Education and Sport Development
Department of Education and Sport Development
Departement van Onderwys en Sport Ontwikkeling
Lefapha la Thuto le Tlhabololo ya Metshameko
NORTH WEST PROVINCE

GRADE 11

BUSINESS STUDIES

MEMORANDUM

JUNE EXAMINATION PAPER 1 – 2019

MARKS: 150

TIME: 2 HOURS

This memorandum consists of 15 pages

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SECTION A COMPULSORY

QUESTION 1

1.1
1.1.1 B √√
1.1.2 A √√
1.1.3 D √√
1.1.4 D √√
1.1.5 C √√

(5x2) (**10)**

1.2
1.2.1 Acquisition √√
1.2.2 Demographics √√
1.2.3 Objectives √√
1.2.4 Corruption √√
1.2.5 Political unrest √√ (5 x 2) **(10)**

1.3
1.3.1 F√√
1.3.2 G√√
1.3.3 I√√
1.3.4 H√√
1.3.5 A√√ (5 x 2) **(10)**

TOTAL SECTION A: [30]

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

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SECTION B

Mark the FIRST TWO questions only.

QUESTION 2 BUSINESS ENVIRONMENTS (Influences on Business Environments)

2.1 **Classification of business environment and the extent of control**

BUSINESS ENVIRONMENT	EXTENT OF CONTROL
2.1.1 Micro environment √	Complete/Full control √√
2.1.2 Market environment √	Limited/Little control/Influence √√
2.1.3 Macro environment √	No control √√
Sub max 3	Sub max 6

Max (9)

2.2 **Sexual Harassment**

2.2.1 **Reason for firing manager for sexual harassment**

- The sexually suggestive e-mails sent by the manager to a female employee. √√

Max (2)

2.2.2 **Sexual Harassment**

- Violation of basic human rights that normally happen when someone in power abuses his/her position, √ e.g. gesture/remark/action/suggestive behaviour which victimises the worker. √
- Sexual harassment is forbidden by law, √ e.g. any advances, gestures or remarks of sexual nature which victimises the individual/touching a person in a sexual manner. √
- Manager promises an increase in salary or a promotion/*Quid pro quo* harassment √ in exchange for sexual favours. √
- Any other relevant answer related to discussing sexual harassment.

Max (3)

2.2.3 **Impact of Sexual Harassment**

- Employees who have been victims of sexual harassment will experience a lack of concentration,√ anxiousness and lack of productivity. √
- It also lowers employees morale√ and negatively affects employee turnover√
- Any other relevant answer related to the effects of sexual harassment.

Max (4)

2.2.4 **Possible solutions for dealing with sexual harassment**

- Businesses must educate their employees about issues of sexual harassment. √√
- Act against the guilty party by notifying the police. √√
- Encourage victim to report the case to the police. √√
- Formulate a clear policy regarding sexual harassment. √√
- Ensure compliance with the law. √√
- Make others aware of the problem, of their own rights and the rights of others. √√
- Create good working conditions where the employees' rights and dignity are respected. √√
- Implement disciplinary procedures. √√
- Implement clear complaint procedures. √√

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- Any other relevant answer related to possible solutions to deal with sexual harassment. **Max (6)**

2.3 **Benefits that the business may enjoy by being involved in the macro environment**

- The business can more accurately predict future events, √ threats and opportunities that may arise√
- The business can contribute to a healthier, more skilled√ and productive workforce√
- It can protect natural resources and meet consumer needs√ in a sustainable way√
- The business can contribute to wealthier consumers√
- The business can reduce industrial conflict√ and increase productivity. √
- The business can accurately promote a cause that is a concern to the society. √
- The business can contribute its expertise and resources√ that can influence the public opinion. This is called advocacy. √
- Any other relevant answer related to the benefits that the business may enjoy by being involved in the macro environment. **Max (8)**

