KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 11

BUSINESS STUDIES

COMMON ASSESSMENT TASK

MARCH 2025 TEST

MARKS: 100

TIME: 1½ hours

This question paper consists of 8 pages.

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 THREE questions
   Answer any TWO of the THREE questions in this section.
   SECTION C: Consists of TWO questions
   Answer ONE of the TWO questions in this section.

2. Read the instructions for each question carefully and take particular note of what is required.

3. Number the answers correctly 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 in full sentences.

5. Use the mark allocation and nature of each question to determine the length and depth of an answer.

6. Use the table below as a guide for mark and time allocation when answering each question.

SECTION	QUESTION	MARKS	TIME
A: Objective-type questions COMPULSORY	**1**	**20**	**20 minutes**
B: THREE direct/indirect- type questions CHOICE (Answer any TWO)	**2**	**20**	**20 minutes**
	3	**20**	**20 minutes**
	4	**20**	**20 minutes**
C: TWO essay-type questions CHOICE (Answer any ONE essay)	**5**	**40**	**30 minutes**
	6	**40**	**30 minutes**
TOTAL		**100**	**90 minutes**

7. Begin the answer to EACH question on a NEW page, for example QUESTION 1 – new page, QUESTION 2 – new page, et cetera.

8. You may use a non-programmable calculator.

9. Write neatly and legibly.

SECTION A (COMPULSORY)

QUESTION 1

1.1 **Various options are provided as possible answers to the following questions. Write down the question number (1.1.1 – 1.1.5) and the correct letter next to it ONLY. Example: 1.1.6 A**

1.1.1 Fresh Fruit Suppliers operates in the … sector as they harvest fruits from their orchards.

A secondary
B tertiary
C public
D primary

1.1.2 Toto Traders takes into account … as they consider customer's lifestyles and behaviour, when buying goods to sell to clients/customers.

A psychographics
B demographics
C socio-cultural factors
D shortage of suppliers

1.1.3 Monty Enterprises uses … to form power relations.

A hedging against inflation
B bargaining sessions between management and unions
C persuasion of large investors
D influencing supervisory body/regulators

1.1.4 The government holds majority of shares in this form of ownership.

A SOC Ltd
B Pty Ltd
C Ltd
D Kruger & Sons

1.1.5 An agreement in which one company hires another company to be responsible for a planned or existing activity that is or could be done internally, and sometimes involves transferring employees and assets from one firm to another is known as …

A leasing
B outsourcing
C franchising
D hedging

(5 x 2)(10)

[20]

1.2 Complete the following statements by using the word(s) in the list below. Write only the word(s) next to the question number (1.2.1 – 1.2.5) in the ANSWER BOOK.

industrial relations;	public;	acquisition;	franchising;
macro;	merger;	market;	alliance;
private;	leasing		

1.2.1 Daniels Manufacturers has no control over the … environment.

1.2.2 Avalen Suppliers and Bambi Suppliers entered into a … by joining their resources together to form a new business, called Avabam Suppliers.

1.2.3 The term … explains the relationship between management and workers in an industry.

1.2.4 A … company is not allowed to sell shares to the public.

1.2.5 Obtaining the right to use the name and trademark of the existing businesses and sells products is known as … **(5 x 2)(10)**

TOTAL SECTION A: [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, for example QUESTION 2 on a NEW page, QUESTION 3 on a NEW page, et cetera.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 Name any THREE components of the market environment. (3)

2.2 Read the scenario below and answer the questions that follow.

MASINTRO TRADERS (MT)
Masintro Traders (MT) buys and sells a variety of goods. MT has recently appointed a new manager, Thabo. However, Thabo has been struggling to deal with subordinates, which has led to the workforce becoming unhappy and frustrated.MT has also been struggling to find a reliable supplier who can deliver goods on time.

