



KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

**NATIONAL
SENIOR CERTIFICATE**

GRADE 10

BUSINESS STUDIES

COMMON TEST

MARCH 2023

MARKS: 100

DURATION: 1h30

This question paper consists of 8 pages

Stanmorephysics

INSTRUCTIONS AND INFORMATION.

Read the following instructions carefully before answering the questions

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

SECTION A: **COMPULSORY**

SECTION B: Consists of **THREE** questions answer any **TWO** questions in this section.

SECTION C: Consists of **TWO** questions. Answer any **ONE** of the two questions in the section.

2. Read the instructions for each question carefully and take a particular note of what is required.
3. Number answer correctly according to the numbering system used in this question paper.
4. Except where other instructions are given, answers must be in full sentences.
5. Use the mark allocation and nature of each question to determine the length of an answer.
6. Use the table below as a guide for marks and time allocation when answering each question.

SECTION		QUESTION	MARKS	TIME (Minutes)
A:	Multiple choice questions and matching COMPULSORY	1	20	20
B:	THREE Direct/Indirect questions. (Choose any TWO questions)	2 3 4	20 20 20	40
C:	TWO essay questions. (choose any ONE of the TWO questions)	5 6	40 40	30
		TOTAL:	100	90 minutes

7. Begin the answer to EACH question in a NEW page, for example QUESTION 1 new page, QUESTION 2- new page, et cetera.
8. Write neatly and legibly.



SECTION A: (COMPULSORY)**QUESTION 1: MULTIPLE CHOICES**

1.1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A-D) next to the question number (1.1.1 – 1.1.5) on the ANSWER BOOK, e.g. 1.1.6 A

1.1.1 A plan of action taken by top management to achieve their vision.

- A. Mission statement
- B. Vision
- C. Strategy
- D. Objectives

1.1.2 The ... is an example of a civil society

- A. employers' organisations
- B. customers organisations
- C. non-government organisations (NGOs)
- D. government organisations

1.1.2 Businesses use ... capital to purchase fixed assets such as land and buildings.

- A. own
- B. working
- C. fixed
- D. borrowed

1.1.3 Ensuring a fair selection procedure during selection is a quality indicator for the ... function

- A. marketing
- B. human resource
- C. administration
- D. general management

1.1.5 Operational decisions are taken at ... level of management

- A. lower
- B. top
- C. middle
- D. medium



(5x2) (10)

- 1.2 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A-J) next to the question number (1.2.1-1.2.5) in the ANSWER BOOK, E.G 1.2.6 K.

COLUMN A	COLUMN B
1.2.1* Line organisational structure	A. deals with the promotion of good business image.
1.2.2 Community Base Organisation	B. the type of capital that the owner obtains from the bank to pay it back with interest.
1.2.3 Macro environment	C. organisations aimed at making desired improvements to community's health, well-being, and safety.
1.2.4* Public relations function	D. employees report to only one person.
1.2.5* Borrowed capital	E. businesses do have control over environment
	F. organisations employed by government to service community and municipalities.
	G. the business function that deals with the provision of goods and services to customers
	H. the type of capital that the owner accumulated from his/her own savings.
	I. expect act as advisors to top and middle management
	J. businesses have full control over this environment.

(5x2) (10)
[20]



SECTION B

Answer **ANY TWO** questions in this section

NOTE: Clearly indicate the QUESTION NUMBER of each question that you choose. The answer to EACH question must start on a NEW page, e.g. QUESTION 5 on a NEW page, QUESTION 6 on a NEW page.

QUESTION 2: BUSINESS ENVIRONMENTS

- 2.1 List TWO factors influencing the organisation structure of the business. (2)
- 2.2 Read the scenario below and answer the questions that follow.

