to the nearest city for a bigger selection of fabrics. The consumer Protection Act and the National Credit Act have meant that Ahmed has to change the way he runs his credit department as well. He has also realised that his business was looking shabby and old fashioned.

2.1 Identify the business sector in the case study.  (2)

2.2 Analyse the control and influence that Ahmed has over his disgruntled workers and the competition in the nearest city.  (6)

2.3 List any **FOUR** rights that the Consumer Protection Act offers Ahmed’s consumers.  (8)

2.4 Recommend ways that Ahmed can use to make changes so that his business complies with the National Credit Act.  (4)

2.5 Briefly explain the concept ‘socio-economic issues’.  (2)

2.6 List **FIVE** socio-economic issues that are found in South Africa.  (5)

2.7 Name any **THREE** elements that are found in the micro environment.  (30)
QUESTION 3

Read the following case study and answer the questions that follow.

Marc’s Carpets

Marc Mothiba worked as a carpet installer and then as a salesperson for 29 years, with a low salary and poor working conditions. The business was sold to new owners and things got worse. Eleven years ago Marc resigned and discovered the business had not contributed to the Unemployment Insurance Fund (UIF) or a pension fund on his behalf. He had no choice but to start his own business, Marc’s Carpets. Initially Marc had to pay cash for carpet orders and they learnt to keep strict control of finances after an employee stole R8 000 worth of stock and a customer moved to another town without paying for the carpets and labour. Marc had to learn not to trust people so quickly. For Marc owning his own business has been a wonderful experience.

3.1 Define the term entrepreneur. (2)

3.2 Name and briefly explain THREE entrepreneurial qualities that assisted Marc in becoming a successful entrepreneur. (6)

3.3 Identify the form of ownership used in the above case study. Motivate your answer. (3)

3.4 Give TWO advantages and TWO disadvantages of the form of ownership identified in 3.3. (8)

3.5 The management of any organisation operates at different levels. Name the different management levels in an organisation. (3)

3.6 Marc had to pay cash when ordering carpets.

3.6.1 Explain the difference between cash purchases and credit purchases. (4)

3.6.2 Identify any TWO advantages of credit purchases. (4)

(30)
QUESTION 4

Read through the case study and answer the questions that follow.

Edwardo’s Construction

Edwardo Concalves did market research and realised a need for a construction business in Nelspruit. He called the business ‘Edwardo’s Construction’. The service he wants to provide include landscaping, building and alterations. He needs to employ five foreman to assist him with all the work and a secretary to deal with administration and clients. He cannot afford expensive office equipment because of a lack of own funds, but needs a desk, chair and computer for his secretary.

4.1 Edwardo does not have enough funds to buy office equipment.

4.1.1 Advice him on any other source of finance. (2)
4.1.2 Explain why you are suggesting this particular type of finance. (2)
4.1.3 Describe the tasks of the financial function. (6)

4.2 List any THREE benefits of using information technology in the administration function. (6)

4.3 Name and briefly explain the steps for handling information in a business. (6)

4.4 A month before Edwardo started his business, some South African industries considered it a good time to strike.

4.4.1 Define ‘strike’ (2)
4.4.2 Define ‘go-slow’ (2)

4.5 Quality is the level of excellence that a business achieves. Explain how Edwardo can ensure quality in the following functions?

4.5.1 Human resources Function (2)
4.5.2 General Management Function (2) (30)
QUESTION 5

Read through the article below and answer the questions that follow.

South Africa’s watchdog cuts mobile phone rates

Gugulakhe Lourie

JOHANNESBURG 20 Oct: South Africa’s telephone regulator said it will force mobile phone companies to further cut charges for handling calls from other providers, in an attempt to lower calls from consumers and spark competition. The Independent Communications Authority of South Africa (ICASA), said it would reduce the mobile termination rate peaks times to 73 cents from 89 cents per minute by March 2011. The cost for non-peak times will be cut to 65 cents per minute, the regulator said. It aims to cut the fee to 40 cents by March 2013. In October South Africa’s largest cell phone operator, Vodacom, warned that a dramatic reduction of cell phone charges would be disruptive to the country’s economy and communications sector.

Taken from an article on www.reuters.com, 29 October 2010

5.1 Identify FOUR elements from the market environment mentioned in the article? (8)

5.2 Explain to which extent businesses have control over this environment. (2)

5.3 Name any TWO other mobile phone companies that compete with Vodacom. (2)

5.4 Distinguish between the formal and informal sectors in South Africa. (4)

5.5 Identify the main role of ICASA? (2)

5.6 The government has created a number of regulators which are responsible for overseeing the operations of particular parts of civil society.

5.6.1 Define civil society. (2)

5.6.2 Explain THREE reasons why should every business maintain good relations with civil society. (6)

5.7 Discuss the role of the public relations function for a business to remain competitive. (4)

(30)
QUESTION 6

6.1 Write the following abbreviations/acronyms in full.

6.1.1 SARS (2)
6.1.2 NGO’s (2)
6.1.3 SABS (2)

6.2 List FOUR groups of organisational resources and identify their remuneration useful to produce goods or services to achieve goals of the organisation. (8)

6.3 Describe a ‘Section 21 company’. (2)

6.4 Read the case study below and answer the questions that follow.

**IMAGE project in South Africa proposes use of microfinance in struggle against HIV and AIDS**

Domestic violence and AIDS infections have long plagued the eight villages outside of Burgersfort in Limpopo Province, where IMAGE currently operates. Women from the economically poorest households are identified and then encouraged to join the programme. IMAGE believes the solution is to increase women’s authority at home by increasing their earning power outside of the home via a microfinance programme. The microfinance programme, directed by SEF (Small Enterprise Foundation), provides group loans to women to support pre-existing and new small businesses, such as fruit or clothing stands. The groups meet every two weeks to repay loans and to report on business progress to SEF fieldworkers.

