NATIONAL SENIOR CERTIFICATE

GRADE 11

NOVEMBER 2012

BUSINESS STUDIES
MEMORANDUM

MARKS: 300

This memorandum consists of 19 pages.
NOTES TO EDUCATORS:

1. Candidate’s responses must be in full sentences for SECTION B and C depending on the nature of the question.
   - Full sentence ✓ ✓ (2)
   - Words/phrases ✓ (1)

2. A comprehensive memorandum 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 memorandum.
   - Comes from another source.
   - Is correct and original.
   - Relates to another applicable LO or AS.

3. Please take careful note of other relevant answers provided by candidates and allocate marks accordingly.

4. SECTION B
   - 4.1 If, for example, FIVE facts are required, mark the candidates FIRST FIVE responses and ignore the rest of the responses.
   - 4.2 If two facts are written in one sentence, award the candidate FULL credit.
   - 4.3 In questions that require candidates to “name/list/mention”, the answers of the candidates can be in phrases and not necessarily in full sentences.

5. SECTION C
   - 5.1 The breakdown of the mark allocation for essays is as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>3</td>
</tr>
<tr>
<td>Content</td>
<td>27</td>
</tr>
<tr>
<td>Conclusion</td>
<td>2</td>
</tr>
<tr>
<td>Insight</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total marks</strong></td>
<td><strong>40</strong></td>
</tr>
</tbody>
</table>

*Maximum: 40*
5.2 INSIGHT CONSISTS OF THE FOLLOWING COMPONENTS

<table>
<thead>
<tr>
<th>Layout/Structure: (Is there an introduction, body using proper paragraphs and conclusion/is there a logical flow/link in the discussion?)</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analysis and interpretation: (Did the candidate analyse the question to show understanding of what was asked?)</td>
<td>2</td>
</tr>
<tr>
<td>Synthesis: (Did the candidate put together only the relevant facts in the answer?)</td>
<td>2</td>
</tr>
<tr>
<td>Originality: (Has the candidate been able to illustrate the concepts with examples, preferably his/her own? Originality in approach, ideas and responses. Current trends and developments.)</td>
<td>2</td>
</tr>
</tbody>
</table>

**TOTAL FOR INSIGHT:** 8
**TOTAL MARKS FOR FACTS:** 32
**TOTAL MARKS FOR ESSAY (8 + 32):** 40

5.3 Indicate insight in the left-hand margin with a symbol e.g. LASO.

5.4 The components of insight are indicated at the end of the suggested answer for each question. Note: The components may vary for each question.

5.5 Mark all relevant facts until the MAXIMUM mark in a subsection has been attained. Write MAX after maximum marks have been obtained.

5.6 At the end of each essay, indicate the allocation of marks for facts and marks for insight as follows: (L (layout/structure) and/or A (analysis) / S (synthesis) / O (originality) as in the table below).

<table>
<thead>
<tr>
<th>CONTENT</th>
<th>MARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facts</td>
<td>32</td>
</tr>
<tr>
<td>L</td>
<td>2</td>
</tr>
<tr>
<td>A</td>
<td>2</td>
</tr>
<tr>
<td>S</td>
<td>2</td>
</tr>
<tr>
<td>O</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total marks</strong></td>
<td><strong>40</strong></td>
</tr>
</tbody>
</table>

The mark allocation for insight may vary for each essay.
5.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same sub-headings. Remember, headings and sub-headings are encouraged and contribute to insight (Structuring/logical/flow/sequencing) and indicate clarity of thought. (See BREAKDOWN of MARKS at the end of each question.)

5.8 If the candidate identifies/interprets the question incorrectly, then he/she can still obtain marks for insight.

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

6. Take particular note of the repetition of facts. Indicate with an ‘R’.

7. Sub-totals to questions must be written in the right margin. Only the total for each question should appear in the left margin next to the appropriate question.

