



Education and Sport Development

Department of Education and Sport Development
Departement van Onderwys en Sportontwikkeling
Lefapha la Thuto le Tlhabololo ya Metshameko

NORTH WEST PROVINCE

GRADE 10

BUSINESS STUDIES

PAPER 2

JUNE MARKING GUIDELINES 2019

MARKS : 100

This marking guidelines consists of 13 pages



NOTES TO MARKERS

1. Candidates' responses for SECTIONS B and C must be in full sentences; however, this would depend on the nature of the question.
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
 - Original
 - A different approach is used

NOTE: SECTION A

- There are no alternative answers.
 - Each question has only one correct answer.
3. 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.)
 4. The word 'sub-max' is used to facilitate the allocation of marks within a question or sub-question.
 5. 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.
 6. In an indirect question, the theory as well as the response must be relevant and related to the question.
 7. Incorrect numbering of questions or sub-questions will be SEVERELY PENALISED. This is applicable to all the sections of the paper.
 8. No additional credit must be given for repetition of facts. Indicate with an R.
 9. 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.

10. SECTION B

10.1 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.

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

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

10.4 **Use of the cognitive verbs and allocations of marks:**

10.4.1 Where the numbers 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 memorandum).
- The 'heading' and 'explanation' are given separately to facilitate mark allocation.

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

10.5 **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 in particular.**



11. SECTION C

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

Introduction	Maximum 32
Content	
Conclusion	
Insight	8
TOTAL	40

11.2 Insight consists of the following components:

Layout/Structure	(Is there an introduction, body, proper paragraphs and a conclusion?)	2
Analysis and interpretation	Is the candidate able to break down the question into headings/sub-headings/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? Marks to be allocated using this guide: No relevant facts: 0 (Two '-S') Some relevant facts: 1 (One '-S') Only relevant facts: 2 (Zero/No '-S') NB: Option 1: If there are no '-S' indicated, award the maximum TWO (2) marks. Option 2: Where a candidate answer less than 50% 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 Option 3: Where a candidate answers less than 50% of the question with no relevant facts; two –S appear in the left margin. Award a ZERO mark for synthesis.	2
Originality	Is there evidence of examples, recent information, current trends and developments?	2
TOTAL FOR INSIGHT:		8
TOTAL MARKS FOR FACTS:		32
TOTAL MARKS FOR ESSAY (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 allocated for layout, if the headings INTRODUCTION and CONCLUSION are not supported by an explanation.



- 11.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, S and/or O')
- 11.4 The breakdown of marks is indicated at the end of the suggested answer/marketing guidelines to each question.
- 11.5 Mark all relevant facts until the SUBMAX/MAX mark in a subsection has been attained. Write 'SUBMAX'/'MAX' after maximum marks have been obtained.
- 11.6 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)
- 11.7

CONTENT	MARKS
Facts	32 (max.)
Layout	2
Analysis	2
Synthesis	2
Originality	2
TOTAL	40

- 11.8 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.)
- 11.9 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 11.10 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.
- 11.11 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.



SECTION A**QUESTION 1**

1.1

- 1.1.1. A✓✓
- 1.1.2. D✓✓
- 1.1.3. A✓✓
- 1.1.4. C✓✓
- 1.1.5. E✓✓

(5 × 2) (10)

1.2

- 1.2.1 Capital✓✓
- 1.2.2 HIV/AIDS✓✓
- 1.2.3 Personal Liability Company✓✓
- 1.2.4 Social responsibility✓✓
- 1.2.5 Form of ownership✓✓

(5 × 2) (10)

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	10
TOTAL	20



SECTION B

Mark the **FIRST TWO** questions only.

QUESTION 2 BUSINESS VENTURES (ENTREPRENEURIAL QUALITIES)

2.1

2.1.1 Entrepreneur is a person who takes initiative for establishing a business unit and recognises the need for a product or service. (2)

2.1.2 **Qualities of an entrepreneur**

- Determination to succeed despite all challenges.
- She adapted to the changing environment.
- And had to believe in herself more than ever before. (3)

2.1.3 **Perseverance:**

- To maintain effort and not give up in spite of obstacles. (2)

Passion:

- A high level of enthusiasm and a willingness to learn from mistakes (2)

2.2 **THREE types of cooperatives**

- Consumer cooperative
- Producer cooperative
- Worker cooperative (3)

2.3

2.3.1 State-owned company (2)

2.3.2 **Advantages of state own companies/SOC**

- Profits may be used to finance other state departments/ reduce taxes.
- Generates income to finance social programmes.
- Jobs are created for all skills levels.
- Offer essential service which may not be offered by the private sector to make service affordable to more citizens.
- Wasteful duplication of services is eliminated.
- Planning can be coordinated through central control.
- Any other relevant answer related to the importance of state owned companies/SOC.