6.4.1 Explain what is meant by the term ‘microfinance’ (2)

6.4.2 The IMAGE programme believes that empowering women economically is important for addressing HIV and AIDS infection rates. Explain the economically importance. (2)

6.5 Describe ONE negative impact of HIV and AIDS on the business. (4)

6.6 Define the following concepts.

6.6.1 Inequality. (2)
6.6.2 Unemployment. (2)
6.6.3 Poverty (30)

TOTAL SECTION B: (90)
SECTION C

Answer ANY TWO questions in this section.

QUESTION 7

Corporate social responsibility (CSR) is a form of corporate self-regulation integrated into a business model. Each business attempts to reach different goals. The principal of social responsibility dictates that these entities should contribute at least a small amount of resources to the general well-being of humanity. These actions should not, in any way, be profit-generating.

Write an essay in which you analyse CSR under the following headings:

- Difference between CSR and CSI (Corporate Social Investment)
- CSR process.
- Aim and initiatives of CSR.
- Benefits of CSR for the business and the community.

(40)

QUESTION 8

You have a friend who is planning to establish a business that makes healthy, vegetarian fast food in a medium-sized city in South Africa. She has asked you to help consider the influence of the macro environment on her business.

Refer to the case study and:

- Discuss the components of the macro environment.
- Analyse the impact of the macro environment on businesses in South Africa.

(40)
QUESTION 9

The purchasing function plays a vital role in the profitability of an enterprise as each enterprise needs certain products and services.

Write an essay in which you fully explain all aspects concerning the purchasing function of enterprises. Include the following in your discussion:

- Purchasing procedure
- Activities of the purchasing function
- Stock control

(40)

QUESTION 10

Let’s Dance started as a small local business. Megan, Precious and Lindo started the business as a partnership, offering dance classes as part of the extramural activities of the schools in the community. The business was so successful that they saw the opportunity to expand their business. They are considering changing the form of ownership to a private company.

Advice Megan, Precious and Lindo to make the right decision by comparing the characteristics, advantages and disadvantages of these forms of ownership. Make a recommendation whether a change of ownership is a wise decision and motivate if that will benefit their business or not.

(40)

TOTAL SECTION C: (80)

GRAND TOTAL: (200)
Notes to Educators:

1. 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 to consideration should be given to answer that is correct but
   - Uses a different expression from that which in the memorandum.
   - Comes from another source
   - Is correct and original topic

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”, the answers of the candidates Should be in full sentences 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:

<table>
<thead>
<tr>
<th>CONTENT</th>
<th>MARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facts</td>
<td>32</td>
</tr>
<tr>
<td>L</td>
<td>2</td>
</tr>
<tr>
<td>A</td>
<td>2</td>
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<tr>
<td>S</td>
<td>2</td>
</tr>
<tr>
<td>O</td>
<td>2</td>
</tr>
<tr>
<td>TOTAL</td>
<td>40</td>
</tr>
</tbody>
</table>

   5.2 INSIGHT CONSISTS OF THE FOLLOWING COMPONENTS

<table>
<thead>
<tr>
<th>CONTENT</th>
<th>MARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Layout / Structure</td>
<td>2</td>
</tr>
<tr>
<td>Analysis: and interpretation</td>
<td>2</td>
</tr>
<tr>
<td>Synthesis</td>
<td>2</td>
</tr>
<tr>
<td>Originality</td>
<td></td>
</tr>
<tr>
<td>Examples, recent information,</td>
<td></td>
</tr>
<tr>
<td>current trends and developments</td>
<td></td>
</tr>
</tbody>
</table>

MPUMALANGA DEPARTMENT OF EDUCATION
2015 BUSINESS STUDIES GRADE 10 JUNE
MEMORANDUM
SECTION A

QUESTION 1

1.1

1.1.1 D✓✓

1.1.2 A✓✓

1.1.3 B✓✓

1.1.4 D✓✓

1.1.5 B✓✓  2x5 [10]

1.2

1.2.1 C✓✓

1.2.2 F✓✓

1.2.3 B✓✓

1.2.4 A✓✓

1.2.5 D✓✓  2x5 [10]

1.3

13.1 Top level management ✓✓

1.3.2 External environment ✓✓

1.3.3 Gambling ✓✓

1.3.4 Primary sector ✓✓

1.3.5 Unlimited ✓✓  2x5 [10]

Marks [30]
SECTION B

Answer any three questions

QUESTION 2

2.1 Tertiary or secondary ✓ ✓ [2]

2.2 Disgruntled workers

- Ahmed has full control ✓ over his workers. [1]

Influence

- Ahmed can increase wages ✓ to be more competitive. ✓
- Ahmed can pay bonuses ✓ for exceptional work. ✓
- Any relevant answer 1x2 = [2]

Competition

- Ahmed has little to no control ✓ over his competitors, but can influence them. ✓ [1]

Influence

- Ahmed can deliver good quality ✓ products at reasonable prices. ✓
- Ahmed must monitor his target market ✓ and promote customer loyalty. ✓
- Ahmed must keep a close eye on his competitors ✓ in the market to see what they are doing to attract new customers. ✓
- Any relevant answer 1x2 = [2]

Marks (Control) [1]
Marks (Influence) 1x2 [2]
Maximum marks [6]

2.3. Rights of the Consumer

- The right to equality in terms of marketing (that is not being treated differently based on race, sex, socio-economic status or geographic location) ✓ ✓
- The right to privacy (by limiting unwanted marketing) ✓ ✓
- The right to choose and authorise the purchase of goods and services. ✓ ✓
- The right to disclosure and information (which means that information about the product or service must be in plain, understandable language) ✓ ✓
- The right to fair and responsible terms and conditions to protect consumers from dishonest marketers. ✓ ✓
- The right to fair value, good quality and safety of goods and services. ✓ ✓
- mark the first four rights only