8. Allocate TWO marks for complete sentences. Allocate ONE mark for phrases, incomplete sentences and vague answers.
SECTION A: COMPULSORY

QUESTION 1

1.1  1.1.1  A
     1.1.2  B
     1.1.3  C
     1.1.4  C
     1.1.5  A
     1.1.6  D
     1.1.7  D
     1.1.8  B
     1.1.9  D
     1.1.10 B

(10 x 2)  (20)

1.2  1.2.1  E  (Gantt chart)
     1.2.2  F  (stress)
     1.2.3  A  (Economic forces)
     1.2.4  B  (Tertiary sector)
     1.2.5  C  (social responsibility)

(5 x 2)  (10)

1.3  1.3.1  Entrepreneur
     1.3.2  Mass
     1.3.3  Franchising
     1.3.4  Ten
     1.3.5  Leasing

(5 x 2)  (10)

TOTAL SECTION A:  40
SECTION B

QUESTION 2

2.1 2.1.1 LO3 AS5

Crisis is any situation that threatens people in their individual or group capacity, at home or at work. √√

OR

Crisis is an unforeseen event that can cause major changes in an organisation. √√

(2)

2.1.2 LO3 AS3

• Knowing the environment. √√
• Showing a passion for their beliefs. √√
• Building strong teams √√
• Challenging the existing knowledge within the organisation. √√
• Involve everyone. √√
• Encourage support. √√
• Access the cultural landscape. √√
• Communicate the message. √√
• Prepare for the unexpected. √√
• Perseverance √√
• Reward √√
• Transferring ownership to a working team. √√  (Any 6 x 2)  (12)

2.1.3 LO2 AS8

• Khanya Ltd is a legal person separate from the shareholders. √√
• Unlimited continuity. √√
• It enjoys limited liability. √√
• Minimum seven shareholders and maximum depends on the number of shares registered/sold. √√
• Shares are freely transferable. √√
• Capital raised by issuing shares to the public. √√
• Managed by board of directors. √√
• It pays tax at a fixed percentage of its profits. √√
• Name ends with Ltd. √√
• Financial statements are published. √√

Any relevant answer.  (Any 5 x 2)  (10)

2.1.4 LO1 AS3

• Loss of skills. √√
• Decline in standard of living. √√
• Low self-esteem/pride. √√
• Increase in crime. √√
• Increase in poverty. √√
• Increase in consumer debts. √√
• Inability of the country to realise full potential in the production. √√

Any other relevant answer.  (Any 4 x 2)  (8)
2.2 LO3 AS6

- Say no if you cannot take on any more work. √√
- Plan your time and prioritise what is really important. √√
- Set realistic goals. √√
- See failure positively. √√
- Create a pleasant working environment. √√
- Take time off and relax. √√
- Look after the body and mind (exercise). √√

Any applicable answer. (Any 5 x 2) (10)

2.3 LO3 AS6

- Personality styles. √√
- Office layout. √√
- Tools and technology. √√
- Organisational culture. √√
- Team process and procedures. √√

(Any 4 x 2) (8)

2.4 LO4 AS2

- Brands make the identification of products easier for consumers. √√
- They guarantee an expected standard of quality. √√
- Offer protection to consumers. √√
- Encourage familiarity and loyalty. √√
- They are protected against competitors using their names and colour, etc. √√
- Branded products are perceived by consumers as having a high value. √√
- They allow for extension of product ranges and product lines. √√

(Any 5 x 2) (10)
QUESTION 3

3.1 LO1 AS 2

3.1.1 Competitive advantage is when consumers regard the product or service offered by the business as better than a competitor’s product. √√ (2)

3.1.2 LO1 AS2
- Lower cost of production √√
- New and good ideas. √√
- Purchasing supplies and raw materials at better prices. √√
- Using new and approved production methods. √√
- A strong sales team and effective selling techniques. √√
- A well-known brand name √√
- Entry into new markets √√ (Any 5 x 2) (10)

3.2 LO4 AS5

3.2.1 DIRECT MATERIALS COST

Raw material C1 (Jan 2011) R25 000 √
Add purchases of raw materials 20 000 √
Total 45 000 √
Less: raw materials (31 December 2011) (15 000) √
Direct material cost R30 000 √√ (6)

3.2.2 PRIMARY COSTS

Direct labour costs R30 000 √
Add direct material costs 30 000 √
Total R60 000 √ (3)

3.2.3 (a) FIXED OVERHEAD COST

Depreciation 2 000 √
Insurance 3 000 √
Rent 2 000 √
Total R7 000 √ (4)

(b) VARIABLE OVERHEAD COST

Casual labour R10 000 √
Electricity 1 000 √
Total R11 000 √ (3)

3.2.4 Total production cost

Primary cost (Direct material, Direct labour) R60 000 √
Add overhead cost (fixed and variable) 18 000 √
Total R78 000 √ (3)

3.2.5 Unit Costs = Total Production

= 78 000 √

= 400 √

= R1 950 √√ (5)
QUESTION 3

3.1 LO1 AS2

3.1.1 Competitive advantage is when consumers regard the product or service offered by a business as better than a competitor's. ✓✓ (2)