2.4 **Ways in which the business can be involved in the macro environment**

- Knowing government regulations and operating within them. √√
- Keeping up with new technologies to improve production and marketing.√√
- Lowering its impact on the environment. √√
- Entering the global market by using the internet to source suppliers and customers. √√
- Working within the law to set up contracts. √√
- Taking advantage of economic changes such as exchange rate, tax breaks. √√
- Any other relevant answer which the business can be involved in the macro environment. **Max (8)** **[40]**

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1.1	3
2.1.2	3
2.1.3	3
2.2.1	2
2.2.2	3
2.2.3	4
2.2.4	6
2.3	8
2.4	8
TOTAL	40

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QUESTION 3 BUSINESS ENVIRONMENTS (Challenges of Business Environments)

3.1 **Challenges of micro environment**

3.1.1 Difficult employee√√

3.1.2 Lack of vision and mission √√

3.1.3 Lack of adequate management skills√√

3.1.4 Strikes and go slows√√ **(8)**

3.2

3.2.1 Macro Environment√√ **(2)**

3.2.2 **Reasons for extraordinary growth in micro-lending**

- South African banks taking uncalculated risks in favour of higher premiums. √
- A correction of previous discrepancies in the South African credit industry.√

Mark the first TWO (2) only. (2x1)(2)

3.2.3 **Micro-lending**

- A form of credit that is available to people √ who would not normally qualify for credit anywhere else. √
- Granting of small loans to people √ who cannot get credit from banks. √
- Individuals or businesses make loans of small sums of money available to individuals for short periods of time √ at interest rates that are much higher √ than those charged by commercial banks. √
- Any other relevant answer related to micro-lending.

Max (4)

3.2.4 **Challenges of micro-lending to the business**

- Limited regulations√ of micro-lending. √
- Individuals/Businesses pay unreasonably high levels of interest√ and cannot afford to repay the money. √
- The loans come without training √ and many of the entrepreneurs are unskilled and inexperienced and their businesses fail. √
- When micro-businesses fail, their suppliers are also affected √ since their sales decrease and they lose any amounts owed to them by the micro-business. √
- Financial institutions also regard micro-lenders as a threat√ in the formal sector and will compete with them. √
- Any other relevant answer related to the challenge of micro-lending to businesses. **Max (6)**

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3.3 Challenges of the market environment

3.3.1 Competition

- Frequently competitors rather than consumers determine how much of a product can be sold√ and at what price. √
- Generally new competitors enter the market and businesses are challenged to keep their customer base√ by providing a better or cheaper product or better customer service√
- Many international markets protect their existing suppliers√ and subsidies local produce√ or charge excessive duties on imported products. √
- Excessive competition can have a negative effect on sales√ and managers are constantly faced with the challenge to cut costs√ in order to counteract their competitors. √
- Any other relevant answer related to the challenge of competition to market environment. **Max (4)**

3.3.2 Changes in consumer behaviour

- If consumers suddenly start purchasing less of the product or are no longer willing to pay the asking price for the product, √ a business will find its profits declining, √ which may in turn threaten the long term success of the business. √
- Changes in consumer behaviour, spending habits, tastes and preferences√ present an on-going challenge to the entrepreneur. √
- Organisations try to influence customer needs and habits √through advertising and publicity, √ but changes in the macro environment usually have a huge influence on what buyers are willing to believe. √
- Any other relevant answer related to the challenge of changes in consumer behavior in a market environment. **Max (4)**

3.3.3 Socio cultural factors

- Socio cultural factors in a country influence the way people behave, √ this will impact on businesses, √ factors that cause socio cultural changes in a society are; new technology, population shifts, availability of scarce resources and changing values√ regarding the role of education or women in society. √
- New trends create a different type of consumer√ and, consequently, a need for different products, services and strategies. √
- Furthermore, consumers seem to be increasingly aware of issues affecting the environment√ and are more inclined to support green initiatives and companies which conduct themselves in an environmentally responsible manner. √
- Any other relevant answer related to the socio-cultural factors challenges in a market environment. **Max (4)**

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3.4 Strategies for market environment challenges

3.4.1 Competition

- The business must differentiate itself from its competitors√ in order to gain competitive advantage. √
- The business can offer a different and unique product, √ provide specialized service to customers,√ superior quality product √and having lowest price offering. √
- Having the well-trained and knowledgeable staff√ who treat customers with respect. √
- Any other relevant answer to strategies of competition. **Max (2)**