2.2.1 Identify the micro environment challenge faced by MT. Motivate your answer by quoting from the scenario. (3)

2.2.2 Explain the micro-environment challenge identified in **Q2.2.1.** (4)

2.3 Discuss the reasons why businesses lobby. (6)

2.4 Recommend ways in which businesses can have a direct influence on the environment. (4)

[20]

QUESTION 3: BUSINESS VENTURES

3.1 State FOUR aspects that must be included in the Notice of Incorporation. (4)

3.2 Read the scenario below and answer the questions that follow.

DYE DELIGHT PTY LTD (DD)
Norman Smith, the owner of Dye Delight Pty Ltd, registered his company with the Companies and Intellectual Property Commission (CIPC). The company name was reserved by CIPC. It must include words or expression that promotes war or violence He also ensures that the company name appears in all company documents.

3.2.1 Quote TWO legal requirements of the name of the company from the scenario. (2)

3.2.2 Explain other legal requirements of the name of the company. (4)

3.3 Discuss the contractual implications of leasing. (6)

3.4 Suggest the advantages of starting a franchise as an avenue of acquiring a business. (4)

[20]

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 State any THREE contemporary legislation that may affect business operations. (3)

4.2 Read the scenario below and answer the questions that follow.

> **SUNSHINE BAKERY (SB)**
>
> Sunshine Bakery (SB), has been in operation for the past 15 years. SB's consistency in producing freshly baked cakes and bread, have earned them a good reputation on the market. SB buys their raw materials from Bela Suppliers.

4.2.1 Identify the business sector in which SB operates. Motivate your answer by quoting from the scenario. (3)

4.2.2 Explain the meaning of the tertiary sector. (4)

BUSINESS VENTURES

4.3 Identify avenues of acquiring a business applicable to Mimosa Trading (MT) in EACH statement below:

4.3.1 The owner of Mimosa Traders, Ali Mahomed, allows other entrepreneurs to start a business using his business name and trademark at a fee. (2)

4.3.2 Mimosa Trading has asked Edgewood Recruitment Agency to conduct the recruitment procedure on their behalf. (2)

4.3.3 Ali Mahomed signed a five year contract with Baygone Office Supplies, hiring all office furniture for his business. (2)

4.4 Advise businesses on the procedure for the formation of companies. (4)

[20]

TOTAL SECTION B: [40]

SECTION C

Answer ONE question in this section.

NOTE: Clearly indicate the QUESTION NUMBER of the chosen question.
The answer to EACH question must start on a NEW page, for example QUESTION 5 on a NEW page, QUESTION 6 on a NEW page, etcetera.

QUESTION 5: BUSINESS ENVIRONMENTS

Production businesses should be aware of the impact of piracy. They should also be aware of solutions to piracy, such as, copyright, patent and trademark. Businesses should understand the purpose of the Labour Relations Act (LRA). It is important for businesses to know the functions of trade unions.

Write an essay on contemporary socio-economic issues, in which you take the following into account:

- Outline the impact of piracy on business.
- Explain the meaning of the following solutions to piracy:
  - Copyright
  - Patent
  - Trademark
- Discuss the purpose of the Labour Relations Act (LRA).
- Suggest the functions of Trade Unions. **[40]**

QUESTION 6: BUSINESS VENTURES

Starting a business from scratch sometimes has many challenges than purchasing an existing business. Some entrepreneurs prefer to purchase an existing business where they also sign contracts as per business avenue they prefer buying. Entrepreneurs must familiarise themselves with the advantages, disadvantages and contractual implications of each avenue.

Write an essay on avenues of acquiring a business in which you include the following aspects:

- Outline FIVE aspects that should be included in the franchising contract.
- Explain reasons why entrepreneurs may decide to purchase an existing business.
- Describe the advantages of leasing.
- Advise businesses on the disadvantages of outsourcing as a business avenue. **[40]**
-

TOTAL SECTION C: [40]

TOTAL MARKS: 100

FINAL

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BUSINESS STUDIES

2025 MARCH COMMON TEST

MARKING GUIDELINES

MARKS : 100

TIME : 1½ Hours

These marking guidelines consist of 21 pages.