SWISS BANK (SB)

Swiss Bank is a registered financial services provider. SB bought new and advanced computers to improve service delivery. This has led to increased customer base due to excellent services offered by the businesses

- 2.2.1 Identify ONE component of micro environment applicable to SB in the scenario above. (2)
- 2.2.2 Describe the component of micro environment identified in QUESTION 2.2.1 above (4)
- 2.3 Explain the meaning of the following concepts in relation to microenvironment.
- 2.3.1 Vision
- 2.3.2 Mission statement (4)
- 2.4 Discuss technological environment as a component of macro environment. (4)
- 2.5 Advise businesses on the relationship between micro, market and macro environments. (4)
- [20]**



QUESTION 3: BUSINESS OPERATIONS

- 3.1 Outline the differences between management and leadership. (4)
- 3.2 Identify the level of management applicable in EACH statements below:
- 3.2.1 Peter Hairdressers develops long-term goals, strategic plans, and business policies.
- 3.2.2 Ellen Murray takes medium-term tactical decisions. (4)
- 3.3 Read the scenario below and answer the questions that follow.

ELVIS FURNITURES (EF)

Elvis Furnitures specialises in the manufacturing of office furniture. EF decided to buy more advanced technological machine to make furniture making easy and faster. Employees enjoy using this machine as it is user friendly

- 3.3.1 Identify the business function applicable to EF in the scenario above. (2)
- 3.3.2 Discuss the importance of the business function identified in QUESTION 3.3.1. (6)
- 3.4 Advise businesses on the purpose of National Credit Act. (4)

[20]

QUESTION 4: MISCELLANEOUS**BUSINESS ENVIRONMENTS**

- 4.1 Elaborate on the meaning of threats in a business context. (2)
- 4.2 Read the scenario below and answer questions that follow

**SAFE ROOF CONSTRUCTION (SRC)**

Safe Roof Construction specializes in home building and roof. SRC finds it hard to buy building material due to high inflation rates. This has resulted in SRC not making large profits.

- 4.2.1 Identify ONE component of the macro environment applicable to SRC in the scenario above. (2)
- 4.2.2 Explain reasons why the component identified in QUESTION 4.2.1 poses a challenge to businesses. (6)

BUSINESS OPERATIONS

- 4.2 Outline the purpose of public relations function. (4)
- 4.3 Advise business on the importance of stock control. (6)
- [20]**



SECTION C

Answer **ANY ONE** question in this section

NOTE: Clearly indicate the QUESTION NUMBER of each question chosen. The answer to question must start on a NEW page, e.g. QUESTION 7 on a new page, QUESTION 8 on a NEW page.

QUESTION 5: BUSINESS ENVIRONMENTS (MICRO & MARKET ENVIRONMENT)

A well-defined business culture is key for every business success. A clear understanding of the meaning and components of the market environment is essential for businesses. Competition is an aspect of market environment that poses challenges to businesses.

Keeping in mind the above statement, write an essay on the following aspects:

- Outline the importance of a business organisational culture.
- Elaborate on the meaning of market environment.
- Discuss FOUR components of market environment.
- Suggest the reasons why competition poses a challenge to businesses.

[40]

QUESTION 6: BUSINESS OPERATIONS (THE CONCEPT OF QUALITY)

Quality is the ability of a product to meet a specific need. Businesses need to have specific systems in place so that it can ensure smooth production process. They should be aware of quality indicators for the administration and financial business functions. Management plays an important role in ensuring the success of the business

With reference to the above statement write an essay on the following aspects:

- Outline the importance of quality for businesses.
- Differentiate between quality control and quality assurance.
- Discuss quality indicators of the following business functions
 - Administration function
 - Financial function
- Advise businesses on the correlation between management and the success of business in achieving its objectives, strengths and weaknesses

[40]

TOTAL SECTION C: [40]
GRAND TOTAL: [100]





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COMMON TEST
MARCH 2023
MARKING GUIDELINE**

MARKS: 100

TIME: 1 hour 30 min.

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This marking guideline consists of 19 pages.



NOTES TO MARKERS

1. A comprehensive marking guideline has been provided but this is by no means Exhaustive. Due consideration should be given to an answer that is correct but:
 - Uses a different expression from that which appears in the marking guideline
 - Comes from another source
 - Original
 - A different approach is used

NOTE: SECTION A:

- There are no alternative answers.
 - Each question has only one correct answer.
2. Take note of other relevant answers provided by candidates and allocate marks Accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
 3. The word 'sub-max' is used to facilitate the allocation of marks within a question or sub-question.
 4. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts.
 5. In an indirect question, the theory as well as the response must be relevant and related to the question.
 6. No additional credit must be given for repetition of facts. Indicate with an R.
 7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in memo. Only the total for each question should appear in the left-hand margin next to the appropriate question number.