Marks 4x2= [8]

2.4 Compliance with the National Credit Act

- Lend money in a responsible way. ✓ ✓
- Make sure customers do not borrow more than they can afford, by asking customers to give details of income and expenditure when applying for credit, and by checking each customer’s credit history. ✓ ✓
- Ensure that the full costs of the credit purchase are shown, including all fees and the interest rate. ✓ ✓
- Ensure that customers understand the cost, risks and obligation of the credit agreement
- Ensure that documents are written in plain, clear language for all customers to understand ✓ ✓

marks = [4]

2.5 Concept ‘socio-economic issues’

Socio economic issues are the social problems that communities live with. Socio-economic issues influence one another ✓ ✓ [2]

2.6 FIVE socio-economic issues that represent South Africa.

- Unemployment ✓
- HIV/AIDS ✓
- Crime ✓
- Poverty ✓
- Labour actions ✓
- Lack of skills ✓

mark the first five [5]

2.7 Any THREE elements micro environment of a business.

- Vision, mission statement, goals and objectives ✓
- Organisational culture
• Organisational resources
• Organisational structure
• Management and leadership levels ✓
• Business functions and activities ✓
• Workers/employees ✓

mark the first three Any 3x1= [3] Marks [30]

QUESTION 3

3.1 An entrepreneur is a person who:

• Starts his/her own business ✓ ✓
• Manages and organises the management of their own business ✓ ✓
• Identifies new opportunities and gets the resources together ✓ ✓
• Is willing to take calculated risks ✓ ✓
• Invents new products or services or improves existing ones ✓ ✓
• Creates a new business for the purpose of achieving profit and growth ✓ ✓.
• Any other relevant answer [2]

3.2 Entrepreneurial qualities

• **Opportunity seeking/ ambitious ✓**
  - Successful entrepreneurs see business opportunities where other people see no hope or nothing but problems. ✓
  - Entrepreneurs look for opportunities to do things faster, better and cheaper. ✓
  - They look for opportunities to get hold of the necessary resources such as finance, equipment, workspace and technical assistance. ✓

• **Commitment ✓**
  - Entrepreneur work hard and are sometimes perceived as workaholics. ✓
  - Through their commitment, they often aspire to do the best and want something they can be proud of. ✓

• **Perseverance ✓**
  - Perseverance is the quality that drives many a successful entrepreneur to keep on until the job is done. ✓
  - Entrepreneurs keep on working towards the goals set for themselves. ✓

• **Risk taker ✓**
  - Successful entrepreneurs will only take careful and calculated risks. ✓
Before they commit their resources, they will assess the risk associated with a business opportunity. ✓
- They try to minimise their risks by getting others to share the risk. ✓
- They will not take more risks than necessary and they will not run away from unavoidable risks. ✓
- Entrepreneurs take financial, career, emotional, family and social risks. ✓

**Big dreams with a clear vision** ✓
- They have big dreams of realising long-term rewards in the form of profit. ✓
- They strive to reach a sense of personal realisation. ✓
- They set clear goals and objectives for themselves and the business. ✓

**Flexibility (ability to adapt quickly)** ✓
- Entrepreneurs can make free choices of whether, when and what they respond to. ✓
- They look for information so they can make informed decisions with regards to their customers, suppliers and competitors. ✓
- They constantly develop plans that are used to monitor and evaluate the progress and flexibility of their business. ✓
- When things do not go according to plan, they quickly develop alternative solutions to achieve their goals.

**Desire for responsibility** ✓
- They believe they are morally, legally and financially accountable for the business. ✓
- They accept responsibility for meeting their contractual commitments or completing jobs for their customers. ✓

**Good management and leadership** ✓
- Entrepreneurs are often accountable to many people, such as customers, suppliers, investors, employees, creditors, families and their communities. ✓
- They have or develop the ability to link, encourage and persuade others to maintain business contacts at a high level. ✓

**Confidence in the ability to succeed** ✓
- Many entrepreneurs have a strong believe in themselves. ✓
- They are confident and can complete difficult tasks. ✓
- They want to solve problems and establish successful businesses. ✓

**High levels of energy** ✓
- Many people start successful business later in life when they no longer have much energy as young people, but it is not a critical factor. ✓
- Sometimes the right know-how, experience and contacts is more important than high levels of energy. ✓

**Passion** ✓

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MPUMALANGA DEPARTMENT OF EDUCATION
2015 BUSINESS STUDIES GRADE 10 JUNE
MEMORANDUM
They are driven to achieve their goals.
They are driven to succeed in the things they believe in.

**Exceptional organisational skills**
- Entrepreneurs are good at combining the factors of production.
- They are people who have exceptional organisational skills and can take charge of a situation and make the business work.

**Willpower to overcome obstacles**
- They have the desire and willpower to solve problems and establish a successful business.
- Any other relevant answer

Marks (Entrepreneurial quality) [1]
Marks (Explanation) [1]
Maximum marks 3x2 = [6]
Mark the first three

3.3 Sole Owner/ Sole Proprietor

3.4 **TWO** Advantage and **TWO** disadvantages of a Sole Owner/Sole Proprietor

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relatively easy and cheap to start ✓ ✓</td>
<td>Owner tends to concentrate on the things that he/she is good at and neglect the other functions of the business ✓ ✓</td>
</tr>
<tr>
<td>Owner can make quick decisions ✓ ✓</td>
<td>Owner has to perform many varied tasks and is often overworked ✓ ✓</td>
</tr>
<tr>
<td>All profits belong to the owner ✓ ✓</td>
<td>The business has no continuity ✓ ✓</td>
</tr>
</tbody>
</table>

