



Education and Sport Development

Department of Education and Sport Development
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NORTH WEST PROVINCE

GRADE 11

BUSINESS STUDIES

MEMORANDUM

JUNE EXAMINATION PAPER 1 – 2019

MARKS: 150

TIME: 2 HOURS

This memorandum consists of 15 pages



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



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. ✓✓



- 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



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)



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)

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



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)

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



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)**



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. ✓✓



- 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.



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)**



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]



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