SECTION B

8.1 If, for example, FIVE facts are required, mark the candidate's FIRST FIVE responses and ignore the rest of the responses. Indicate by drawing a line across the unmarked portion or use the word 'Cancel'.

NOTE: This only applies to questions where the number of facts is specified.

8.2 If two facts are written in one sentence, award the candidate FULL credit. Point 10.1 above still applies.

9. Where the number of facts are specified, questions that require: candidates to 'explain/discuss/ describe' will be marked as follows

- Heading 2 marks
- Explanation: 1 mark (or as indicated in the marking guideline).
- The 'heading' and 'explanation' are given separately to facilitate mark allocation.

10.2 If the number of facts is not specified, the candidate must be informed by the nature of the question and the maximum marks allocated


10.3 If candidates are required to provide their own examples/views, brainstorm this to come up with alternative answers

10.4 ONE mark will be awarded for answers that are easy to recall, requires one-word answers or is quoted directly from scenario/case study. This applies to SECTIONS B and C.



SECTION C

11.1 The breakdown of the mark allocation for the essays is as follows:

	Introduction	Maximum: 32
	Content	
	Conclusion	
	Insight	8
	TOTAL	40

11.2 Insight consists of the following components:

The mark allocation for an essay-type of question is generally as follows:

CONTENT		MARKS
Layout	Introduction and conclusion	2
Analysis	All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	2
Synthesis	Are there relevant decisions/facts/responses made based on the questions?	2
	Option 1: Only relevant facts: 2 marks (No '-S') Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis.	2
	Option 2: Some relevant facts: 1 mark (One '-S') Where a candidate answers less than 50% (only one sub-question) of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.	1
	Option 3: Some relevant facts: 1 mark (One '-S') Where a candidate answers FOUR questions, but one/two/three sub-question of the questions with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.	1
	Option 4: No relevant facts: 0 mark (Two '-S') Where a candidate answers less than 50% (only one sub-question) of the questions with no relevant facts; two '-S' appears in the left margin. Award a ZERO mark synthesis.	0
Originality	Is there evidence of one or two examples, not older than two (2) years are based on recent information, current trends and developments.	2
TOTAL FOR INSIGHT:		8
TOTAL MARKS FOR FACTS:		32
TOTAL MARKS FOR ESSAY (8+32)		40

SECTION A**QUESTION 1**


- 1.1 1.1.1 C✓✓

 1.1.2 C✓✓
 1.1.3 C✓✓
 1.1.4 B✓✓
 1.1.5 A✓✓

(10)

- 1.2 1.2.1 I✓✓
 1.2.2 C✓✓
 1.2.3 E/J✓✓
 1.2.4 A✓✓
 1.2.5 B✓✓

(10)**TOTAL SECTION A: [20]****BREAKDOWN OF MARKS**

QUESTION 1	MARKS
 1.1	10
1.2	10
TOTAL	20

QUESTION 2

2.1 Organisational structure

- Size of the business. ✓
- Business strategy ✓
- The environment it is located ✓
- The operational approach ✓
- Nature of the available technology ✓
- The nature of the product or service produced by the business ✓
- Any other relevant answer related to factors that influence organisation structure.

NOTE: Mark the first TWO only

(2x1) (2)

2.2 Micro environment

2.2.1 Organisational resources ✓✓

(2)

2.2.2 Organisational resources

- It includes all resources ✓ that are both concrete and human ✓.
- The business relies ✓ heavily on organisational resources to achieve its vision and mission ✓.
- Organisational resources examples ✓ are employees, capital, equipment and land and buildings ✓
- Any other relevant answer related to organisational resources as a component of micro environment.

Max (4)

2.3 Meaning of the components of micro environment

2.3.1 Vision

- Include goals ✓ the business hopes to achieve in the future/long term goals ✓
- Vision determines the type of resources ✓ needed to achieve it ✓
- Vision must be communicated with all employees ✓ so that all employees work towards accomplishing it. ✓

- Vision also determine the nature of technology needed✓ to make achieving it to become easy and fast✓
- Any other relevant answer related to the meaning of the vision.