MPUMALANGA DEPARTMENT OF EDUCATION
2015 BUSINESS STUDIES GRADE 10 JUNE
MEMORANDUM
Owner is very keen for the business to succeed so will work very hard✓✓

Capital is limited to what the owner can contribute or borrow, this may limit the development of the business✓✓

Owner gains all-round experience in managing the business✓✓

A small business may not be able to offer job security✓✓

Business is small enough for the owner to have close, personal contact with customers and any employees✓✓

Small business often cannot pay high wages, therefore they may not always employ the best personnel✓✓

No formal documentation is necessary to start the business, except for requirements of local authorities e.g. liquor licence, health regulations✓✓

Owner is responsible for the debts of the business, as the business is not a legal entity, owner has unlimited liability✓✓

Marks (2 advantages) 2x2= [4]

Marks (2 disadvantages) 2x2= [4]

Maximum marks [8]

3.5 The three management levels
- Top management level✓
- Middle management level✓
- Lower-level management / Front line management / First level management✓

Marks 3x1= [3]

3.6.1 Difference between cash purchases and credit purchases.

Cash purchases – when the buyer pays for a product before taking ownership of the product. ✓✓

[2]

Credit purchases – when a buyer takes immediate ownership of a product and pays for it at a later stage. ✓✓

[2]

Maximum marks [4]

3.6.2 TWO advantages of buying cash for the buyer.
- Cash buyers do not have problems with unpaid accounts. ✓✓
- Cash buyers may qualify for cash discount. ✓✓
- Any relevant answer

2x2=[4]
QUESTION 4

4.1

4.1.1 Sources of finance
- Friends and family
- Term loans
- Bank overdraft
- Trade credit
- Instalment sale
- A lease

Any 1x2= [2]

4.1.2 Explain why you chose this particular type of finance
- **Friends and family**
  They may not charge interest, and may be flexible about payments
- **Term loans**
  The money must be paid back over a specific period. It can either be short-term (less than a year) or long term (more than a year). A fixed interest rate is usually charged
- **Bank overdraft**
  The bank allows the business to withdraw a negotiated amount more than the money that it has in the bank
- **Trade credit**
  Suppliers who allow businesses to buy goods and services and pay for them later on an agreed date
- **Instalment sale**
  Used when a business wants to buy expensive items and does not have the cash available. The business pays a deposit and the balance owing plus interest must be paid back in instalments over an agreed period
- **A lease**
  An arrangement whereby the business rents (leases) an item instead of buying it. The business pays a monthly instalment for the use of the item but never owns the item.

1x2= [2]

4.1.3 Explanation of the tasks of the financial function
- Planning how much money the business needs✓ ✓
- Finding the money to start, run or expand the business✓ ✓
- Managing the funds in all departments✓ ✓
- Managing investments✓ ✓
- Drawing up budgets✓ ✓
- Provide specialised services e.g. tax implications, concessions✓ ✓
- Risk management – study uncertainties✓ ✓  

maximum [6]

4.2 Benefits for using Information Technology

- Improved communication in the business✓ because information is readily available for those who need it. ✓
- Computer networks are set up in businesses✓ making it possible for staff to communicate with each other through email.✓
- Improved communication with customers✓ and others outside the business like suppliers✓
- Emails, website communication and text messages✓ reach people at the same time✓
- Computer software programmes make it possible for data to be entered✓ and automatically processed✓
- Improved financial systems for businesses computers and Point of Sale (POS) systems to record sales✓ and keeps track of trading stock, money owed to other businesses and credit customers✓
- Documents can be scanned✓ and adapted to be used in the business✓
- Documents don’t need to be filed in large cabinets and shelves✓ it can be saved on computerised devices such as memory sticks, CD’s, DVD’s, external hard drives etc.✓  

Mark first three benefits [6]

4.3 Name and briefly explain the steps for handling information

- Collect data✓
  - Data is raw facts that have not yet been processed✓
  - Data can be gathered from other business functions inside the business or outside the business✓
  - Data needs to be analysed and checked before it can be processed into information✓
- Process data into information✓
  - Information is data that has been processed to make it more usable and accessible for decision-making✓
  - Data can be processed manually or using technology such as computers✓
- Methods: calculations with formulas, spreadsheets, drawing graphs, diagrams etc. ✓

- **Store information** ✓
  - A business can store information using a manual system such as files, boxes and shelves and/or computers ✓
  - Most businesses now use computers or electronic devices such as memory sticks and CD’s, to store information ✓
  - It is important to make back-ups of all the information stored on computers or other electronic devices in case they are damaged ✓

  **Marks (ONE mark for each step) [1]**
  **Marks (ONE mark for explanation at each step) [1]**
  **Maximum marks (THREE steps and explanation) 3x2= [6]**

4.4 Define:

4.4.1 **Strike**
A strike is a type of industrial action by workers who refuse to work ✓, in an attempt to force other business stakeholders to agree to workers’ Demands ✓ on an issue, usually with the employer [2]

4.4.2 **Go-slow**
Form of industrial action where the employees work at a much slower ✓ pace than usual. It affects the productivity ✓ of the business which will also affect the profit of the business. [2]

4.5 How can Edwardo ensure quality in the:

4.5.1 **Human resource function.**
- Transparent recruitment ✓✓
- Effective and continues and development of staff ✓✓
- Appropriate training development programs ✓✓
- Retention and succession planning ✓✓ [2]

4.5.2 **General Management Function**
The success of the business as a whole as well as the relationship between different functions within the business depends on expert planning, leading, organising and control from management ✓✓ [2]

**Marks [30]**
QUESTION 5

5.1 FOUR elements of the market environment

- Regulators✓✓
- Providers / suppliers✓✓
- Consumers / customers✓✓
- Competition✓✓

