GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

# BUSINESS STUDIES

# GRADE 11

# TERM ONE

# CHAPTER FOUR

# BUSINESS SECTORS

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## CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES

### BUSINESS SECTORS

**Learners must be able to:**

- Explain the meaning of the primary, secondary and tertiary sectors.
- Visit any local business enterprise and establish the link/relationship between these sectors
- Discuss/Explain/Describe the link/relationship between the primary, secondary and tertiary sector.

**Terms and Definitions**

| TERM | DEFINITION |
|---|---|
| Forestry | The industry that serves the processing of wood and related processes including preservation of indigenous forests. |
| Mining | Extraction of valuable minerals from the earth. |
| Forward link | Enterprises from a sector sells goods to other enterprises in the same sector or another sectors. |
| Backward link | Enterprises from a sector buys goods from other enterprises in the same sector or another sectors. |
| Manufacturing | Transformation of raw materials into something useful. |
| Insurance | Two parties sharing a risk in the event of a financial loss being incurred and where some form of compensation is paid to the suffering party. |
| Interdependent | Two businesses, sectors or industries that rely on each other to achieve their best outputs. |
| Interrelated | Two businesses, sectors or industries are connected. |



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## 1 Meaning of business Sectors

Business sectors are sub divisions/subsets of economic activities, e.g. primary, secondary and tertiary.

### 1.1 Meaning of the primary sector

- The primary sector is responsible for the extraction of raw material from the nature.
- This sector deals with extraction of raw materials and natural resources
- Natural resources which are not man made like coal, gold, fish and livestock are extracted from this sector
- The resources that they extract are forwarded to the secondary sector of the economy for the production of goods.
- Examples the primary sector industries; mining, mining, fishing, agriculture, forestry and farming

### 1.2 Meaning of the secondary sector

- This business sector is responsible for changing the raw materials acquired from the primary sector into useful products.
- It includes the manufacturing factories, construction and energy generation.
- The secondary sector will involve the actual manufacturing on the furniture.
- This business would buy the raw material (The timber) from the suppliers and turn them into finished products.
- Examples of the secondary sector industries; manufacturing, clothing, food processing, building and construction are found in this sector.

### 1.3 Meaning of tertiary sector

- This sector renders services to the public and businesses.
- Provides services and bring finished products to the final consumer.
- It includes services from transport, banking, legal and health.
- Examples of the tertiary sector industries; distribution, banking, insurance, tourism, transportation, entertainment, retail and legal services.

## 2 The relationship between the primary, secondary and tertiary sector

- The primary sector depends on the secondary sector for manufactured goods such as machinery/equipment/fertilisers e.g. a farmer may require seeds from another farm
- The primary sector is dependent on the tertiary sector for its customer needs.
- The secondary sector processes the raw materials obtained from the primary sector into more useful products.
- The secondary sector depends on the primary sector for raw materials and products.



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- The secondary sector depends on other secondary industries e.g. BMW needs tyre from DUNLOP another secondary sector player
- Secondary sector needs the tertiary sector to sell their processed or manufactured goods and also for services such as banks, insurance, transport and communication
- The tertiary sector depends on the primary sector for raw materials that do not need processing by the secondary sector.
- The tertiary sector depends on the secondary sector for manufactured goods such as office machines/office furniture/stationery etc.

**3 Examples of statement on business sectors.**

**Primary sector**

Duka Mines specialises in the extraction of platinum

**Secondary sector**

Super Energy Enterprise produces maize meal and instant soft porridge

**Tertiary sector**

Timothy Distributors has employed four drivers to deliver goods to various customers.

**4 Example of a scenario on the relationship between the business sectors**

| **TENDANI FURNITURES (TF)** |
|---|
| Tendani Furnitures sells exclusive launch suits and tables to consumers. Tendani buys his furniture from Andries Manufacturers who buys his raw material from Kobus Timbers. |

Example of questions that may be asked on the scenario above.

- Identify THREE business sectors from the scenario above. Motivate your answer by quoting from the scenario.
  Use the table below as a guide to answer this question.

| **BUSINESS SECTOR** | **MOTIVATION** |
|---|---|
| 1. | |
| 2. | |
| 3. | |

- Explain the relationship between the business sectors identified from the scenario above.



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