Sub max (2)**2.3.2 Mission**

- It is the core purpose of the business✓ including actions taken on daily bases✓
- Mission outlines short term actions✓ taken by businesses to achieve business vision✓
- It directs all actions ✓of all stakeholders as it channels all efforts to achieve the vision✓
- It outlines activities of all employees required✓ to meet business goals/objectives✓
- Any other relevant answer related to the meaning of mission

Sub max (2)**Max (4)****2.4 Technological environment**

- It refers to development field of technology✓ with new innovative knowledge✓
- Its provides faster changes✓ in the macro environment such as 4th industrial revolution✓
- Employee skills need to be developed✓ in line with changes in technology✓
- Failure to keep abreast of changes✓ may result competitors taking all the market. ✓
- Any other relevant answer related to technological environment as a component of macro environment.

Max (4)**2.5 Relationship between micro, market and macro environments**

- Business enterprises are in constant interaction with elements✓ present in all three-business environments. ✓
- An entrepreneur aims to satisfy the needs of the consumer✓ in order to make a profit. ✓
- During this process, the entrepreneur is subjected to challenges coming from amongst others✓, competitors, as well as the government. ✓
- Entrepreneurs must deal with labour crises✓, demands such as BEE and affirmative action. ✓
- A business exercises control over most of the elements in the micro- environments✓. e.g., a business cannot force consumers to buy their products, but it can influence consumers through competitive prices and advertising ✓



- Any other relevant answer related to interrelationship between the three environments

Max (4)

[20]

BREAKDOWN OF MARKS



QUESTION 2	MARKS
2.1	2
2.2.1	2
2.2.2	4
2.3.1	2
2.3.2	2
2.4	4
2.5	4
TOTAL	20

QUESTION 3

3.1 Difference between management and leadership

LEADERSHIP	MANAGEMENT
Influences human behaviour. ✓✓	Guides human behaviour. ✓✓
Communicates by means of interaction/behaviour/vision/values/charisma. ✓✓	Communicates through management functions, e.g. line function. ✓✓
Focuses on what and why. ✓✓	Focuses on how✓ and when. ✓✓
Focuses on the horizon/long term. ✓✓	Focuses on the bottom line/short/medium/long term. ✓✓
Leaders are born with natural/ instinctive leadership skills. ✓✓	A person becomes a manager because of the position in which he/she is appointed. ✓✓
Any other relevant answer related to leadership	Any other relevant answer related to management
Sub max (2)	Sub max (2)



NOTE:

- The answer does not have to be in tabular form.
- The differences do not have to link but must be clear.
- Award a maximum of FOUR (4) marks if the differences are not clear/mark either leadership or management.

Max (4)

3.2 Business function

3.2.1 Top level of Management ✓✓

3.2.2 Middle level of Management ✓✓

(4)**3.3**

3.3.1 Purchasing Function ✓✓

(2)**NOTE:1****3.3.2 Mark the first ONE (1) only**

2. Only award marks for responses that are quoted from the scenario.

Importance /purpose of the purchasing function on businesses

- It will ensure there is availability ✓ of raw materials at all times ✓
- Maintain the quality of raw materials ✓ that are used to produce goods and services in the business ✓
- Liaise with production function to make sure there ✓ are no defects from the supply of raw materials ✓
- They assess the demand and supply of raw materials ✓ that aim at ensuring that there is no loss incurred by businesses ✓
- They ensure products are delivered on time ✓, at the right place at reasonable price ✓
- They maintain good relations ✓ with their suppliers, to always receive right stock ✓
- Manage stock to ensure sufficient levels of stock ✓ to carry out business operations. ✓
- Continuously looking ✓ for the best/reputable suppliers. ✓
- Regularly contacts other business departments ✓ to determine their needs. ✓
- Returns damaged goods to suppliers ✓ and ensures that it is replaced. ✓
- Receives confirmation that all delivered goods were according to specifications ✓, and that the price invoiced is the same as of the quoted price. ✓
- Negotiates the best possible terms ✓ for payment with suppliers. ✓
- Any other relevant answer explaining the importance/purpose of the purchasing function