3.4.2 Changes in consumer behaviour

- The business should monitor and respond to changes√ in consumer patterns of consumption. √
- The marketing team of a business should conduct an extensive marketing research√ to investigate the general behavior patterns of its consumers. √
- The business can also alter their marketing mix√ of the business i.e. the price, product, and place and promotion strategies √.
- Any other relevant answer to strategies of consumer behaviour. **Max (2)**

3.4.3 Socio-cultural factors

- The entrepreneurs should remain informed of socio-cultural changes√ and to respond by adapting the internal environment and modify its strategies accordingly.√
- The business could employ people√ from diverse social and cultural groups√ in order to understand the needs of different groups√
- Any other relevant answer to strategies of consumer behaviour. **Max (2)**

[40]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1.1	2
3.1.2	2
3.1.3	2
3.1.4	2
3.2.1	2
3.2.2	2
3.2.3	4
3.2.4	6
3.3.1	4
3.3.2	4
3.3.3	4
3.4.1	2
3.4.2	2
3.4.3	2
TOTAL	40

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QUESTION 4 MISCELLANEOUS TOPICS

CONTEMPORARY SOCIO-ECONOMIC ISSUES

4.1

4.1.1 Scarce natural resources √√

4.1.2 Dumping √√

4.1.3 Strikes √√

4.1.4 Inflation √√

4.1.5 Nepotism/Ethical misconduct √√ **(5x2) (10)**

BUSINESS SECTORS

4.2

BUSINESS SECTOR 4.2.1	MOTIVATION FROM THE SCENARIO	INDUSTRY 4.2.2
Primary √√	Hoho Plantations √	Agriculture, farming, forestry, fishing etc √
Secondary √√	Lilitha Timber Manufacturers √	Car manufacturing, ship building, clothing production, food processing etc √
Tertiary √√	Smart Bank √	Financial institutions, shops, doctors, consultants, transport companies etc √
Sub max (6)	Sub max (3)	Sub max (3)

NOTE: Do not award marks for motivating and industry without identifying the correct business sector. Max 12

4.2.3 **Link between the business sectors**

- The primary sector involves the extraction√ and cultivation of raw materials from nature. √
- The secondary sector processes / transforms raw material√ obtained from the primary sector into useful commodities / products. √
- The tertiary sector is responsible for the distribution of goods and services√ obtained from the secondary sector. √
- Any other relevant answer related to the link between the business sectors.

Max (6)

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ADAPTING TO CHALLENGES

4.3 Ways to adapt to the challenges of the business environments

4.3.1 Lobbying

- When a group of people get together seeking to influence others√ on a particular issue. √
- Attempt to influence conditions to suit their business activities√ through other business organisations and government structures. √
- Communication with influential people√ to influence their behaviour / decisions/legislation. √
- Lobbying can take place from within business, √ e.g. workers' solidarity on labour issues and from outside business, e.g. action group forcing business to change its business practices. √
- Any other relevant answer related to lobbying. **Max (4)**

4.3.2 Information Management

- Information must be found/recorded/stored/easily retrieved√ and effectively used. √
- Businesses need to implement an effective information management system√ which is accessible and useful to all staff√.
- Any other relevant answer related to information management as a method to adapt to challenges of the business environments. **Max (4)**

4.3.3 Mergers

- This strategy applies when two or more companies combine√ to form a new company. √
- The companies combine to have greater negotiating power√ when dealing with suppliers. √
- When two companies have different strengths, √ it is often a good idea to merge since they will end up with the best of both businesses. √
- Any other relevant answer related to mergers. **Max (4)**

[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	10
4.2.1	9
4.2.2	3
4.2.3	6
4.3.1	4
4.3.2	4
4.3.3	4
TOTAL	40

TOTAL SECTION B: 80

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SECTION C

Mark any ONE (1) question only.