3.1.2 LO1 AS2

- Lower cost of production ✓✓
- New and good ideas. ✓✓
- Purchasing supplies and raw materials at better prices. ✓✓
- Using new and approved production methods. ✓✓
- A strong sales team and effective selling techniques. ✓✓
- A well-known brand name ✓✓
- Entry into new markets ✓✓ (Any 5 x 2) (10)

3.2 LO4 AS 4

3.2.1 DIRECT MATERIALS COST

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost (R)</th>
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<tbody>
<tr>
<td>Raw material C1 Jan 2011</td>
<td>25 000</td>
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<tr>
<td>Add purchases of raw materials</td>
<td>20 000</td>
</tr>
<tr>
<td>Total</td>
<td>45 000</td>
</tr>
<tr>
<td>Less: raw materials (31 December 2011)</td>
<td>(15 000)</td>
</tr>
<tr>
<td>Direct material cost</td>
<td>30 000</td>
</tr>
</tbody>
</table>

3.2.2 PRIMARY COSTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost (R)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct labour costs</td>
<td>30 000</td>
</tr>
<tr>
<td>Add direct material costs</td>
<td>60 000</td>
</tr>
<tr>
<td>Total</td>
<td>78 000</td>
</tr>
</tbody>
</table>

3.2.3 (a) FIXED OVERHEAD COST

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost (R)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>2 000</td>
</tr>
<tr>
<td>Insurance</td>
<td>3 000</td>
</tr>
<tr>
<td>Rent</td>
<td>2 000</td>
</tr>
<tr>
<td>Total</td>
<td>7 000</td>
</tr>
</tbody>
</table>

3.2.3 (b) VARIABLE OVERHEAD COST

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost (R)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casual labour</td>
<td>10 000</td>
</tr>
<tr>
<td>Electricity</td>
<td>1 000</td>
</tr>
<tr>
<td>Total</td>
<td>11 000</td>
</tr>
</tbody>
</table>

3.2.4 Total production cost

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost (R)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary cost (Direct material, Direct labour)</td>
<td>60 000</td>
</tr>
<tr>
<td>Add overhead cost (fixed and variable)</td>
<td>18 000</td>
</tr>
<tr>
<td>Total</td>
<td>78 000</td>
</tr>
</tbody>
</table>

3.2.5 Unit Costs = \[
\text{Total Production} / \text{No. of units produced}
\]

\[
= 78 000 / 400
\]

\[
= 1950
\]
3.3 LO4 AS2

- **Cost based pricing** √
  Cost of production and supply are calculated, and a profit is added. √√
- **Demand based pricing** √
  The business estimates what the consumers can afford and considers the size of its profit. √√
- **Competition based technique** √
  The price of the product is compared with that of competitors and fixed on the basis of those prices. √√
- **Market based pricing** √
  The number of buyers and sellers in the market determines the prices. √√

(After 3 x 3) (9)

3.4 LO4 AS2

- It helps with exchange of information, skills, knowledge and experience. √√
- It decreases the duplication of work and effort. √√
- It helps people of different levels, organisations and backgrounds to interact. √√
- Helps to address complex development problems. √√
- Can help people as a source of peer support and motivation. √√
- It can create awareness amongst people that they may have similar problems. √√

Any relevant answer. (Any 3 x 2) (6)

3.5 LO4 AS2

- **Convenience goods** √
  These are usually low priced items purchased by consumers without giving it much thought. √√
- **Shopping goods/select goods** √
  Consumers do not buy them very regularly and they are prepared to spend a considerable amount on the time and energy going to various shops until they are sure that they get the best value for money. √√
- **Speciality goods** √
  These are consumer goods that usually have brand identification. √√

(9)

[60]
QUESTION 4

4.1  LO2 AS6

4.2  LO4 AS2

- **The development of product ideas.** √
  - A variety of creative thinking techniques are used to generate ideas for the development of the product. √√
- **The selection of the product idea.** √
  - Once a number of product ideas have been generated they must be sorted based on the abilities of the business to properly supply the product to the market. √√
- **The design and testing of the product ideas.** √
  - The product must be made and tested for safety and utility. √√
- **Developing the product concept.** √
  - Research is required to find out how the market will respond to your product idea. √√
- **Analyse the profitability product concept.** √
  - The business must make sure that the product will be profitable. √√
- **Making and testing the actual product.** √
  - At this stage of its development, any practical problems in relation to the making of the product must be solved. √√
- **Standards and grading.** √
  - Standardisation concerns the production of goods and the delivery of services so that there is uniformity. √√
- **Testing the market.** √
  - The product should now be available in its practical form. √√
  - Any other relevant answer.  