Max (6)**3.4 Purpose of National Credit Act**

- Promotes the social and financial ✓ interest of consumers. ✓
- Promote a fair ✓ but competitive credit market. ✓
- Ensure that consumers know what is included ✓ in their credit contracts. ✓
- Prevent discrimination and ensure credit is available to all consumers.
- Makes provision for the establishment ✓ of the National Credit Regulator (NCR) ✓.
- Ensure registrations of credit bureau ✓ and debt counselling services. ✓



- Any other relevant answer relating to the purpose of National Credit Act

Max (4)

BREAKDOWN OF MARKS



QUESTION 3	MARKS
3.1	4
3.2.1	2
3.2.2	2
3.3.1	2
3.3.2	6
3.4	4
TOTAL	20

QUESTION 4

4.1 Threat in the context of the business

- Threats are any factors in the external environment that will stand in a way✓ or already in the way of the business progress✓.
- Businesses have a challenge of continuously identifying threats in the business✓ and devise strategies to deal with it. ✓
- Any other relevant answer related to the meaning of threats.

Max (2)

4.2.1 Component of macro environment

Economic Environment✓✓

(2)

NOTE: 1. Mark the first ONE only

2. Only award marks for responses that are quoted from the scenario.

4.2.2 Reasons why economic environment pose a challenge on businesses

- Economic environment influences business decisions✓ as it dictates changes✓.
- Changes in income levels may result in customers not affording✓ goods and services they use to buy before. ✓
- Laws imposed by governments✓ may demand businesses to pay more money✓
- Other's businesses that trade internationally✓ may not keep up with changes taking place globally as they may pay more money on transportation of goods and services. ✓



- Tariffs and interest rates can be very expensive ✓ resulting in some businesses closing down completely. ✓
- Any other relevant answer relation to challenges of economic environment on businesses

Max (6)**BUSINESS OPERATIONS****4.3 Importance/Purpose of public relations function**

- Businesses get publicity for promotional events and information through media. ✓✓
- News conferences may be called to release information, which will ensure the survival of the business. ✓✓
- Employees may volunteer to spend time with people in need, for example, volunteering at orphanages/hospitals/schools, and so on. ✓✓
- Businesses could sponsor community events and gain customer loyalty. ✓✓
- Brochures can also be used to distribute information about the company. ✓✓
- Networking is a popular form of public relations. Clients/customers can have direct contact with employees/ communicate telephonically. ✓✓
- Business representatives may attend networking events and promote the product/s of the business. ✓✓
- Business could use corporate social responsibility involving communities as a public relations activity. ✓✓
- Any other relevant answer

Max (4)**4.4 Importance of stock control**

- Enables businesses to determine the amount/value of stock. ✓✓
- Businesses can check the cost and selling price of products. ✓✓
- Ensures that there is enough stock to meet the normal demand of customers. ✓✓
- Keeps the correct levels of stock on hand. ✓✓
- Records the cost prices and selling prices of stock. ✓✓
- Identifies theft in the business when the physical stock count is compared with the electronic stock control system. ✓✓
- Any other relevant answer related to the importance of stock control.

Max (6)**[20]****BREAKDOWN OF MARKS**

QUESTION 4	MARKS
4.1	2
4.2.1	2

4.2.2	6
4.3	4
4.4	6
TOTAL	20



SECTION C (CHOOSE ANY ONE ESSAY FROM THIS ESSAY)

QUESTION 5 BUSINESS ENVIRONMENTS (MICRO & MARKET ENVIRONMENTS)

5.1 Introduction

- Organisational culture defines and differentiate the business from others. ✓
- Businesses need to interpret the meaning of market environment so that they use it to classify challenges they face. ✓
- Components of market environment helps businesses to locate challenges and be able to respond to them effectively ✓
- Competition is where businesses are selling products to similar or same customers in the same area ✓
- Any other relevant introduction related to the importance of an organisational culture/meaning of market environment/ components of market environment/reasons why competition pose a challenge for businesses.