QUESTION 5 BUSINESS ENVIRONMENTS (Adapting to Challenges of the Business Environments)

5.1 Introduction

- Business must be aware of the environmental challenges and be able to strategically respond when faced by a threat. √
- The way the business addresses the challenges it faces, will reflect its ability to remain strongly focused on its objectives and also be flexible by using new approaches. √
- Any other relevant introduction relating to power relationships and adapting to challenges of business environment. **(Any 2x1) (2)**

BODY

5.2 The meaning of Power relationships

- The measurement of a business ability to control its environment, √ including the behaviour of other entities or parties√.
- A business forms relationship within its environments√ and markets. √
- Sharing of power/decision-making√ in a labour business. √
- An association with individuals/other business√ that is seen as important/influential entities. √
- Any other relevant answer relating to power relationships. **Max (6)**

5.3 Examples of power relationships

5.3.1 Strategic alliance agreements

- These are agreements between two or more firms√ to engage in an activity on a shared basis. √
- The alliance is designed to build on the expertise of each partner√ and on the way in which they complement each other. √
- Business must be clear of their objectives in alliances√ and ensure that partners have similar objectives. √
- Benefits of these alliances could include infrastructure development√ and scarce skills. √
- Any other relevant answer relating to strategic alliance agreements.

Max (8)

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5.3.2 Persuasion of large investors

- Businesses that can persuade large investors to invest in their business put themselves in a position of power√ as a result of the relationship with the investor. √
- With the powerful investor, the business can benefit by gaining credit more easily, √ get better deals from suppliers√ and possibly persuade other investors to come on board. √
- The business can also invite powerful, influential people to sit on their boards√ in order to get proper advice√ and by association can have a positive influence on reputation√ and image of the business. √
- Any other relevant answer relating to persuasion of large investors.

Max (8)

5.3.3 Company representatives' influence

- A company representative fulfils an important function in trying to persuade investors to invest√ in a particular business operation. √
- People will make decisions based on the company representatives image, personality, communication style√ and powers of persuasion. √
- He/she represents the company's beliefs, policies, √ products and services. √
- The company spends time and energy to recruit the right person√ for this which leads to huge benefits. √
- Any other relevant answer relating to company representative influence.

Max (8)

5.4 Advantages of networking

- Businesses need to interact with others√ to exchange ideas and information. √
- To develop professional contacts√ and to give and get advice from other business people. √
- Businesses and managers become members √of chamber of commerce, networking associations and business clubs√
- Networking allows businesses to build new business relationships √and to generate new business opportunities. √
- Business networking groups exist and meet on a regular basis√ to exchange ideas, help one another, give and get advice. √
- Businesses also network by having blog site√ that people can access and find out about them. √
- People can comment √and give advice on the blog sites. √
- Any other relevant answer related to networking as a strategy to adapt to the challenges of the market environment. **Max (12)**

5.5.1 Ways to adapt to legislation as a macro environment challenge

- The management need to study the developments in legislation to determine their influence on the profitability and survival of the business √√
- To ensure that they adhere to all new laws, since legal costs are very high if a business is taken to court for not complying with new legislation. √√

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- All businesses operate within the legal framework, therefore entrepreneurs need to be aware of and conform to laws and regulations made by the government through workshops, conferences and networking. √√
- Any other relevant answer related to ways to adapt to the challenges posed by the legislations. **Max (4)**

5.6 Conclusion

- The entrepreneur needs to adapt all possible strategies in order to ensure that the business is sustainable and profitable. √√
- Any other relevant conclusion relating to power relationships.

(Any 1x2) (2)
[40]

BREAKDOWN OF MARKS

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Meaning of Power relationship	6	
Strategic alliance agreements	8	
Persuasion of large investors	8	
Company representative influence	8	
Advantages of networking	12	
Adapting to legislation	4	
Conclusion	2	
Insight		
Layout		2
Analysis		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 some requirements are met.
Allocate 0 marks where requirements are not met at all.

