



**Subject:** Grade 10 Business Studies

**Topic:** Business Studies: Term 1 - Mini-Exam

**Total:** 112 Marks

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1. Human Resources | HR | Human Resource function

3 marks

**Explanation:**

The **Human Resource function** is responsible for the recruitment and selection of suitable staff, training and performance management. Each business function (finance, production, marketing etc) requires people with particular skills and will put forward their requirements to HR. It is not an easy process to hire the correct candidate.

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2. durable • semi-durable • non-durable

6 marks

**Explanation:**

Consumers have unlimited needs and wants, and they try to satisfy these with limited means. Groceries are usually **non-durable** because they are consumed quickly, whereas a house would be a once-off purchase of a **durable** good. A passenger vehicle might be considered **semi-durable**.

Of course, consumers needs also change over time, and a business should be able to adapt to these needs.

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3. C: Marketing

4 marks

**Explanation:**

The function of Marketing is to market and **distribute** the product, by using the correct marketing mix (7Ps) to boost sales. Marketing is not just about advertising, but also about transferring goods from the producer to the consumer.

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4. Sustainability | Sustainable

3 marks

**Explanation:**

SAPPI are the largest producer of paper in South Africa. Their operations involve cutting down trees in Tongaat (KZN) and simultaneously planting seedlings, so that trees continue to grow for future use. This is a **sustainable** practise. SAPPI are looking after their profits, as well as the environment and people in the surrounding area.

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5. true

2 marks

**Explanation:**

A business can **influence buying patterns of consumers** and the **use of intermediaries**. However, a business does not have a global effect on exchange rates or weather patterns.



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6. B: The tertiary sector distributes goods and renders services.

4 marks

**Explanation:**

The production process happens at three levels:

- **Primary sector** - extract natural resources.
  - **Secondary sector** - convert these natural resources to intermediate or final products.
  - **Tertiary sector** - concerned with distributing the goods & services to the consumers.
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7. C: leading

4 marks

**Explanation:**

Planning, organising, leading and controlling are all functions of **General Management**.

The manager will determine what the long-term goals of the business and then delegate tasks to employees. This works best when the manager also motivates and guides the employees, and provides clear instructions for these tasks.

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8. Management

3 marks

**Explanation:**

**Management** plays an important role in the business to ensure it achieves its goals. Top-level management make strategic decisions, which are then carried out by middle-level management (tactical decisions) which oversee lower-level management (operational decisions).

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9. taxation • forex

6 marks

**Explanation:**

The economic environment influences factors relating to finance and prices, such as **inflation, interest rates, taxation, foreign exchange rates** and **employment figures**.

Consumer preferences and population would be factors in the socio-cultural environment, while infrastructure is part of the physical environment.

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10. SPAR • FNB

6 marks

**Explanation:**

The tertiary sector is concerned with the flow of goods from the producer to the consumer, as well as facilitating the flow of these goods and services. This would include activities like **transport, retail** and **financial services**.

Examples of businesses that operate in the tertiary sector are DHL, FNB and SPAR.

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11. true

2 marks

**Explanation:**

**Civil society** is sometimes referred to as the **third sector of society**. It includes **non-government organisations** (NGOs), **clubs** and **social movements**. Many of these groups can be very powerful stakeholders.

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12. sanctions

3 marks

**Explanation:**

**Sanctions** is the application of political, economic or financial pressure to influence the behaviour of a targeted country or group, in order to achieve a certain outcome or compliance with certain policies. Types of sanctions include travel bans (certain individuals cannot enter a foreign country) or trade restrictions (freezing imports and exports to certain countries).

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13. competition • quality of supplies

6 marks

**Explanation:**

One of Porter's 5 Forces is the Power of Suppliers, which considers the extent to which suppliers can pressure a business with **higher prices** or reducing the availability of supplies. The fewer suppliers there are (ie less **competition**), the more bargaining power they have.

Bargaining power of customers would influence the change in demand and change in consumer habits.

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14. true

2 marks

**Explanation:**

If a business is reliant on a few customers, they have power to negotiate better (cheaper) prices for themselves. This is an example of a **threat** faced by the business.