**Max (6)
[20]**

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	
2.1.1	2
2.1.2	3
2.1.3	4
2.2	3
2.3	
2.3.1	2
2.3.2	6
TOTAL	20



QUESTION 3 BUSINESS ENVIROMENTS (SOCIO-ECONOMIC ISSUES)

3.1

- 3.1.1 Counterfeiting√√ (2)
- 3.1.2 Unemployment√√ (2)

3.2 Purpose of inclusivity in the workplace

- To give equal opportunity in the workplace√ to all people of different races, cultures, genders, religions, languages etc. √
- To ensure that the business follows employment practices√ that are fair√
- Requires businesses to ensure non-discrimination√ and diversity in the workplace√
- Any other relevant answer related to the purpose of inclusivity

Max 5

3.3

- 3.3.1 Social responsibility means actions taken by the business√ to consider impact on the society and the environment√ (2)
- 3.3.2 Examples of CSR projects
 - It is involved in training the youth fashion design√
 - Sponsors the local soup kitchen√
 - And provides sanitary towels to farm schools√ (3)
- 3.3.3 Initiatives to address socio-economic issues
 - Participate in community policy forums√
 - Provide learnerships to unemployed graduates√
 - Provide bursaries to matriculants for furthering their studies√
 - Conduct awareness programmes on dangers of gambling√
 - Organize and encourage entrepreneurial programmes√
 - Any other relevant answer related to initiatives to address other socio-economic issues

Max 6

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	
3.1.1	2
3.1.2	2
3.2	5
3.3	
3.3.1	3
3.3.2	2
3.3.3	6
TOTAL	20



QUESTION 4 MISCELLANEOUS FORMS OF OWNERSHIP

4.1

Forms of ownership	State-owned company	Private company	Public company	Personal liability company
a. Free transfer of shares			√	
b. South African Airways	√			
c. No prospectus		√		
d. Directors responsible for debts				√

(4)

4.2 Characteristics of a sole trader

- It is easy to establish√ as there are few legal formalities.√
- There is a lack of continuity√ because it is linked to the life-span of the owner.√
- Assets of the business belong to the owner√ who takes the risks, profits and suffers all losses.√
- All profits √made by the business belong to the owner.√
- There are no special requirements√ when the owner wants to close the business.√

(3x2)(6)

NOTE: Mark the first THREE only

CONTEMPORARY SOCIO-ECONOMIC ISSUES

4.3 Impact of inequality and poverty on businesses.

- Leads to instability√ and labour unrest. √
- The spending power if people is affected√ negatively or is low√.
- The business is unable to increase their sales√, as majority of the population is poor√

Max 44.3.3 **Efforts to create an Inclusive Workforce**

- Include women in leadership positions and decision making.√√
- Treat employees fairly regardless of their sexual orientation.√√
- Formulate HIV/AIDS policies and programmes.√√
- Employ people with disabilities and in leadership positions. √√
- All race groups should be represented in the workplace.√√

Max 6

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2	6
4.3	
4.3.1	3
4.3.2	1
4.3.3	6
TOTAL	20



QUESTION 5 BUSINESS ENVIRONMENTS (SOCIO-ECONOMIC ISSUES)**5.1 INTRODUCTION**

- The business does not operate in isolation; it is situated amidst the society. ✓
- The customers are part of the society faced by social and economic problems. ✓
- Any other relevant introduction related to socio-economic issues. ✓

(2)

5.2 BODY**5.2.1 Meaning of socio-economic issues**

- These are problems ✓ from people (social) and economic (money) circumstances. ✓
- These issues need to be considered by the businesses ✓ as they impact on them. ✓
- Any other relevant meaning of socio-economic issues. ✓

(5)

5.2.2 Types of gambling**Legal gambling ✓**

- Is gambling allowed by law, legal gambling is licensed at casinos, lotto, betting on horse riding and betting on sports. ✓

Sub max 2

Illegal gambling ✓

- Is gambling not allowed by the law, e.g. unlicensed casinos and bingo halls. ✓
- Pyramid schemes where investors are promised money for people they recruit. ✓
- Unofficial lottery type schemes. ✓
- Money laundering where large amounts of illegal money enters the economy but hiding the source, can either be by corrupt politicians, drug traffickers, illegal gamblers etc. ✓

Sub max 8

Max 10**Impact of gambling on the business**

- Gambling can be addictive ✓ as players hope to win. ✓
- Poor people can lose the little money ✓ they have and be unable to support themselves or families. ✓
- They also have less money ✓ to spend on goods and services, which affects businesses negatively. ✓
- Contributes to poverty ✓ problem in South Africa. ✓
- Any other relevant negative impact of gambling. ✓

Max (8)**5.2.3 Impact of crime on the business**

- The business loses ✓ valuable products, cash, vehicles, furniture and other possessions. ✓
- The business has to put on expensive ✓ security measures. ✓
- Insurance premiums also increase ✓ where there is a high risk incidence of crime ✓, which adds to the running costs of the business. ✓



- Customers will be scared√ to buy from a business situated in an area with high crime rate. √
- Discourages new businesses√ from starting up. √
- Any other relevant negative impact of crime.