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QUESTION 6 BUSINESS ENVIRONMENTS (Contemporary Socio-Economic issues)

6.1 Introduction

- Industrial action refers to action undertaken by employees to protest against employment issues. √
- The Labour Relations Act makes certain provisions in terms of industrial actions and lock-outs. √
- A trade union needs to be registered with the Registrar of Labour Relations. √
- Labour relations involve three parties, i.e. employer, employee and government.√
- Any other relevant introduction relating to industrial relations, industrial action, Labour Relations Act and trade unions. **(Any 2x1) (2)**

BODY

6.2 Differences between a go-slow and lockouts

Go-slow

- The employees still carry on with their work, √ but at a much slower √ pace than normal. √
- The employees aim to disrupt the workplace√ production. √
- Any other relevant answer related to a go-slow. Sub max (4)

Lockouts

- Occurs when an employer locks employee out of a workplace. √
- It is a power tactic employer use when a labour dispute between management√ and unions is unresolved. √
- Employers often institute a lock out during a strike to ensure the safety of their premises, √ equipment and working employees√.
- Any other relevant answer related to a go-slow. Sub max (4)

Max (8)

6.3 Impact of a strike on business operations

- Strikes leads to loss of productivity √ and decreases economic growth. √
- Loss of revenue √ and financial loss on business operations. √
- Looting, destruction of business property/infrastructure √ and intimidation of non-striking workers. √
- Businesses has to hire employees to replace striking workers √ and increases the training costs of new employees. √
- Businesses may lose market shares √/customers to competitors √ during the period of a strike. √
- Strikes can lead to business to shut down, √ spells disaster to both parties. √
- The image/reputation of the business √ might be damaged. √
- Relations between management and workers√ are negatively affected. √
- The supplies of goods and services √ are interrupted. √
- Any other relevant answer related to the impact of strikes on business operations.

Max (12)

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6.4 Purpose of Labour Relations Act

- Provides a framework where the employees, trade unions and employers work together √ to discuss matters relating to employment, e.g. wages, conditions of employment. √
- Promotes orderly negotiations and employee participation √ in decision making in the workplace. √
- Promotes resolution √ of labour disputes. √
- Promotes fair √ employment practices. √
- Provides simple procedures √ for the registration of trade unions and employers' organisations. √
- Regulates the rights of trade unions and facilitates √ collective bargaining. √
- Regulates the effectiveness of bargaining councils √ and statutory councils. √
- Allows workplace forums √ where employees may participate in decision making.√
- Establishes the Commission for Conciliation, Mediation and Arbitration (CCMA) to resolve labour disputes √ through statutory conciliation, mediation and arbitration. √
- Endorses the right to strike against retrenchments, √ and facilitates labour disputes. √
- Establishes Labour Courts and Labour Appeal Courts √ to deal with labour issues. √
- Deals with √ strikes and lockouts and workplace forums. √
- Any other relevant answer related to the purpose of the Labour Relations Act.

Max (12)

6.5 Functions of trade unions

- Protecting the interest of workers. √√
- Representing the interest of general society and minority groups through media and negotiations. √√
- Influencing management for better working conditions, salaries and benefits. √√
- Improving the material benefits of their members. √√
- Advancing the interest of members. √√
- Providing legal and financial advice. √√
- Providing benefits and educational facilities to its members. √√
- Protecting members in times of retrenchments and disciplinary hearings√√
- Protecting the interest of their members during disciplinary procedures. √√
- Any other relevant answer related to the functions of trade unions. **Max (14)**

6.6 Conclusion

- The Labour Relations Act regulates the organisational rights of trade unions and promotes and facilitates collective bargaining. √√
- The Labour Relations Act requires agreement through sound labour relations between trade unions and employer organisations. √√
- Any other relevant conclusion relating to industrial relations, industrial action, Labour Relations Act and trade unions. **(Any 1x2) (2)**

[40]

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BREAKDOWN OF MARKS

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Go slow and lockouts	8	
Negative impact of strikes on businesses	12	
Purpose of Labour Relations Act	12	
Functions of trade unions	14	
Conclusion	2	
Insight		
Layout		2
Analysis		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 some requirements are met.

Allocate 0 marks where requirements are not met at all

TOTAL SECTION C: [40]
GRAND TOTAL: 150

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