Any 4x2 = [8]

5.2 Control over the market environment

Little to no control, but a business can influence the market environment✓✓ [2]

5.3 Other mobile phone companies

- MTN✓
- Virgin Mobile✓
- Cell C✓
- Any relevant answer mark the first two any 2 x1 [2]

5.4 Distinguish between formal sector and informal sector in South Africa

- **Formal sector**
  Businesses which are formally registered to operate under an acknowledged form of ownership, to pay tax to SARS and with the Department of Labour to pay UIF. ✓✓

- **Informal sector**
  Consists of all businesses which are not formally registered such as street vendors, small scale farmers etc. But still contribute to economic growth by creating new jobs✓✓ 2x2 = [4]

5.5 Identify the main role of ICASA?

- To regulate and monitor the communication and broadcasting sector in South Africa✓✓ [2]

5.6

5.6.1 Define the concept civil society
Civil society is all the groups that have an actual or potential interest in or impact on an organisation’s ability to achieve its objectives.

[2]

5.6.2 Why should every business maintain good relations with civil society around it? Give THREE reasons

- Civil society influences the ability of the business to achieve its goals.
- Civil society can have a positive influence on business marketing because it can maintain a positive public image.
- Civil society can contribute to good relationships with internal and external stakeholders.

3x2 = [6]

5.7 Discuss the role of the public relations function for a business to remain competitive.

- Treating employees well and making sure that they contribute to the public relations goal by treating consumers well and meeting their demands.
- Supporting environmental projects.
- Supporting community projects.
- Building positive relationships with trade unions.
- Preventing bad publicity by acting ethically, responsibly and obeying the law.

Any 2x2 = [4]

Marks [30]

QUESTION 6

6.1. Write the following abbreviations / acronyms in full.

6.1.1 SARS – South African Revenue Services
6.1.2 NGO – Non-Governmental Organisation
6.1.3 SABS - The South African Bureau of Standards

[2] [2] [2]

6.2 FOUR groups of organisational resources and their remuneration.

- Financial resources
- Human Resources
- Natural Resources (land and buildings)
- Entrepreneurship

Interest
Salaries and wages
Rent
Profit


4x2 = [8]
6.3. **Explained a ‘Section 21 Company’**.

**A ‘Section 21 company’ or non-profit organisations, do not exist to make a profit from their work, either for the owners or members of the organisation.**

1x2= [2]

6.4

6.4.1 **What is meant by the term ‘microfinance’?**

- A type of banking service that is provided to unemployed or low-income individuals or groups who would otherwise have no other means of gaining financial services.
- Any relevant answer [2]

6.4.2 **The IMAGE programme believes that empowering women economically is important for addressing HIV and AIDS infection rates. Explain the economically importance.**

- The IMAGE programme believes that empowering women economically is important for addressing HIV and AIDS infection rates, because women who are economically independent are more likely to feel that they can insist on responsible sexual behaviour of their partners.
- Any relevant answer [2]

6.5 **Impact of HIV and AIDS on the business.**

- A decrease in the size of the economically active population and the labour force.
- Reduced productivity and absenteeism from work among those who are infected.
- A decrease in the number of consumers.
- A strain on the country’s health care and social service infrastructure.

Any 2x2= [4]

6.6 **Define the following concepts**

6.6.1 **Inequality**

Inequality in a socio-economic sense is the degree to which people do not have the same opportunities in life and are treated differently.

[2]

6.6.2 **Unemployment**
Unemployment is the condition where people want to work and are able to work, but cannot find a job.  
6.6.3 Poverty
Poverty is the state of being poor – people have little or no money and often cannot pay for their basic needs.  

Marks [30]

SECTION B: [90]

SECTION C
There are FOUR questions in this section. Answer only TWO questions.

QUESTION 7: CSR and CSI

Introduction
The primary aim of a business, based on its mission and vision, is to make a profit.

The profit motive, however, needs to be balanced with other, less obvious interests, such as environmental, economic and social sustainability.

CSR encourages business enterprises to consider the interests of society, by taking responsibility for the impact of the business activities on stakeholders.

Any relevant answer

2x1= [2]

**Body**

**Difference between CSR and CSI**

<table>
<thead>
<tr>
<th>CSR</th>
<th>CSI</th>
</tr>
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<tbody>
<tr>
<td>• CSR is when a business voluntary takes steps to improve the quality of life for employees and their families, the local community and society at large. ✓ ✓</td>
<td>• CSI refers to the money that businesses spend on the community. ✓ ✓</td>
</tr>
<tr>
<td>• An obligation beyond that required by the law and economics, for a firm to pursue long term goals that are good for the society. ✓ ✓</td>
<td>• Is the investment of corporate funds or other assets, for the primary purpose of achieving social outcomes because there is a business case for the investment. ✓ ✓</td>
</tr>
<tr>
<td>• Continuing commitment by business to behave ethically and contribute to economic development while improving the workers and their family’s quality of life, as well as that of the local community and society at large. ✓ ✓</td>
<td>• CSI is intended to enhance a company’s reputation, its strategy and possibly lead to preservation or an increase in long term shareholder value. ✓ ✓</td>
</tr>
<tr>
<td>• About how a business manages its business process to produce an overall positive impact on society. ✓ ✓</td>
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</table>

2x2= [4]

**The CSR process**

- Register projects or programmes with relevant authorities ✓ ✓
• Ensure that projects address contemporary socio-economic or environmental issues✓✓
• The business’s management must decide on the amount they are willing to invest in the project✓✓
• Ensure the project or programme has a legitimate track record✓✓
• Allocate portions of the CSR budget toward the areas that will be addressed✓✓

3x2= [6]