NOTES TO MARKERS

PREAMBLE

The notes to markers are provided for quality assurance purposes to ensure the following:

(a) Fairness, consistency and reliability in the standard of marking
(b) Facilitate the moderation of candidates' scripts at the different levels
(c) Streamline the marking process considering the broad spectrum of markers across the country
(d) Implement appropriate measures in the teaching, learning and assessment of the subject at schools/institutions of learning

1. For marking and moderation purposes, the following colours are recommended:

Marker:	Red
Senior Marker:	Green
Deputy Chief Marker:	Brown
Chief Marker:	Pink
Internal Moderator:	Orange
DBE Moderator:	Turquoise

2. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
3. 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 credible source
   - Original
   - A different approach is used

   NOTE: There is only ONE correct answer in SECTION A.

4. 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.)

5. The word 'Sub-max' is used to facilitate the allocation of marks within a question or sub-question.
6. 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 as well as for calculation and moderation purposes.
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 the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
8. In an indirect question, the theory as well as the response must be relevant and related to the question.

9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.

10. No additional credit must be given for repetition of facts. Indicate with a 'R'.

11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:

    11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive**: *'COIDA eliminates time and costs spent√ on lengthy civil court proceedings.'*√

    11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. 'COIDA eliminates time and costs spent√ on lengthy civil court proceedings√, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'√

NOTE: 1. The above could apply to 'analyse' as well.
2. Note the placing of the tick (√) in the allocation of marks.

12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.

    Cognitive verbs, such as:

    12.1 Advise, name, state, outline, motivate, recommend, suggest, *(list not exhaustive)* do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.

    12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, justify, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.

13. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

14. SECTION B

14.1 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 applies only to questions where the number of facts is specified.

14.2 If two facts are written in one sentence, award the candidate FULL credit. Point 14.1 above still applies.

14.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers.

14.4 **Use of the cognitive verbs and allocation of marks:**

14.4.1 If the number of facts are specified, questions that require candidates to 'describe/discuss/explain' may be marked as follows:

- Fact 2 marks (or as indicated in the marking guidelines)
- Explanation 1 mark (two marks will be allocated in Section C)

The 'fact' and 'explanation' are given separately in the marking guideline to facilitate mark allocation.

14.4.2 If the number of facts required is not specified, the allocation of marks must be informed by the nature of the question and the maximum mark allocated in the marking guideline.

14.5 **ONE mark may be awarded for answers that are easy to recall, requires one word answers or is quoted directly from a scenario/case study. This applies to SECTIONS B and C in particular (where applicable).**

15. SECTION C

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

Introduction	**Maximum: 32**
Content	
Conclusion	
Insight	**8**
TOTAL	**40**

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body, and a conclusion?	**2**
Analysis and interpretation	Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked? Marks to be allocated using this guide: 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? **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 **Option 2 : Some relevant facts: 1 mark (One '-S')** Where a candidate answers less than 50% (only one sub-questions) of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum ONE (1) mark for synthesis. **Option 3 : Some relevant facts: 1 mark (One '-S')** Where a candidate writes FOUR sub-questions, but one/two/three sub-question with irrelevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. **Option 4 :No relevant facts : 0 marks (Two '-S')** Where a candidate answers less than 50% (only one sub-question) of the question with no Relevant facts; two '-S' appear in the left margin Award a ZERO mark for synthesis	
Originality	Is there evidence of one or two examples, not older than two (2) years, that are based on recent information, current trends and developments?	**2**
	TTAL FOR INSIGHT: **TOTAL MARKS FOR FACTS:** **TOTAL MARKS FOR ESSAY (8 + 32):**	**8** **32** **40**

NOTE: **1. No marks will be awarded for contents repeated from the introduction and conclusion.**

2. The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.

3. No marks will be awarded for layout, if the headings INTRODUCTION and CONCLUSION are not supported by an explanation.

15.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, -S and/or O').