Sub max (8)

Impact of strikes on the business

- When workers go on strike, productivity decreases√, sales of the business is affected.√
- Fellow workers and customers√ may be intimidated by striking workers. √
- Damage to business property may occur√, which increase costs for the business.√
- Business losses√ profits during the period of strike.√
- Any other relevant answer relating to impact of strikes.

Sub max (8)**Max (16)**

5.2.4 Solutions to piracy

Copyright√

- Only an owner of intellectual property has the right to produce and copy it. √√

Patent√

- Someone who holds a patent has the sole right to produce and sell an invention√√

Trademark√

- A unique mark that represents a business enterprise and that belongs to the business enterprise. √√
- Includes words, slogans, designs, signs and symbols. √√
- Registered trademarks may not be used by anyone else, except by the business enterprise/person it belongs to. √√

Max (9)

5.3 Conclusion

- The businesses and the government need to address the socio-economic problems that affect the communities. √√
- Any other relevant conclusion related socio-economic issues. (2)

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Meaning of socio-economic issue	5	
Impact of gambling	8	
Impact of crime	8	
Impact of strike	8	
Solutions to piracy	9	
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.



QUESTION 6 BUSINESS VENTURES (FORMS OF OWNERSHIP)

6.1 INTRODUCTION

- Choosing a form of ownership depends on a number of factors such as capital/capacity/taxation/division of profits/management legislation. ✓
 - A sole trader is a business owned and managed by one person. ✓
 - A private company is a profit company restricted to sell shares to the public. ✓
 - Non-profit companies are established for public benefit purposes. ✓
 - Partners combine different skills and abilities for the benefit of the partnership. ✓
- (2x1)(2)**

6.2 Factors that must be considered when choosing a form of ownership.

6.2.1 Continuity

- Continuity refers to the life span ✓ of the business. ✓
- Some businesses have continuity ✓, others lack continuity. ✓
- Sole traders lacks continuity ✓ as it depends on the life and good health of the owner. ✓
- Partnership dissolves ✓ when one partner dies or retires. ✓
- Companies life continues ✓ despite resignation or death of a shareholder. ✓

Sub max (4)

6.2.2 Liabilities

- Limited liability implies that the shareholders private possessions ✓ will not be affected, if the company is sued or bankrupt. ✓
- Unlimited liability implies that private possessions ✓ of the owner or partners will be affected when the business owes creditors ✓

Sub max (4) **Max (8)**

6.3 Distinction between a sole trader and a private company

Private company	Sole trader
It is formed by 1 shareholder ✓	It is formed by one person. ✓
It is managed ✓ by a board of directors ✓	It is managed ✓ by the owner ✓
A private company must register ✓ with CIPC and submit the memorandum of incorporation. ✓	There are no legal requirements ✓ in starting a sole-proprietorship. ✓
The name must end with ✓ the suffix (Pty)Ltd. ✓	No specific suffix to be reflected ✓ on the name of the sole-trader. ✓
The company and its shareholders ✓ are subjected to double taxation. ✓	The sole trader is taxed ✓ on his or her private capacity. ✓
Any other relevant answer related to private company	Any other relevant answer related to partnership
Sub max (6)	Sub max (6)

NOTE:

1. The difference does not have to be in a tabular form but the distinction must be clear.
2. Allocate the maximum of SIX (6) marks only if the distinction is not clear.
Mark either sole trader or private company



6.4 Effectiveness of non-profit company is the best form of ownership

- The company has a legal personality√ apart from its members. √
- The company is exempted from paying tax√ by satisfying the criteria laid down in the Income Tax Act. √
- The continuity of the business is unlimited√ even if its staff changes. √
- The audited financial statement assists the company√ to raise funds/ secure sponsorship. √
- The company is not compelled√ to hold Annual General Meeting (AGM) for its members. √
- The assets of the company are in the name of the organization√ not its members. √
- The company's profits/surplus√ is used to carry out the work of the organization/expansion of the business.√
- Directors of the company are personal liable for any loss, damage or cost sustained by the company√ due to negligence. √
- Any other relevant answer related to the effectiveness of non-profit company as the best form of ownership

Max (8)**6.5 Impact of a partnership****Positives/Advantages**

- The partners combine knowledge and skills together√ to make the best decisions collectively. √
- The workload and responsibilities are shared√ between partners. √
- Partners share capital, expenses and services, √ which saves costs and leads to profits. √
- Partnership pays single tax√, partners pay from their profits earned from the business. √
- Partners have personal interest√ in the business and ensure good leadership and management. √
- Extra partners can be recruited when in need of cash.

AND / OR**Disadvantages of partnership**

- Partners have unlimited liability, √ may lose their private possessions. √
- Different personalities may lead to conflict√ which can destroy working relationships amongst partners. √
- Partners might not√ all contribute equally. √
- Lacks continuity√ and dissolves when one partner dies or retires. √

Max (10)

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Factors to be considered when choosing a form of ownership	8	
Distinction between sole trader and private company	12	
Effectiveness of non-profit company	8	
Impact of partnership	10	
Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		50

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: 100