(2x1) (2)

5.2.1 Importance/purpose of an organisational culture

- The purpose of an organisational culture is to define the business' internal and external identity and core values. ✓✓
- A strong business culture has the power to turn employees into ambassadors of the business.
- It helps businesses to retain its employees and clients. ✓✓
- It breaks down boundaries between teams, guides decision-making, and improves productivity. ✓✓
- It includes the values and beliefs of the business and how it conducts its operations ✓✓
- It defines business' internal and external identity including its conduct. ✓✓
- It promotes employee commitment and loyalty to the business ✓✓
- It helps businesses retain its employees and customers as it distinguishes one business from the other ✓✓
- It provides guidelines to decision making that intends to benefit the business ✓✓ -It regulates how employers and employees conduct themselves during working hours. ✓✓
- It gives a summary of expected behavior for newly appointed employees ✓✓
- It clearly defines the entire business to all stakeholders ✓✓
- An excellent business culture may attract investors to invest in the business ✓✓
- A good business culture that is followed by all employees may give a business a competitive advantage over competitors ✓✓
- Any other relevant answer related to the importance/purpose of business organizational cultures

Max (12)

5.3 Meaning of market environment

- The market environment refers to the immediate external ✓ component that directly affect the ability of the business to operate, for the business to be successful it must be able to influence the components of this environment. ✓
- The market environment is also known as the industry environment ✓ and is immediately outside the micro business environment ✓
- The market environment has large impact ✓ on the business operations because it includes customers who drives sales in the business ✓
- Business do not have direct control ✓ on the market environment ✓
- It includes customers, competitors, intermediaries etc. ✓ as its components ✓
- Any other relevant answer related to meaning of market environment.

Max (8)

5.4 Components of market environment

5.4.1 Consumers ✓✓

- Customers / Buyers are the final users ✓ of the product / services ✓
- A consumer who buys products or services from ✓ a business is that business's customer ✓
- Customer's preferences and taste does change as time goes by ✓, so it is essential for businesses to conduct market research to ensure that their target market's changing needs are continuously met ✓
- Any other relevant answer related to definition of consumers as a component of market environment

Component (2)

Explanation (2)

Sub max (4)

5.4.2 Suppliers ✓✓

- Suppliers provide that raw material ✓, transport and other services to the business ✓
- The resources that suppliers prove includes machinery ✓, computer equipment, packaging material ✓
- If suppliers fail to provide businesses with quality resources or if the suppliers don't deliver these resources on time or at the right prices ✓, then the businesses will not be able to meet their goals/objectives ✓
- Any other relevant answer related to definition of suppliers as a component of market environment



Component (2)

Explanation (2)

Sub max (4)

5.4.3 Competitors ✓✓

- Competitors refers to the businesses that are selling a similar product ✓ to the same target market ✓.
- Businesses need to keep a close watch ✓ on their competitors in order to succeeded in the business ✓.
- Marketing and advertising ✓ can help to draw customers by offering discounts ✓.
- Any other relevant answer related to definition of competitors as a component of market environment

Component (2)

Explanation (2)

Sub max (4)

5.4.4 Regulator ✓✓

- Regulators bare responsible for making laws ✓ that are going to be binding the business operations. ✓
- The laws are put in place ✓ to ensure that everyone has free and fair trade. ✓
- The government is also known as a regulator ✓ as its makes laws. ✓
- Any other relevant answer related to definition of regulators as a component of market environment

Component (2)

Explanation (2)

Sub max (4)

5.4.5 Unions ✓✓

- Trade unions play a major role in controlling ✓ and defining fair labour practices. ✓
- They are responsible for helping employees ✓ during the times of negotiations for salaries ✓.
- Negotiations for better wages, for their members, working conditions and that their members work under.
- Any other relevant answer related to definition of unions as a component of market environment

Component (2)

Explanation (2)

Sub max (4)



5.4.6 Intermediaries ✓✓

- Intermediaries are also known as the link between ✓ the business environments, namely micro and market ✓
- Intermediaries often make it easier for consumers ✓ to access the goods that they need. ✓
- Intermediaries includes transport ✓ and telecommunication businesses ✓
- Any other relevant answer related to definition of intermediaries as a component of market environment ✓