15.4 The breakdown of marks is indicated at the end of the suggested answer/marking guideline to each question.

15.5 Mark all relevant facts until the SUB MAX/MAX mark in a subsection has been attained. Write SUB MAX/MAX after maximum marks have been obtained, but continue reading for originality "O".

15.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows:(L – Layout, A – Analysis, S – Synthesis, O – Originality)as in the table below.

CONTENT	MARKS
Facts	**32 (max.)**
L	**2**
A	**2**
S	**2**
O	**2**
TOTAL	**40**

15.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)

15.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.

If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guideline.

15.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.

15.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (√) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy √, where businesses aim to introduce new products into existing markets.'√

This will be informed by the nature and context of the question, as well as the cognitive verb used.

15.9 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guidelines, will not necessarily apply to each question. This would also depend on the nature of the question.

SECTION A

QUESTION 1

1.1

1.1.1 D✓✓

1.1.2 A✓✓

1.1.3 C✓✓

1.1.4 A✓✓

1.1.5 B✓✓

(5 x 2) (10)

1.2

1.2.1 macro✓✓

1.2.2 merger✓✓

1.2.3 industrial relations✓✓

1.2.4 private✓✓

1.2.5 franchising✓✓

(5 x 2) (10)

TOTAL SECTION A: [20]

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	10
TOTAL	20

SECTION B

Mark ONLY the FIRST TWO questions answered in this Section.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 Components of the market environment

- Consumers/customers✓
- Competitors✓
- Suppliers✓
- Intermediaries✓
- Other organisations/civil society, such as, CBO's, NGO's, regulators, strategic allies and unions✓

Max (3)

NOTE: Mark the first THREE only.

2.2.1 Identification

- Lack of adequate management skills✓✓ **Sub max (2)**

Motivation

- However, Thabo has been struggling to deal with subordinates, which has led to the workforce becoming unhappy and frustrated. ✓ **Sub max (1)**

Max (3)

NOTE: Do not award marks for motivation, if identification is incorrect.

2.2.2 Lack of adequate management skills

- Managers who do not have the necessary management skills will not be able to lead✓, direct and control personnel and resources in the business. ✓
- This will lead to businesses not achieving✓ their goals and objectives. ✓
- If the departments are poorly managed, then resources will be wasted✓ and the business' productivity and profitability will decrease. ✓
- Any other relevant answer related to lack of adequate management skills.

Max (4)

2.3 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. ✓
- Any other relevant answer related to reason why businesses Lobby. **Max (6)**

2.4 Ways in which businesses 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. ✓✓
- They can influence their suppliers by signing long-term contracts for their raw materials at fixed prices. ✓✓
- They can also influence their customer base by creating new uses of a product, taking customers away from competitors, finding new customers, and convincing them that they need the new product. ✓✓
- They can influence regulators through lobbying and bargaining and can influence their owners using information contained in annual reports. ✓✓
- Any other relevant answer related to ways in which businesses can have a direct influence on the environment. **Sub max (4)**

[20]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1.	3
2.2.1	3
2.2.2	4
2.3	6
2.4	4
TOTAL	20

QUESTION 3: BUSINESS VENTURES

3.1 Aspects that must be included in the Notice of Incorporation.

- Company name. ✓
- Incorporation date. ✓
- Registered address. ✓
- Type of company. ✓
- Financial year-end. ✓
- Number of directors. ✓

Max (4)

NOTE: Mark the first FOUR only.

3.2.1 Legal requirements of the name of the company from the scenario.

- The company name was reserved by CIPC. ✓
- He also ensures that the company name appears in all company documents. ✓ **Max (2)**

Note: Quote must be from the scenario.

