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Province of the
EASTERN CAPE
EDUCATION

Iphondo leMpuma Kapa: Isebe leMfundo
Provinsie van die Oos Kaap: Department van Onderwys
Porafensie Ya Kapa Botjahabela: Lefapha la Thuto

BUFFALO CITY METRO DISTRICT

GRADE 11

BUSINESS STUDIES

CASE STUDY
FEBRUARY 2026

MARKS: 50
TIME: 2 hours

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TOPICS:

BUSINESS ENVIRONMENTS

- Influences of the business environments
- Challenges of the business environments
- Adapting to challenges of the business environments
- Contemporary socio-economic issues

INSTRUCTIONS:

1. Assessment to be written in class under controlled conditions.
2. Read the instructions of each question carefully and take note of what is required.
3. Number the answers carefully according to the numbering system used in this question paper. No marks will be awarded for answers that are numbered incorrectly.
4. Except where other instructions are given, answers must be written in full sentences.
5. Use the mark allocation and nature of each question to determine the length and depth of an answer.
6. Answer all the questions.
7. Write neatly and legibly.



QUESTION 1

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

MABANDLA CLEANING SERVICES (MCS)

Mabandla Cleaning Services (MCS) provides cleaning services to households and businesses. They have employed staff members from the community, as a way of giving back. The business has been doing very well so far but they have encountered some challenges along the way.

The employees have been arriving late at work and they have been reported for not doing their job properly. There is another cleaning company that recently opened in the area and people seem to support them lately. The government keeps amending some laws and this is making it difficult for MCS to keep up with the changes.

The owner is aware that there are ways that they can try to influence the environment and also adapt to the challenges that they face. Each community has their own socio-economic issues that they face and it's important for businesses like MCS to play a role to try and assist the community as much as possible.

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1. Name any TWO business challenges that MCS is experiencing. Classify each of them according to their business environments and state the extent of control the business has for each environment.

   Use the table below as a guide to answer the question: (6)

Name of challenge	Business Environment	Extent of control

2. Explain how MCS can overcome competition in the market. (6)
3. Advise MCS on one way how they can adapt to the following challenges:
   a. Information management (2)
   b. Strategic responses (2)
   c. Organisation design and flexibility (2)
4. Explain reasons why businesses lobby. (4)
5. Discuss the advantages of networking for MCS. (6)
6. Suggest ways in which business can have a direct influence on the environment (4)
7. Describe ways in which businesses can form power relationships (4)
8. Explain the purpose of Labour Relations Act (4)
9. Discuss the impact of piracy on businesses (4)
10. Explain the functions of trade unions. (6)

TOTAL = 50 MARKS

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GRADE 11

BUSINESS STUDIES

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CASE STUDY
FEBRUARY 2026
MARKING GUIDELINES

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MARKS: 50

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QUESTION 1

1. **Name the business challenges that MCS is experiencing. Classify each of them according to their business environments and state the extent of control the business has for each environment.**

Name of challenge	Business Environment	Extent of control
Difficult employees √	Micro √	Full √
Competition √	Market √	Partial / Some √
Contemporary legislation	Macro √	None √
Sub max (2)	*Sub max (2)*	*Sub max (2)*

Max (6)

2. **Explain how MCS can overcome competition in the market.**

- Management must ensure that the business differentiates itself from the competitors √ by tapping into what the customer wants. √
- Offering more personal services by being responsive √ to the customer's needs/ expectations. √
- Offering low-cost extras √ such as improved credit terms/discounts/loyalty schemes etc. √
- Charging the lower prices √ than that of the other businesses. √
- Selling products of a superior quality/new products/services √ that the customers might be interested in. √
- By being the best employer that has well trained/knowledgeable staff members √ that create a better working atmosphere. √
- Stepping up the marketing of the business by using promotional ideas √ such as posters or campaigns on social media. √
- Updating the image of the business √ such as painting the front of the premises/making the business look modern/inviting. √
- Keeping up with developments in the sector of the business sector, √ following consumer trends/investing in new technology. √
- Improving on customer services √ and keeping them happy. √

Max (6)

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3. Advise MCS on one way how they can adapt to the following challenges:

a. Information management

- Businesses need to implement an effective information management system that is accessible and useful to all members of staff. √√
- The information must be found/recorded/stored/easily retrieved and effectively used. √√
- Large capital should be invested into information technology (IT) systems to update business operations. √√
  Modern IT solutions enable businesses to satisfy customer needs more efficiently. √√
  The business may then benefit from an increase in market share and profitability. √√
-

Sub max (2)

b. Strategic responses

- Strategic response refers to how businesses respond to challenges from both internal and external environments by putting proper plans in place. √√
- Management needs to design strategic responses to various challenges by analysing all information, and identifying the stakeholders involved. √√
- Businesses must have a clear understanding of each stakeholder's viewpoints and requirements. √√
- Businesses need to be aware of new competitors in the market and be able to strategically respond to their existence. √√
- Businesses must develop strategic plans to remain sustainable in a competitive market. √√
- Effective strategic responses assist businesses to identify, minimise and eliminate challenges. √√