Aim and initiatives of CSR

• The aim of CSR and CSI is to contribute to sustainable economic development✓✓

[2]

• Initiatives:
  ▪ Protecting the environment✓✓
  ▪ Empowerment of women✓✓
  ▪ Youth empowerment✓✓
  ▪ HIV/AIDS awareness campaigns✓✓
  ▪ Providing education and training at school and tertiary levels✓✓
  ▪ Poverty alleviation and job creation projects✓✓
  ▪ Rural development✓✓
  ▪ Sponsorships and sport development✓✓
  ▪ Arts and culture✓✓
  ▪ Pensioners, deprived children and or orphans✓✓
  ▪ Investing in the well-being and advancement of employees, their families and communities✓✓

Any 6x2= [12]

Benefits of CSR for the business

• Helps to attract and retain best employees✓✓
• Increases employee productivity✓✓
• Helps build customer loyalty✓✓
• Helps to create a positive image of the business among consumers✓✓
• Attracts investors who want to invest in a socially responsible business✓✓

Any 3x2= [6]
Benefits for the community

- Improves the quality of life of communities✓ ✓
- Jobs creation by means of CSR programmes✓ ✓
- Education and training can be provided through CSR programmes✓ ✓
- Contributes towards social development✓ ✓
- Often helps to improve infrastructure, which is used by all members of the community✓ ✓

Any 3x2= [6]

Conclusion

- Entrepreneurs need to balance their CSR with primary objective of making a profit✓ ✓
- Any business therefore needs to pay attention to world and people around it✓ ✓
- Any relevant answer

Any 1x2= [2]

Break down allocation of marks

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QUESTION 8

Introduction

- The macro environment is the environment outside the business✓

MPUMALANGA DEPARTMENT OF EDUCATION
2015 BUSINESS STUDIES GRADE 10 JUNE
MEMORANDUM
Management has no control over the components of the macro environment.

It is therefore very important for management to constantly scan the environment to anticipate the impact events such as the current financial crisis can have on its performance.

Any relevant answer

2X1= [2]

Body

1. Economic environment

- Economic changes in the local and global economy are constantly changing and have a profound influence on business.
- The state of the economy of a country can contribute directly to the failure or success of a business.

IMPACT

The following are economic factors that should be considered by management:

- Economic system
  - The economic system of a country will determine the way that a business can operate.
  - There are different types of economic systems in the market. e.g. Controlled and mixed market economies.
  - South Africa has a mixed market economy.

- Inflation
  - The rate at which the general price level rises affects businesses.
  - Inflation needs to be controlled because when it gets too high, it becomes difficult to make a profit.

- Interest rates
  - Interest is the price a business pays to borrow money.
  - When interest rates are high, it is very expensive to borrow money.

- Levels of employment
  - High unemployment levels have a negative impact on businesses.

- Business cycles
  - There are times when the growth of the economy slows down and times when it increases.
- When the economy slows down, consumers spend less, which means less production
- When it increases, consumers spend more, which results in increased sales

- **Exchange rate**
  - An exchange rate is the price at which one currency can be exchanged for another
  - When the rand is weak, businesses exporting will benefit
  - However, imported goods will become more expensive

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**Social environment**

In South Africa the most profound social forces are poverty/unemployment, crime and HIV/AIDS which have a negative impact on the business.

**IMPACT**

- **Poverty/ unemployment**
  - Poor people have little money or no money and own few possessions and cannot afford to buy basic needs

- **Crime**
  - Not only must a business invest in security systems to protect products and assets, but the location of the business premises must be considered to ensure the safety of workers and customers

- **HIV/AIDS**
  - Employees may need additional medical care, and this could be to the account of the business
  - Workers’ productivity could also be affected negatively
  - It is not always easy to replace skilled workers who can no longer work as a result of HIV/AIDS
  - High death rate as a result of HIV/AIDS can also reduce the number of customers and their buying power
2. **Physical environment**
   - A business operates within a broader physical environment where physical factors such as limited natural and energy sources, as well as an already established infrastructure will have an impact on the business.

**IMPACT**
- Businesses will be influenced by the following physical factors:
  - The availability, conservation, development and distribution of natural resources.
  - The type of energy a business uses and its cost will influence the cost of production.
  - Pollution harms people and the environment and consequently legislation is passed to reduce it.
  - Efforts to protect the environment influence the way in which the business can operate.
  - The availability of infrastructure such as building sites, electricity, water, roads etc. could influence where a business decides to locate itself.

**Technology**
- Skills and expertise determine how much technological development can take place.
- As a business gains experience it is likely to improve its efficiency.

**IMPACT**
- Businesses need to ensure that they are informed of changes in equipment and systems.
- Such developments may lead to lower costs, higher productivity and higher profits.
- Business need to continually do research to develop new resources of technological innovation and to find out about new products, processes and approaches to management.
Legal✓
- Legislation is set to regulate the performance of a business and to protect the assets of a country✓✓

IMPACT
- There are many types of legislation such as The Bill of Rights, Employment laws, labour laws etc. that have an influence on a business✓✓
- New laws and legislation are great challenges to the business and its management✓✓
- Management is forced by legislation to implement Labour Relations Act, The Basic Conditions of Employment Act, Skills Development Act, Employment Equity Act and other laws✓✓
- The authorities also introduced policies to prevent monopolies and unfair competition✓✓

Institutional✓
- The institutional environment includes local, provincial and national government✓✓

IMPACT
- Government authorities are involved in the economy in three ways.
  - Major supplier of goods and services e.g. health, education✓✓
  - Buyer of goods and services e.g. educational materials✓✓
  - Regulates and guides the private sector by introducing programmes e.g. GEAR and ASGISA✓✓

Political✓
• Political factors have a significant influence on a business because they affect people’s long-term view of a country’s economy and whether it will be profitable to invest money✓✓