3.2.2 Other legal requirements of the name of the company

- If a name is reserved at the CIPC, ✓ it cannot be used by another company. ✓
- The name of a company is subject✓ to approval by CIPC. ✓
- The name of a company must be original✓ and may not be misleading. ✓
- The name of a company must indicate✓ the type of company like the name of the company must end with. ✓
- The name of the company must not be offensive, promote violence or hatred✓ and cause any harm. ✓
- The name must not be shortened✓ and translated. ✓
- A company is not allowed✓ to use misleading name. ✓
- The name must not be similar/same✓ as any other company unless it is part of the group. ✓
- Any other relevant answer related to legal requirements of the name of a company. **Max (4)**

3.3 Contractual implications of leasing

- The rights to occupy an asset, ✓ for example, a property. ✓
- The right to use the asset, ✓ for example, a delivery van. ✓
- The responsibility to keep the asset✓ in good order or condition.✓
- The responsibility of paying fees or rent✓ on time. ✓
- Not making any alterations or changes✓ without the consent of the lessor. ✓
- Where an asset needs to be insured✓, the lease agreement must stipulate it. ✓
- Any other relevant answer related to contractual implications of leasing.

Max (6)

3.4 Advantages of starting a franchise as an avenue of acquiring a business.

- Forms of financing that are not available to the public are often available to franchisees. ✓✓
- Purchasing a franchise could be cheaper than starting your own business. ✓✓
- A business is based on a proven idea and the product and service are tried and tested. ✓✓
- Reduced long-term financial risk. ✓✓
- Management advice is often provided so it is not necessary to be a business expert. ✓✓
- Franchises often offer entrepreneurial help. ✓✓
- Established suppliers give bulk discounts as they form part of a larger group. ✓✓
- Businesses are able to use a recognised brand name and registered trademark. ✓✓
- The systems, operations and services are well established. ✓✓
- Franchise agreements dictate how you run the business, so there may be little room for creativity. ✓✓
- There are usually restrictions on where you operate, the products you sell and the suppliers you use. ✓✓
- Franchises often have an established reputation and image, proven management and work practices, access to national advertising and ongoing support. ✓✓
- Franchises offer the independence of a small business ownership supported by the benefits of a big business network. ✓✓
- You do not necessarily need business experience to run a franchise. ✓✓
- Franchisors usually provide the training you need to operate their business model.
- Franchises have a higher rate of success than start-up businesses. ✓✓
- The marketing and advertising costs can be shared, so they are lower than for a non-franchised business. ✓✓
- There is often access to group support from other franchisees and a network of communication and legal advice. ✓✓
- An operational franchise is an established business so there is less financial risk. ✓✓
- Franchisees and their staff receive training and support from the franchisor. ✓✓
- Banks will more likely grant financial assistance to an established business. ✓✓
- The product is already well known in the market, which guarantees sales and good return. ✓✓
- Franchisees benefit from lower costs √due to centralised buying by the franchiser. ✓✓
- Any other relevant answer related to advantages of franchising.

Max (4)
[20]

BREAKDOWN OF MARK ALLOCATION

3.1	4
3.2.1	2
3.2.2	4
3.3	6
3.4	4
TOTAL	20

QUESTION 4: MISCELLANEOUS

BUSINESS ENVIRONMENTS

4.1 Contemporary legislation that may affect business operations

- Labour Relations Act/LRA✓
- Basic Conditions of Employment Act/BCEA ✓
- Compensation for Occupational and Injuries Act/COIDA ✓
- Skills Development Act/SDA ✓
- Employment Equity Act/EEA✓
- Broad-based Black Economic Empowerment/BBBEE✓
- Consumer Protections Act/CPA ✓
- National Credit Act/NCA ✓

Max (3)

NOTE: Mark the first THREE only.

4.2.1 Identification

- Secondary sector✓✓ **Sub max (2)**

Motivation

- SB's consistency in producing freshly baked cakes and bread, have earned them a good reputation on the market. ✓ **Sub max (1)**

Max (3)

NOTE: Do not award marks for motivation, if identification is incorrect.