Component (2)

Explanation (2)

Sub max (4)

5.4.7 Non-governmental organisation ✓✓

- Refers to community-based organisations ✓ that are helping to dress some of the socio-economic issues affecting businesses. ✓
- It forms part of market environment ✓ because they supply consumer goods and services ✓
- The focus area of the NGO is the welfare ✓ of the community such as poverty, crime ✓
- Any other relevant answer related to definition of non-governmental organisations as a component of market environment. ✓

Component (2)

Explanation (2)

Sub max (4)

NOTE: Mark the first FOUR (4) only

Max (16)

5.4 Reasons why competition poses a challenge to businesses.

- Competitors may produce substitute goods/service ✓ that may result in decrease in demand of the product/service the business offers ✓
- Competitors may take a larger share of the target market resulting in decrease in sales ✓
Competitors who offer products at a cheaper price may force businesses to sell at a loss ✓
- Businesses spend a lot of money on advertising ✓ which takes away business profits ✓
- Some employees may leave the business to work for competitors ✓ which may result in business information known by competitors. ✓
- High demand of salaries ✓ may cause other employees to leave the business ✓
- Powerful competitors may have control of the market ✓ and make tight barriers to entry. ✓
- Decrease profitability ✓ of the business and its market share they have built ✓
- Any other relevant answer related to reasons why competition pose challenge to business ✓

Max (12)

5.6 Conclusion

- Organisational culture helps businesses have a good profile that may attract customers and potential funders. ✓✓

- Failure analyse the meaning of market environment may result in businesses not able to compete with others and to lose profits. ✓✓
- Components of environments helps businesses to be able to understand the nature of challenges they face so that they can come up with strategies that influence positive results to the favor of the business. ✓✓
- Competition forces businesses to maximize its potential and this benefits customers because they end up getting excellent service from businesses ✓✓
- Any other relevant conclusion related to the importance of an organisational culture/meaning of market environment/ components of market environment/, reasons why competition pose a challenge for businesses.

(Any 1x2) (2)
[40]

BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	32
Importance of a business organisational culture	12	
Meaning of Market Environment	8	
Any FOUR components of Market Environment	16	
Reasons why competition pose a challenge to businesses	10	
Conclusion	2	
Insight		
Layout	2	8
Analysis/interpretation	2	
Synthesis	2	

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.



QUESTION 6: BUSINESS OPERATIONS (CONCEPT OF QUALITY)

6.1 Introduction

- Quality benefits businesses in many ways including ensuring total client satisfaction. ✓
- Understanding the differences between quality control and quality assurance helps businesses to plan properly. ✓
- Quality indicators clearly define expected performance roles from all departments in the business. ✓
- It is advisable that business employ highly skilled managers so that success is guaranteed. ✓
- Any other relevant introduction related to differences between quality control and quality assurance/importance of quality/ quality indicators for administration and financial functions/ how management relates to the success of the business

Any (2x1) (2)

6.2 Importance of quality on businesses

- Effective customer services are rendered, resulting in increased customer satisfaction. ✓✓
- Time and resources are used efficiently ✓✓
- Productivity increases through proper time management/using high quality resources ✓✓
- Products/Services are constantly improved resulting in increased levels of customer satisfaction. ✓✓
- Vision/Mission/Business goals may be achieved ✓✓
- Business has a competitive advantage over its competitors ✓✓
- Regular training will continuously improve the quality of employees' skills/ knowledge. ✓✓
- Employers and employees will have a healthy working relationship resulting in happy/productive workers. ✓✓
- Increased market share/more customers improve profitability. ✓✓
- Improves business image ✓ as there are less defects/returns. ✓✓
- Any other relevant answer related to importance of quality for businesses

Max (14)