**IMPACT**

• Investors’ confidence will be determined by whether the country is run by democracy or dictatorship✓✓
• Political instability and constant changes in government create uncertainty for investors✓✓
• In South Africa redressing imbalances of the past, affirmative action and black economic empowerment have had a mixed impact on businesses✓✓

3. **International / Global✓**

• Nations are more dependent on one another’s technologies, raw materials, skills, economies and politics that they were in the past✓✓

**IMPACT**

• Trade agreement impact on the way a business can explore foreign markets and enter into agreement to import and export products✓✓
• Globalisation is when companies operate in two or more countries while based in one home country✓✓
• It brings about new challenges for management such as understanding the cultures of different nations✓✓
• Foreign countries also have different laws and economic policies✓✓
• Exchange rates, interest rates, recession and the price of products in other country’s✓✓
• International politics, such as the demands for democracy and human rights, can impact the economy and even result in economic sanctions✓✓

**Conclusion**
• The macro-environment impacts the internal environment of the business and can affect survival ✓ ✓
• It is vital for management to anticipate and be proactive to the challenges posed by the macro environment ✓ ✓
• And any other relevant answer 1x2= [2]

Break down of mark allocation

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QUESTION 9

Introduction

- The purchasing function must make sure that the business has all the necessary goods and services to run the business efficiently.
- The purchasing department also has to manage stock levels in the business and exercise proper control over the purchased stock.
- The type of purchases depend on the type of business, whether the business sells a services or goods.
- And any other relevant answer.  

Body

Purchasing procedure

- A purchasing requisition is completed by each department to inform the buyer of their need.
- The purchasing department gets information about different goods and services available.
- The best supplier is chosen, taking into account price, quality and delivery as well as after delivery service.
- The order form is completed and issued to the supplier.
- The buyer should follow-up on the order to find out if it will be delivered on time.
- Goods are delivered, together with an invoice and a delivery note.
- Goods are sent to the department that has ordered them.
- The financial department are given the order to pay the supplier and relevant documents are filed.

Accept an in order: MAX 8x2= [16]

Activities in the purchasing function

- The right quality.
- In purchasing the right quality refers to the suitability of the product for the intended use.
- Check for price, appearance, measurements, weight, texture and any other specifications.
- Trademarks, grading, samples and technical drawings are used as methods to evaluate the quality of goods or services.
- SABS quality mark indicates that a product meets internationally recognised standards.

**Activity** [1]

**Explanation** 2x2= [4]

- **The right supplier**
  - The requirements of the business often have to be bought from different places.
  - Potential suppliers should be evaluated in terms of the following:
    - Reputation of the supplier.
    - Price for the quality and quantity desired.
    - Time required for delivery.
    - Terms of payment.
    - Geographical location.

**Activity** [1]

**Explanation** 2x2= [4]

- **The right quantity**
  - The buyers may need to order different amounts of the same goods from time to time.
  - The stock levels of the business must be monitored on a continuous basis.
  - Buy just the right amount of stock so that the business does not run out of stock nor keep too much stock.
  - Stock shortages will stop or slow down production.
  - Too much stock increases the cost of storage and affects cash flow.

**Activity** [1]

**Explanation** 2x2= [4]

- **The right price**
  - The right price is a price which is fair and reasonable to both the buyer and the seller.
  - Any saving on a purchase means more profit. Think of transport; it can increase the cost of purchases.
  - Negotiate discounts, especially on bulk purchases.
Activity [1]
Explanation 2x2= [4]

- **The right time** ✓
  - The timing of the purchases also involves an understanding of lead time requirement of the various suppliers ✓ ✓
  - The buyer can choose between the following alternatives:
    - Speculative buying: This involves the purchase of materials in excess of estimated requirement, with the expectation that prices, or demand will increase in the future ✓ ✓
    - Forward buying: this refers to the practice of buying materials in a quantity exceeding current requirements, but not beyond estimated requirements ✓ ✓
    - Minimum buying: This refers to keeping the minimum quantity of materials in stock in anticipation of prices falling in the near future ✓ ✓

Activity [1]
Explanation 2x2= [4]

**Stock Control**

- The purchasing department must know at all times how much stock of what is available in the business ✓ ✓
- Administration and purchasing work together to manage stock and keep accurate records ✓ ✓
- Sufficient stock available for sale or to be used in production ✓ ✓
- Assist in minimising the problem of obsolescence and damage to stock ✓ ✓
- Businesses should not be over-stocked (warehouse costs, expire) or under-stocked (lower sales, competition) ✓ ✓
- The ordering level lies between the minimum and maximum stock levels and is the level at which new stock must be ordered ✓ ✓

MAX 3x2= [6]

**Conclusion**

- The purchasing department have to ensure that they purchase all the necessary materials and assets for both internal and external requirements ✓ ✓
- And any other relevant answer

1x2= [2]
## Break down of mark allocation

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QUESTION 10

Introduction

- Every business, no matter how big or small, needs an owner or owners to run the business
- There are different forms of ownership that are legally acceptable in South Africa
- As an entrepreneur, the form of ownership you choose will depend on your personal needs and the needs of your business
- And any other relevant answer

2x1= [2]

Body

Characteristics

<table>
<thead>
<tr>
<th>Partnership</th>
<th>Private company</th>
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<tr>
<td>• Owners are called partners ✓ ✓</td>
<td>• The name of a private company must end with Proprietary Limited Pty (Ltd) ✓ ✓</td>
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<td>• Partnerships can be entered orally or in writing ✓ ✓</td>
<td>• No limit to shares or shareholders</td>
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<tr>
<td>• A partnership has 2 partners to unlimited ✓ ✓</td>
<td>• The business has a legal personality which means it exists separately from its shareholders ✓ ✓</td>
</tr>
<tr>
<td>• Partners sign a partnership agreement so that each partner has a clear idea of what is expected of them ✓ ✓</td>
<td>• Shareholders have limited liability for debts. They can lose their investment but not their personal possessions ✓ ✓</td>
</tr>
<tr>
<td>• Partners are jointly and severally liable for debts of the business ✓ ✓</td>
<td></td>
</tr>
<tr>
<td>• There is no continuity. If one</td>
<td></td>
</tr>
</tbody>
</table>
partner dies or retires, the partnership is dissolved and the business closes.