(Any 5 x 3)  

(10)  

(15)
4.3 4.3.1 **GANTT CHART – LO2 AS3**

<table>
<thead>
<tr>
<th>Activity Or Task</th>
<th>WEEK 1</th>
<th>WEEK 2</th>
<th>WEEK 3</th>
<th>WEEK 4</th>
<th>Person Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buy furniture</td>
<td></td>
<td>✔ ✔</td>
<td></td>
<td></td>
<td>Siya and Naomi ✔</td>
</tr>
<tr>
<td>Business licence</td>
<td></td>
<td>✔ ✔</td>
<td></td>
<td></td>
<td>Siya ✔</td>
</tr>
<tr>
<td>Buy crockery</td>
<td></td>
<td>✔ ✔</td>
<td></td>
<td></td>
<td>Siya ✔</td>
</tr>
<tr>
<td>Buy cutlery</td>
<td></td>
<td></td>
<td></td>
<td>✔ ✔</td>
<td>Naomi ✔</td>
</tr>
<tr>
<td>Order bedding and curtaining</td>
<td></td>
<td></td>
<td>✔ ✔</td>
<td></td>
<td>Naomi ✔</td>
</tr>
<tr>
<td>Arrange security</td>
<td></td>
<td></td>
<td></td>
<td>✔ ✔</td>
<td>Siya ✔</td>
</tr>
</tbody>
</table>

Accept any order. (24)

4.3.2 **LO2 AS7**

- Entrepreneurial and management assistance is given. ✔ ✔
- Training is provided. ✔ ✔
- The franchiser markets an established product. ✔ ✔
- A business can start up quickly as market research has already been done. ✔ ✔
- The failure rate tends to be lower. ✔ ✔
- Banks grant financing more readily to franchisers. ✔ ✔
- Assistance is provided with promotion and education. ✔ ✔
- The owner gets the profits. ✔ ✔
- Franchiser has the right to use a recognised name/product. ✔ ✔
- The franchiser receives marketing support. ✔ ✔

Any other relevant answer. (Any 5 x 2) (10)

4.3.3 **LO2 AS 7**

- Kentucky Fried Chicken ✔
- Nandos ✔
- MacDonalD ✔
- Wimpy ✔
- Steers ✔

Any other relevant answer. (Any 1 x 1) (1)

TOTAL SECTION B: 180
SECTION C

QUESTION 5

5.1 INTRODUCTION

LO4 AS2

- Packaging is the planning, design and creation of a container in which a product item is placed so that it may be protected. √
- Packaging facilitates handling so that the contents are not damaged. √
- Packaging allows for better marketing opportunities and also fulfils a number of other functions. √

Any relevant introduction. (Any 3 x 1) (3)

CONTENT

5.2 PURPOSE OF PACKAGING

- Packaging protects the product. √√
- Makes the product to appeal to consumers/promote the product. √√
- It makes it easy for the seller to display. √√
- It provides information about the product. √√
- It enables the handling of the product. √√

Any relevant answer. Max. (10)

5.3 THE REQUIREMENTS FOR A GOOD PACKAGING

- It must attract the attention of consumers. √√
- Must create a unique identity. √√
- It must be suitable for the product. √√
- Must be suited to the market. √√
- It must be suitable for display purposes. √√
- Must be recyclable and re-useable. √√
- Must be strong, light and easy to handle. √√
- Must be different from that of competitors. √√

Any other relevant answer. Max. (10)

FORMS/TYPES OF PACKAGING

- Packaging for immediate use. √
- Speciality packaging. √
- Combination packaging. √
- Kaleidoscopic packaging. √
- Re-usable packaging. √
- Packaging for double use. √
- Unique packaging. √
- Convenient packaging. √

Any other relevant answer. Max. (7)
CONCLUSION

Packaging is also used to provide information required by law such as weight of the contents and the ingredients in food products. √√

Any other relevant conclusion. (2)