4.2.2 Meaning of the tertiary sector

- The tertiary sector refers to industries that offer✓ services to other businesses and consumers.✓
- This sector is also known as services industry✓, which exists to facilitate the transportation, distribution and sale of goods produced in the secondary sector. ✓
- In the tertiary sector the transport industry and most of the services such as✓ retail trade and accommodation are found. ✓
- Any other relevant answer related to the meaning of the tertiary sector. **Max (4)**

BUSINESS VENTURES

4.3

4.3.1 Franchising ✓✓ (2)

4.3.2 Outsourcing ✓✓ (2)

4.3.3 Leasing ✓✓ (2)

Max (6)

4.4 Procedure for the formation of companies

- Determine the people establishing the company. ✓✓
- Reserve a company name with the Registrar of Companies. ✓✓
- File a notice of incorporation and obtain a unique registration number. ✓✓
- Register the company at the Companies and Intellectual Property Commission(CIPC). A company becomes a legal entity once registration has been finalised. ✓✓
- Prepare a memorandum of incorporation, open a bank account and register for taxation. ✓✓
- Draw up a prospectus for potential investors. ✓✓
- Any other relevant answer related to procedure for the formation of companies.

Max (4)
[20]

BREAKDOWN OF MARK ALLOCATION

4.1	**3**
4.2.1	**3**
4.2.2	**4**
4.3	**6**
4.4	**4**
TOTAL	**20**

SECTION C

QUESTION 5: BUSINESS VENTURES

5.1 Introduction

- Businesses should take into consideration the impact that piracy would have on their operations. ✓
- Businesses can use copyrights, patents and trademarks to protect their intellectual property from piracy. ✓
- Managers should understand the purpose of the Labour Relations Act (LRA), so that it is implemented correctly in the business. ✓
- Both employers and employees should be knowledgeable about the functions of trade unions. ✓
- Any other relevant introduction related to impact of piracy/meaning of solutions to piracy/purpose of Labour Relations Act (LRA)/functions of trade unions.

Any (2x1)(2)

5.2 Impact of piracy on business

- Businesses suffer substantial losses in revenue because of the illegal reproduction of artists', music, movies and branded clothing. ✓✓
- Unlawful copying and streaming of movies and television series lead to a decline in the sales and profits for the business. ✓✓
- Artists may see no value in producing a new set of music or movies because of the reduced sales. ✓✓
- This may affect the artist's and producer's productivity levels. ✓✓
- Drives up the prices of products in order to compensate for the loss in sales. ✓✓
- Leads to job losses in the industry.✓✓
- May cause damage to the value of the businesses.✓✓
- Any other relevant answer related to impact of piracy on business.

Max (10)

5.3 Meaning of solutions to piracy

5.3.1 Copyright

- Copyright refers to an exclusive legal right assigned to the author, artist or producer of artistic work✓ to print, publish, perform or record the work. ✓
- Laws relating to copyright protect authors✓ and allow them to sell their works to make a profit. ✓
- Exclusive rights are given to an author or artist when their product is copyrighted✓ and only they can then give permission for replication. ✓
- Copyright holders of intellectual property (IP) are allowed✓ to take legal action against anyone who reproduces their work. ✓
- Any other relevant answer related to the meaning of copyright.

Sub max (4)

5.3.2 Patent

- A patent gives the creator of the product the right to prohibit other people✓ from making or using their invention. ✓
- This right is granted by government for a limited period✓ of up to twenty years for the exclusive right to an invention. ✓
- If any person or business uses the invention without permission✓, the creator may take legal action against them. ✓
- Any other relevant answer related to the meaning of patent.

Sub max (4)

5.3.3 Trademark

- A trademark refers to a sign, character or word that is protected by law✓ to represent a product or company. ✓
- These are used by businesses so that their products✓ or the business itself is easily identifiable. ✓
- Trademarks that are registered are protected forever✓, on condition that they are renewed every ten years by paying a renewal fee. ✓
- Damages may be claimed from individuals✓ who make use of the trademark illegally. ✓
- Any other relevant answer related to the meaning of trademark.