- Partners can contribute cash, skills or capital.

- Each partner pays tax on income received in a personal capacity.

- A private company cannot ask the general public for money, it has to rely on capital contributed by its shareholders.

- A private company has continuity, so it carries on if one of the shareholders leaves the business for whatever reason.

- The business pays income tax on profits.

Any THREE characteristics of a partnership $3 \times 2 = [6]$  
Any THREE characteristics of a private company $3 \times 2 = [6]$  
Maximum $[12]$

### Advantages

<table>
<thead>
<tr>
<th>Partnership</th>
<th>Private company</th>
</tr>
</thead>
<tbody>
<tr>
<td>- A partnership is easy, quick and cheap to start and to end.</td>
<td>- The liability of the shareholders for debts are limited, therefore their private wealth and possessions are protected.</td>
</tr>
<tr>
<td>- There are no formal requirements for the creation and running of a partnership.</td>
<td>- A private company does not have to hold meetings of shareholders.</td>
</tr>
<tr>
<td>- A partnership can raise more capital than a sole proprietor, because there is more than one owner.</td>
<td>- Continuity is unlimited and is therefore not linked to the life of the shareholders of the private company.</td>
</tr>
<tr>
<td>- Expenses, tasks and responsibilities are shared among the partners, who spread the work load.</td>
<td>- A private company is suitable for entrepreneurs who have a good idea for a new business, but have limited capital.</td>
</tr>
<tr>
<td>- Each partner is motivated to work hard because he/she will benefit from the profits made.</td>
<td>- The board of a private company must comprise at least one director (1 or more directors) or any other minimum number as stipulated in its MOI. Each incorporator is a first director of the company.</td>
</tr>
<tr>
<td>- Partners share responsibilities for decision-making and managing the business.</td>
<td>- The Act imposes personal liability on directors who knowingly taking reckless /fraudulent decisions.</td>
</tr>
<tr>
<td>- Partners contribute new skills and ideas into a business, which is a benefit.</td>
<td>- There are a few legal requirements involved drawing up a partnership.</td>
</tr>
</tbody>
</table>
Partnerships can be cost-effective as each partner specialises in certain aspects of their business. √√
Partners are taxed in their own capacities, which could lead to lower taxation. √√
Partnerships provide moral support and allow for creative thinking and brainstorming. √√

• Directors are not compelled to attend The Annual General Meeting (AGM). √√
• An audited /independent reviewed of financial statements are optional. √√
• A private company is not required to lodge its annual financial statements.
• The company has unlimited number of shareholders and its span is perpetual. √√
• The company is a separate legal person it can buy property in its own name. Liabilities of the shareholders are limited. √√
• Information in a private company is only available to shareholders. √√

Any Two advantages of a partnership 2x2= [4]

Any THREE advantages of a private company 3x2= [6]

Maximum [10]

<table>
<thead>
<tr>
<th>Disadvantages</th>
<th>Partnership</th>
</tr>
</thead>
<tbody>
<tr>
<td>The partners have unlimited liability. Together and individually, they are personally responsible for the debts of the business. √√</td>
<td></td>
</tr>
<tr>
<td>If one partner is incompetent or dishonest in any partnership deals, the other partner can lose money. √√</td>
<td></td>
</tr>
<tr>
<td>The business has no continuity. If a partner dies, retires or withdraws from the partnership, then the business comes to an end. √√</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disadvantages</th>
<th>Private company</th>
</tr>
</thead>
<tbody>
<tr>
<td>A private company cannot get money from the general public for capital. √√</td>
<td></td>
</tr>
<tr>
<td>A private company has to rely on capital contributed by its shareholders, or borrow money from the bank and pay interest. √√</td>
<td></td>
</tr>
<tr>
<td>It is expensive and time consuming to start a private company. √√</td>
<td></td>
</tr>
</tbody>
</table>

THREE disadvantages of a partnership 3x2= [6]

THREE disadvantages of a private company 3x2= [6]

Maximum [12]
**Recommendation**

Change of ownership to a Private company

Any relevant answer of the learner, but must be positive for change ✓ ✓

Against change of ownership

Any relevant answer from the learner, but must be negative towards change ✓ ✓  

[2]

**Conclusion**

- Most businesses are set up with the primary aim of making a profit for their owners or shareholders ✓ ✓
- It is possible for a business to change its form of ownership if the need of the owner(s) or the business change, but it is not always easy to do this. ✓ ✓
- Any relevant answer  

[2]

**Break down of mark allocation**

<table>
<thead>
<tr>
<th>Details</th>
<th>Maximum</th>
<th>Subtotal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Partnership and Private Company</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.1 Characteristics</td>
<td>12</td>
<td>38</td>
<td>MAX 32</td>
</tr>
<tr>
<td>10.2 Advantages</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.3 Disadvantages</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.4 Recommendation</td>
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<td></td>
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<tr>
<td>Conclusion</td>
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<td>INSIGHT</td>
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<td>2</td>
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<td>Analysis</td>
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<td>2</td>
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</tr>
<tr>
<td>Synthesis</td>
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<tr>
<td>Originality</td>
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<td>2</td>
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</tr>
<tr>
<td>TOTAL MARKS</td>
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<td>40</td>
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