Breakdown of mark allocation

<table>
<thead>
<tr>
<th>Details</th>
<th>Maximum</th>
<th>Sub-total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purpose of packaging</td>
<td>10</td>
<td>27</td>
<td>Max 32</td>
</tr>
<tr>
<td>Requirements for good packaging</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forms/types of packaging</td>
<td>07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conclusion</td>
<td>2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**INSIGHT (LASO)**

| Layout                           | 2       |           |       |
| Analysis, interpretation         | 2       |           |       |
| Synthesis                        | 2       |           |       |
| Originality, examples            | 2       |           |       |
| **TOTAL MARKS**                  | 40      |           |       |

**QUESTION 6**

**LO2 AS8**

6.1 **INTRODUCTION**

- A partnership is an association between 2 to 20 people who intend to make a profit. √
- They must all contribute something to the partnership – be it capital, goods, labour, knowledge or skills. √
- They are jointly and severally liable for the debts of the business. √

Any relevant introduction. (3)

6.2 **CHARACTERISTICS OF A PARTNERSHIP**

- 2 – 20 partners √√
- Partners contribute money/assets/skills etc. √√
- Aim is to make profit. √√
- It may be an oral or written agreement. √√
- Not a legal entity. √√
- Partners are taxed on the profit. √√
- Limited continuity. √√
- Limited capital. √√

Any relevant answer. Max. (10)

6.3 6.3.1 **FORMATION OF A PARTNERSHIP**

- Formed orally or in writing. √√
- Partnership agreement/articles is a founding document. √√

Max. (2)
6.3.2 CONTENTS OF PARTNERSHIP ARTICLES

- Name of partnership. √√
- Objectives. √√
- Names of partners. √√
- Type of business activities. √√
- Contribution by each partner. √√
- Amount of cash drawings. √√
- Ratio in which profits/losses are to be divided. √√
- Insurance to be taken out. √√
- Salaries. √√
- Leave appointments. √√
- Duties of partners. √√
- Any relevant answer.

Max. (12)

6.4 ADVANTAGES OF PARTNERSHIP

- Cheap and easy to start. √√
- Partners’ knowledge/skills are combined – leads to greater effectiveness. √√
- Partners specialise on their area of expertise. √√
- Partners share costs and responsibilities. √√
- A partnership is financially stronger than a sole proprietorship. √√
- A partnership agreement can easily be changed. √√
- Joint discussions by the partners can result in efficiency and profitability. √√
- Partners can maintain personal contact with customers. √√
- Any relevant answer.

Max. (6)

6.5 DISADVANTAGES OF A PARTNERSHIP

- Partners have unlimited liabilities for debts of the business. √√
- Changes to partners lead to an end to partnership. √√
- Capital limited to what partners can contribute. √√
- Partners bind each other with their actions. √√
- Is not a legal entity. √√
- Slow decision making – consultation. √√
- A partnership is limited to 20 people. √√
- Any relevant answer

Max. (4)

CONCLUSION

The partners take an active part in the management of the business. √√
Breakdown of mark allocation

<table>
<thead>
<tr>
<th>Details</th>
<th>Maximum</th>
<th>Reduced to</th>
<th>Sub-total</th>
<th>Total</th>
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<tbody>
<tr>
<td>Introduction</td>
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<td></td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Characteristics</td>
<td>10</td>
<td>27</td>
<td>27</td>
<td>Max 32</td>
</tr>
<tr>
<td>Formation</td>
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<td>06</td>
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<td>Disadvantages</td>
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</tr>
<tr>
<td>Conclusion</td>
<td>2</td>
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</table>

**INSIGHT *(LA SO)*

<table>
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**TOTAL MARKS**

|         | 40      |           |           |       |

**QUESTION 7**

**LO3 AS6**

7.1 **INTRODUCTION**

- Change is created all the time and at many levels in an organisation. ✓
- Mostly people within the organisation simply respond to consumer needs and move on to the next project. ✓
- They do not necessarily change their way of thinking, but they continuously learn and adapt, spread knowledge and share ideas. ✓

Any relevant answer. (1 x 3) (3)

7.2 **PRINCIPLES OF CHANGE MANAGEMENT**

- Ensure extensive communication. ✓ ✓
- Involve the staff in all decisions and make sure they understand the need for the changes. ✓ ✓
- Be a good listener and take employees’ suggestions into consideration. ✓ ✓
- Plan the change according to a timetable and share it with all those affected by the change. ✓ ✓
- Sell the benefits. ✓ ✓
- Be open and transparent in all dealings. ✓ ✓
- Consider that everyone has the right to dignity. ✓ ✓
- Consider people as human beings with needs, wants and feelings. ✓ ✓
- Be accountable and responsible for your actions. ✓
- Look for ways to lessen the impact of change. ✓ ✓
- Compensate people if they suffer losses. ✓ ✓