Sub max (4)
Max (12)

5.4 Purpose of Labour Relations Act (LRA)

- The act provides the structure for governing the relations✓ between an employer and their employees. ✓
- It encourages collective bargaining processes✓ to take place in the workplace. ✓
- It also encourages the establishment of workplace forums✓ to support employees in decision-making. ✓
- The act further encourages fair labour practices between the✓ employer and its employees. ✓
- It makes provision for the establishment of the Labour and Labour Appeal Courts✓ and allows for the establishment of the Commission for Conciliation, Mediation and Arbitration (CCMA) for dispute resolutions. ✓
- The transfer of employment contracts between✓ the existing and new employers are explained. ✓
- Promotes orderly negotiations and employee participation✓ in decision making in the workplace. ✓
- Provides simple procedures for the registration✓ of trade unions and employers' organisations. ✓
- Regulates the rights of trade unions✓ and facilitates collective bargaining. ✓
- Deals with strikes and lockouts✓ and workplace forums. ✓
- Establishes workplace forums to promote the interest of all employees✓ in the workplace whether they belong to the trade union or not.✓
- Any other relevant answer related to purpose of Labour Relations Act (LRA).

Max (14)

5.5 Functions of trade unions

- Trade unions represent and protect their members against unfair labour practices in the workplace. ✓✓
- They empower employees about their rights in the workplace and how to apply these rights. ✓✓
- They represent employees in meetings with their employers when they face workplace grievances and disputes. ✓✓
- Trade unions negotiate for better working conditions, salary or wages and other benefits to improve the standard of living for workers. ✓✓
- Employees are protected from unfair dismissals and labour practices. ✓✓
- They may take legal action on behalf of their members when necessary. ✓✓
- Any other relevant answer related to functions of trade unions.

Max (10)

5.6 Conclusion

- Businesses that consider the impact of piracy, will be able to counteract its effects on both their artist and operations. ✓✓
- Businesses that use copyrights on their products, will be able to safe guard their products from piracy.✓✓
- Businesses that comprehend the purpose of the Labour Relations Act, will be able to implement it correctly in its operations. ✓✓
- To prevent further industrial action in the future, it is important for business to know the functions of trade unions. ✓✓
- Any other relevant conclusion related to impact of piracy/meaning of solutions to piracy/purpose of Labour Relations Act (LRA)/functions of trade unions.

Any (1x2) (2)

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Impact of piracy on businesses	10	
Meaning to solutions to piracy	12	
Purpose of Labour Relations Act	14	
Functions of trade unions	10	
Conclusion	2	
INSIGHT		8
Layout	2	
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.

QUESTION 6: BUSINESS ROLES

6.1 Introduction

- Franchising is the right granted by a franchiser to franchisee to use a special business's name and brands. ✓
- Not all entrepreneurs are able to start their own businesses but they can consider various options like purchasing an existing business.✓
- A lease is a contract outlining the terms under which one party agrees to rent goods owned by another party at a fee for a specified period. ✓
- Outsourcing has become a common strategy for businesses to improve efficiency, It also has disadvantages that can impact a company's performance and long-term success. ✓
- Any other relevant introduction related to franchising/reasons why entrepreneurs may decide to purchase an existing business/advantages of leasing and disadvantages of outsourcing.