Sub max (2)

c. Organisational design and flexibility

- Organisational design describes how a business is structured and how it communicates its culture. √√
- It focuses on ensuring that the structure of the business is aligned with its objectives. √√
- It involves the process of integrating the people/information/technology within an organisation to improve efficiency. √√
- Businesses need to be flexible in their organisational design so that they can adapt easily to challenges of business environments. √√
- The management structure of a business should reflect the environmental conditions that the business experiences. √√

Sub max (2)

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Max (6)

4. Reasons why businesses lobby

- Businesses or people lobby or change laws √ like child labour laws, clean air and water laws and municipal regulations. √
- The views of lobby groups are important and make a difference √ by giving solutions to business challenges. √
- Lobbying advances what the business must deliver on √ and builds public trust. √
- Lobbying helps to find solutions √ to emerging generic challenges. √
- Lobbying advances a cause √ and builds public trust. √

Max (4)

5. Discuss the advantages of networking for MCS.

- Businesses can attract new customers √ resulting in increased market share and profitability. √
- Networking can be an excellent source of new perspectives √ and business ideas. √
- Allows managers to build new businesses relationships √ and generate new business opportunities. √
- Plays a role in the marketing√ and expansion of a business. √
- Assists businesses√ in making future business decisions. √
- Businesses can gain support √ when representation to various authorities is planned. √

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Max (6)

6. Ways in which business can have a direct influence on the environment

- Businesses need to be flexible by getting involved in research/development so that they can continue to operate. √√
- Influence its suppliers by signing long term contracts. √√
- Create new uses for a product by finding new customers. √√
- Influence regulators through lobbying and bargaining. √√
- Initiate bargaining sessions between management and unions. √√
- Influence its owners using information contained in annual reports. √√
- Negotiate strategic alliance agreement through contractual processes. √√

Max (4)

7. Ways in which businesses form power relationships

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Strategic alliance/Partnership agreements √√

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- Businesses form partnership agreements in order to benefit in each other's involvement. √
- These partnership alliances help parties involved to benefit in infrastructure development and scarce skills. √
- These alliances are designed to build on the expertise of each partner and on the way and on the way in which they complement each other. √

Power relationship (2)
Description (1)
Submax (3)

Persuasion of large investors √√

- If a business has a powerful investor, the business can often benefit from the relationship so that it can gain credit more easily and better deals from suppliers. √
- Businesses invite powerful influential people to sit on their Board of Directors in order to get advice from those people. √
- Having such power as part of the business may have a positive influence on the reputation and image of the business. √
- If a business has a large/powerful investor, the business can gain credit more easy/get better deals from suppliers. √

Power relationship (2)
Description (1)
Submax (3)

Company representatives' influence √√

- This representative fulfils an important function in trying to persuade investors to invest in a particular business practice. √
- People will make decisions based on the company's image, personality, communication style and power of persuasion. √
- Businesses must invest time and energy to recruit the right person for this job. √

Power relationship (2)
Description (1)
Submax (3)
Mark any 2
Max (6)

8. 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. √
- Outlines the relationship √ between employees and employers. √

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- Provides simple procedures √ for the registration of trade unions and employers' organizations. √
- Regulates the rights of trade unions √ and facilitates collective bargaining. √
- Regulates the effectiveness of bargaining councils √ and statutory councils. √
- Establishes workplace forums√ to promote the interest of all employees in the workplace whether they belong to the trade union or not. √
- 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. √
- Clarifies the transfer √ of contracts of employment procedures. √
- Establishes Labour Courts and Labour Appeal Courts√ to deal with labour issues. √

Max (4)

9. Impact of piracy

- It can undermine the music/movie industry as they lose money. √√
- Drives up the prices of products in order to compensate for the loss in sales. √√
- Leads to job losses in the industry √√
- The music industry feels reluctant to develop new talents as the element of risk is too high. √√
- May cause damage to the value of the businesses. √√
- The businesses lose out on sales and income which in turn threatens industry√√
- The businesses lose out on productivity and profits**.** √√
-

10. Explain the functions of trade unions.

- Improves conditions of employment. √√
- Ensures that all employees are treated equally in the workplace √√
- Representing the interest of general society and minority groups through media and negotiations. √√
- Influencing government decisions. √√
- Representing employees corporately and individually. √√
- Improving material benefits of their members. √√
- Establishing minimum economic and legal conditions/influencing economic policy and law. √√

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- Playing a role as moral institutions that will uplift the weak and oppressed and give them the dignity and justice they deserve. √√
- Protecting workers from unfair labour practices and unfair dismissal. √√
- Take legal action on behalf of members when necessary. √√

Max (4)

TOTAL : 50 MARKS