Any relevant answer. Max. (16)
7.3 **FACTORS TO BE CONSIDERED WHEN MAKING A CHANGE**

- Be prepared to deviate from the plan. √√
- Expect the unexpected. √√
- Stick to the mission. √√
- Deal with critiques. √√
- Focus on the principles. √√
- Any relevant answer. (Any 4 x 2) (8)

7.4 **TYPES OF CHANGE MANAGEMENT**

- Planned change. √
- Structural change. √
- Technological change. √
- Physical change. √
- Max. (3)

7.5 **CONCLUSION**

- Leaders do not always have solutions to the problems of the team. √√
- It is important to revisit the team's mission, to recognise what has already been achieved and what remains to be done. √√ (1 x 2)

**Breakdown of mark allocation**

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QUESTION 8

LO1 AS5

8.1 INTRODUCTION

- There are three sectors involved in production and distribution, namely the primary, secondary and tertiary sectors. √
- They operate interdependently. √
- All three are necessary for the smooth functioning of trade. √
  Any application introduction. (1 x 3) (3)

8.2 PRIMARY SECTOR

- Involves the extraction of products/raw materials from natural resources. √√
- Examples: Agriculture, forestry, fishing and mining. √√ (2 x 2) (4)

8.3 SECONDARY SECTOR

- Involves the processing of raw materials extracted from the primary sector. √√
- It consists of manufacturing and construction industries. √√
- Goods manufactured in this sector are either finished or semi-finished products. √√
- Examples: Sappi manufactures paper from wood. √√ (Any 2 x 2) (4)

8.4 TERTIARY SECTOR

- Consists of distributors as well as services. √√
- Facilitates the flow of goods and services from primary and secondary sectors to consumers. √√
- Adds value to goods and services, by bringing them to consumers and making them available in the right quantities and at the right time. √√
- Examples: Traders, transport, communication, storage, insurance, advertising, personal services and financial services. √√ (Any 2 x 2) (4)

8.5 INTERRELATED/LINKS BETWEEN THE SECTORS

Primary Sector:

- In the primary sector, there are farmers who need seed and food stock produced by other farmers. √√
- The primary sector is also dependent on the secondary sector for manufactured goods such as machinery, equipment, etc. √√
- The primary sector needs transport and financing provided by the tertiary sector. √√ (Any 2 x 2) (4)

Secondary Sector:

- The secondary sector is dependent on the primary sector for the raw materials that are processed into more useful products, e.g. wool jerseys. √√
- The secondary sector also relies on the tertiary sector for the provision of a variety of services e.g. warehouse for storage of goods. √√
- In the secondary sector, there are manufacturers of components that are used by other manufactures in their final products. √√ (Any 2 x 2) (4)
Tertiary Sector:
- In the tertiary sector, retailers are dependent on wholesalers for the supply of their stocks. √√
- The tertiary sector is also dependent on the secondary sector for manufactured goods such as office machines, office furniture, stationery, etc. √√
- The various services of transport, communication, financing, insurance and advertising are provided to the primary and secondary sectors. √√ (Any 2 x 2) (4)

Backward link:
- Means that a business in a secondary sector buys products or services from the primary sector or from a business within the same sector. √√
- Example: Coal bought by steel producers from mines in the primary sector. √√
- Manufacturer of clothing buys zips and buttons from another manufacturer. √√ (Any 2 x 2) (4)

Forward link:
- A forward link means that businesses in the primary sector sell their products or services to the secondary sector or to businesses within the same sector. √√
- Example: Cotton sold by cotton farmers to spinning and weaving factories. √√
- Example of selling within a sector: Tyre manufacturers sell tyres to car manufacturers. √√ (Maximum of 4 marks per link.) (5 x 4) (20)

8.6 Conclusion:
- Sectors do not operate in isolation. √√
- The economy of the country would not function without this interrelatedness of the economic sectors. √√ (Any applicable conclusion.) (Any 1 x 2) (2)

Breakdown of mark allocation

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LASO – For each component:
- Allocate 2 marks if all requirements are met.
- Allocate 1 mark if only some requirements are met.
- Allocate 0 marks where requirements are not met at all.

TOTAL SECTION C: 80
GRAND TOTAL: 300