Any (2 x 1) (2)

6.2 Aspects that should be included in the franchising contract

- Policies that govern the product and services offered. ✓✓
- Royalties and the dates of payment. ✓✓
- The form of ownership that the franchise will use. ✓✓
- Operation specifications like marketing strategy and pricing. ✓✓
- A termination clause that details the circumstances under which the parties may end the legal relationship. ✓✓
- Any other relevant answer related to aspects that should be included in the franchising contract

Max (10)

6.3 Reasons why entrepreneurs may decide to purchase an existing business

- Easier to raise finance ✓ if the business has a good history / image. ✓
- Immediate cash flow✓ as there are already established customers. ✓
- Market research has already been done✓and there is an established customer base. ✓
- Distribution /Supply links /Staff / Network✓ is /are already established. ✓
- A market for business products or services✓ has already been established. ✓
- Existing employees and managers may have experience✓ they can share. ✓
- Many business problems✓ have already been solved. ✓
- Any other relevant answer related to reasons why entrepreneurs may decide to purchase an existing business

Max (12)

6.4 Advantages of leasing

- There is no large financial outlay as the cost is spread✓ over a number of months or years. ✓
- The lessor normally covers the maintenance or replaces✓ any damaged parts or equipment. ✓
- The assets can be returned to the lessor✓ when it is no longer needed. ✓
- There are tax advantages, ✓ as rental payments are calculated as operating costs and therefore tax - deductible. ✓
- It is easy to lease a better or newer version of the product✓ without the capital outlay. ✓
- Leasing costs✓ are tax - deductible. ✓
- It is easier to find finance for a lease agreement✓ than for purchasing of an expensive asset. ✓
- The asset is used only until it is no longer needed ✓or until the end of the lease term. ✓
- The lessor is usually an expert✓ in the field. ✓
- Maintenance is conducted regularly ✓and should be written into the contract. ✓
- Technicians are always on standby✓ to offer advice and training. ✓
- The reputation of the company that leases the asset is at stake, ✓so it will make sure that the lessee receives the best – after service. ✓
- Any other relevant answer related to advantages of leasing.

Max (14)

6.5 Disadvantages of outsourcing as a business avenue.

- The loss of management control over the task may affect the staff and can lead to
- frustration. ✓✓
- There may be a lack of personal care and quality as the business is not personally involved in the execution of the function. ✓✓
- There are often hidden costs in outsourcing. ✓✓
- The business relies on the outsourced company to produce the goods and services and non-delivery by a supplier can lead to the loss of unsatisfied staff or customers, financial loss and frustration. ✓✓
- Confidential issues could be at risk if the information is given to another company that performs the function that is outsourced. ✓✓
- Control of the outsourced products can be more complex. ✓✓
- The outsourcing company will dictate the terms of the contract, which could put you at a disadvantage – if you are in desperate need – when negotiations start. ✓✓
- It could be risky to share information about payroll, medical records, or any other confidential information with the outsourcing company. ✓✓
- An outsourcing company could go bankrupt, and this can seriously affect the business. ✓✓
- If only part of the business operations is outsourced, current staff might feel threatened and staff morale may suffer. ✓✓
- Any other relevant answer related to disadvantages of outsourcing.

Max (10)

6.6 Conclusion

- A well structured franchising contract is essential for ensuring a successful and mutually beneficial relationship between the franchisor and the franchisee. ✓✓
- Buying an established business with a proven track record and a good brand can provide a smoother path to profitability compared to starting from scratch. ✓✓
- Leasing is particularly appealing for those who prefer flexibility, reduced risk and the ability to conserve capital for other investments.. ✓✓
- It is important to weigh the potential disadvantages of outsourcing against its benefits to ensure it aligns with the business goals. ✓✓
- Any other relevant conclusion related to franchising/ reasons why entrepreneurs may decide to purchase an existing business/advantages of leasing and disadvantages of outsourcing.

Any(1 x 2) (2)

[40]

BREAKDOWN OF MARKS

Details	**Maximum**	**Total**
Introduction	2	**Max 32**
Aspects that should be included in the franchising contract.	10	
Reasons why entrepreneurs may decide to purchase an existing business	12	
Advantages of leasing	14	
Disadvantages of outsourcing as a business avenue.	10	
Conclusion	2	
INSIGHT		
Layout	2	**Max 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.