6.3 Differences between quality control and quality assurance

QUALITY CONTROL	QUALITY ASSURANCE
<ul style="list-style-type: none"> • Inspection of the final product ✓ to ensure that it meets the required standards. ✓ 	<ul style="list-style-type: none"> • Carried out during and after the production process ✓ to ensure that required standards have been met at every stage of the process. ✓
<ul style="list-style-type: none"> • Includes setting targets/measuring performance and taking corrective measures. ✓ 	<ul style="list-style-type: none"> • Ensures that every process is aimed at getting the product right the first time and prevents mistakes from happening again. ✓
<ul style="list-style-type: none"> • Checking raw materials/employees/ machinery/ workmanship/products ✓ to ensure that high standards are maintained. ✓ 	<ul style="list-style-type: none"> • The 'building in' of quality ✓ as opposed to 'checking for' quality ✓
Any other relevant answer related to quality control.	Any other related answer
Sub max 6	Sub max 6

Max (12)

NOTE:

4. The answer does not have to be in tabular form.
5. The differences do not have to link but must be clear.
6. Award a maximum of FOUR (4) marks if the differences are not clear/mark either quality control or quality assurance.

**6.4 Quality indicators for administration and financial functions.****6.4.1 Administration Function**

- Fast and reliable data capturing ✓ and processing systems. ✓
- Make reliable information available ✓ to management on time. ✓
- Make relevant information available ✓ for quick decision-making. ✓
- Handle complaints ✓ quickly and effectively. ✓
- Use modern ✓ technology efficiently ✓
- Implement effective risk management policies ✓ to minimise business losses. ✓
- Quality assurance/Control/Evaluation ✓ is recorded accurately ✓
- All documentation is kept neatly ✓ and orderly in a safe place. ✓
- Easy to recall/find ✓ information/documentation. ✓
- Financial documents are kept up to date ✓ and recorded accurately. ✓
- All systems and processes ✓ are documented. ✓
- Any other relevant answer related to quality indicators of administration function

Sub max (6)

6.4.2 Financial Function

- Obtain capital ✓ from the most suitable/available/reliable sources. ✓
- Negotiate better interest rates ✓ in order to keep financial cost down. ✓
- Draw up budgets ✓ to ensure sufficient application of monetary resources. ✓
- Keep financial records up to date ✓ to ensure timely/accurate tax payments. ✓
- Analyse strategies ✓ to increase profitability. ✓
- Invest surplus funds ✓ to create sources of passive income. ✓
- Implement financial control measures/systems ✓ to prevent fraud. ✓
- Implement credit granting/debt collecting policies ✓ to monitor cash flow. ✓
- update financial statements ✓ timeously/regularly. ✓
- Accurately analyse ✓ and interpret financial information. ✓
- Invest in strategies that will assist the business ✓ to remain profitable. ✓
- Avoid over/under-capitalization ✓ so that financial resources will be utilized effectively ✓
- Any other relevant answer related to quality indicators of financial function

Sub max (6)

Max (12)**6.5 Correlation between management and the success of business in achieving its objectives, strengths, and weaknesses**

- Poor management can result in ineffective employees and loss in productivity. ✓✓
- Experience is necessary to in order to make the right decisions. ✓✓
- Education leads to higher quality of performance. ✓✓



- Quality decisions and performance contributes to the achievement of business objectives. ✓✓
- Quality management practice will also ensure good management result. ✓✓
- All these success factors enhance the strengths of the business. ✓✓
- Any other relevant answer related to correlation between management and success of the business in achieving its objectives, strengths and weaknesses.

Max (8)

6.6 Conclusion

- Producing quality products may lead to minimal competition since most customers prefer quality product and service. ✓✓
- Businesses are expected to successfully implement quality control and quality assurance processes so that producing quality product and services is sustained. ✓✓
- Successful performance of administration and financial functions may contribute to the success of the business. ✓✓
- Strengths and weaknesses of the business must be analysed effectively by management so that the business can capitalise on focusing on its strengths to overcome its weaknesses. ✓✓
- Any other relevant conclusion related to the importance of quality/differences between quality control and quality assurance/ quality indicators for administration and financial functions/ how management relates to the success of the business.

Any (1x2) (2)

BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	32
Importance of quality on businesses	14	
Differences between quality control and quality assurance	12	
Quality indicators for administration and financial functions.	12	
Correlation between management and the success of business in achieving its objectives, strengths and weaknesses	8	
Conclusion	2	
Insight		
Layout	2	8
Analysis/interpretation	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.