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15. A: Transforming new materials into finished products.

4 marks

**Explanation:**

Purchasing is concerned with the acquisition of suitable raw materials and other items necessary for a business. These materials are then transformed into goods for sale by the **Production** function.

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16. Limited liability

3 marks

**Explanation:**

In a formal partnership, each partner is jointly and severally liable for the debts.

In a registered company (private or public), the shareholder only loses the amount spent on buying shares, ie the shareholder's **liability** for the company debts is **limited** to the amount paid for shares.

In an informal business, the vendor is most at risk of losing everything.

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17. true

2 marks

**Explanation:**

**Formal businesses must be registered for tax**, whether they are companies, partnerships or sole traders (who pay tax in their individual capacities). Informal businesses like street hawkers need to register with local authorities in order to trade.

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18. B: market environment

4 marks

**Explanation:**

Competitors are businesses that sell the same or similar goods or services to the same **market environment**. Multichoice's competitors offer streaming subscriptions that do not require a satellite dish.

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19. C: Business owners in South Africa had no control over this environment. 4 marks

**Explanation:**

Foreign exchange is part of the economic environment in PESTEL analysis, which is used to analyse changes in the **macro** environment. South African business owners **cannot influence** global economic factors like the strength of the US Dollar, anymore than they can control the weather.

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20. true 2 marks

**Explanation:**

A business must consider competition from other businesses that sell the same or similar product. Pricing is very important when it comes to attracting customers.

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21. secondary | secondary sector 3 marks

**Explanation:**

The **secondary** sector is also known as the industrial sector, where raw materials are manufactured and processed into finished goods that are available for resale.

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22. false 2 marks

**Explanation:**

Population, gender and race are part of the **demographic** environment. The cultural environment refers to religion, traditions and values.

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23. Quality Control 3 marks

**Explanation:**

While **Quality Control** ensures that quality levels are met, *quality assurance* is put in place to determine **whether or not** this level is met. Every business function needs to ensure that quality control and assurance take place.

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24. false 2 marks

**Explanation:**

MTN is a public company, but this means that it is owned by the general public in the **private sector**. Anybody over the age of 18 can buy shares in the company.

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25. international • technological 6 marks

**Explanation:**

An increase in the minimum wage will be legislated, making it a Legal and Political factor (the decision would be made by the ruling party). Increased household income will have an impact on spending, making it an Economic factor. Businesses might be less inclined to employ more people at a higher rate, having an impact on Sociological factors.

The **physical** environment is unaffected by this increase, as is the **Technological** environment. In addition, the **international** community is unaffected by the minimum wage in South Africa (on a macro level).

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26. suppliers • intermediaries • competitors • other organisations

10 marks

**Explanation:**

The Market environment components are similar to Porter's 5 Forces model, in which he listed **consumers** and **suppliers**, and their bargaining power. Similarly, **competition** is part of any market (if there is money to be made, there will be more than one supplier). Each business in the market must consider how the use of **intermediaries** will affect its pricing. Finally, **other organisations** will have an influence on regulating an industry (for example, trade unions that campaign for better treatment of workers).

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27. overdraft

3 marks

**Explanation:**

An **overdraft** is a deficit in the account when you draw more money than what the account holds. It is a form of short-term financing used in small businesses, but which carries high interest rates.

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28. A: Poor vision and culture in a business can affect its service, leading to an increase in customer loyalty and sales.

4 marks

**Explanation:**

Poor service delivery will affect customer loyalty and sales, but in a **negative** way. If customers are not looked after, they will take their money elsewhere.

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29. C: SOC Ltd

4 marks

**Explanation:**

A state-owned company ends with the letters **SOC Ltd**. SOC stands for **State-Owned Company**, while the Ltd means that the company is run like a business, not a government department. This means it operates commercially and tries to make a profit, but is subject to government oversight.

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30. false

2 marks

**Explanation:**

Capital is used to acquire capital goods like machinery and property. This is a function of the **financing department**. This department is responsible for sourcing capital at reasonable rates.

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**Total: 112 Marks**