



Subject: Grade 10 Business Studies

Topic: Business Studies: Term 2 - Exam 1

Total: 84 Marks

1. false

2 marks

Explanation:

There are **three** business environments.

A business cannot operate in **isolation**, but rather is constantly working within the three environments.

- The **micro** environment is inside the business (the **internal** environment).
- The **market** environment is just **outside** the business.
- The **macro** environment is the **external** environment.

2. false

2 marks

Explanation:

Economic growth is measured by **Gross Domestic Product** (GDP).

GDP is the total value (in monetary terms) of **all finished** goods and services **produced** within a **country** for a specific **period of time**.

3. A: Employment

4 marks

Explanation:

Customers spend in different ways (**consumer behaviour**) depending on the social environment.

Factors in the **social environment** include:

- **Unemployment** - no income.
- **Poverty** - insufficient money available for spending.
- **Low levels of literacy** - lack of skills.
- **Crime levels** - more crime means more expenses for the business.



4. false

2 marks

Explanation:

The **informal** sector is **labour** intensive, it usually involves physically creating a product or rendering a service (such as cutting hair or selling food).

The **formal** sector is **skills** intensive, it involves specific skills and qualifications to carry out the work (such as an accountant).

5. B: Fresh air.

4 marks

Explanation:

Businesses need sufficient **infrastructure** in order to effectively operate.

They require:

- **transportation**: roads, harbours, railway systems.
 - **energy**: electricity or power.
 - **communication**: cellular networks and internet connectivity.
 - **services**: police stations, post offices, clinics.
-

6. false

2 marks

Explanation:

All businesses need to **be aware** of their **environmental impact** and ensure that they do not **pollute** the environment.

Types of pollution include:

- Air.
- Water.
- Noise.

7. true

2 marks

Explanation:

The **administration function** is responsible for handling the information and data for the business.

Data is:

- **unprocessed** or raw facts.
- **collected** from the other business functions.
- **needs to be processed** in order to be used.

Information is:

- data that has been **processed**.
- used by management to **make decisions**.

8. inflation | inflation.

3 marks

Explanation:

Inflation is the term used to describe the general increase in the price of services and goods over a period of time.

Inflation is monitored by the **South African Reserve Bank** (SARB) and aims to be between **3% - 6%**.

9. demographic | demographic. | demographic environment | demographic environment.

3 marks

Explanation:

The **demographic environment** looks at factors such as:

- where people are **located geographically** in the country.
- the **age** and **gender** of the population.
- **wealth distribution** within the population.

10. B: Selling.

4 marks

Explanation:

There are **eight** business functions:

- General management.
- Purchasing.
- Production.
- Marketing.
- Finance.
- Human resources.
- Administration.
- Public relations.

11. supplier | supplier. | suppliers | suppliers.

3 marks

Explanation:

A **supplier** is another business that **provides the business** with the raw materials it requires to **produce its own goods and services**.

They can provide things such as:

- natural resources.
- services.
- equipment.
- machinery.

12. C: Organisation culture

4 marks

Explanation:

The following are components of the **macro environment**:

- **Global** or **international** environment.
- **Physical** or **natural** environment.
- **Demographic, social** and **cultural** environment.

Organisation culture forms part of the micro environment.

13. A: Adventure capital.

4 marks

Explanation:

The following are all **sources of finance** for a business:

- **Venture capital** - finance given in return for a share in the business.
- **Angel funding** - finance from wealthy entrepreneurs at the start of a business in return for a share in the business.
- **Grants** - given by the government and often do not need to be paid back.
- **Receivables financing** - loan received based on money the business will receive when debtors pay their invoices.

14. true

2 marks

Explanation:

The **macro environment** is also called the **external environment** as it consists of components that are **outside** of the business.

The components of the macro environment are:

- **Natural** environment.
- **Economic** environment.
- **Technological** environment.
- **Legal / political** environment.
- **Social / cultural / demographic** environment.
- **International** environment.
- **Institutional** environment.

15. D: Goals.

4 marks

Explanation:

Goals are part of the **micro** environment. Goals refers to the **long-term** plans that the business wishes to achieve.

- **Intermediaries** are part of the **market** environment.
- **Natural resources** are part of the **macro** environment.
- **Customers** are part of the **market** environment.

16. true

2 marks

Explanation:

Organisational culture describes the way in which a business goes about doing things. This includes:

- how employees **interact** with management.
- how employees interact with each other.
- the **dress** code.
- **working hours**.

The culture is determined by the **ethics and morals** of the business.

17. false

2 marks

Explanation:

Non-governmental organisations (NGO's) are similar to **Community-based organisations** (CBO's) but not exactly the same.

- NGO's **employ workers** to work in the organisation and support a **wider** group of people.
- CBO's focus on a **specific community** needs and is made up of **volunteers**.

18. B: The macro environment directly influences the market and micro environments.

4 marks

Explanation:

The three business environments are all **interrelated** and do not function independently.

The **macro environment** has:

- **full control** and **direct influence** over the micro and market environments.

The **market environment** has:

- **some control** and a **direct influence** over the micro environment.
- **no control** and **little influence** over the macro environment.

The **micro environment** has:

- **some control** and a **direct influence** over the market environment.
- **no control** and **little influence** over the macro environment.

Changes in the **macro environment** will directly **affect both the market and micro environments**.

For example, a change in the taxation rate will impact the individual business as well as customers.

19. social media | social media.

3 marks

Explanation:

Social media is networking, communicating and interacting with others online. It can be done via a website or by downloading a social media app.

Examples of social media include:

- Instagram.
- Facebook.
- Twitter.
- TikTok.
- LinkedIn.

20. Threat | threat.

3 marks

Explanation:

If personal **income tax rates increase**, individuals will have to **pay more tax** and therefore will have **less money available** for spending.

If customers have **less money to spend** on the business's goods and services, then the business will have **less sales** and therefore **less profit**.

This is a **threat** for the business.

21. organogram | organogram.

3 marks

Explanation:

An **organogram** is the term used to describe the structure of a business. It is also called an organisational chart.

It depicts the **hierachy** of the business, showing the different **departments** of the business and the **levels** in which the employees sit, as well as who **reports** to whom.

22. false

2 marks

Explanation:

The **government** is:

- a **supplier** of goods and services.
 - a **consumer** as it purchases goods and services.
 - a **regulator** by enforcing laws.
-

23. union | union. | unions | unions. | trade union | trade union. | trade unions | trade unions.

3 marks

Explanation:

A **union** or **trade union** is an organisation that looks after the rights of workers. They:

- negotiate **working conditions**.
- negotiate **remuneration** (salaries and wages (through collective bargaining)).

24. pestle | pestle. | pestle analysis | pestle analysis.

3 marks

Explanation:

A **PESTLE** analysis is used to analyse and evaluate the impact of that the various **macro** environments have on the business.

PESTLE stands for:

- **P**olitical.
- **E**conomic.
- **S**ocial.
- **T**echnological.
- **E**nvironmental.

25. C: Public relations.

4 marks

Explanation:

The following are forms of **organisational resources**:

- Employees (**human** resources).
- Money (**financial** resources).
- Time (**other** resources).
- Raw materials and equipment (**physical** resources).

Public relations is a business function, not a resource.

26. B: A threat could create an advantage to the business.

4 marks

Explanation:

A **SWOT** analysis involves the following:

- **Strength**: something that gives the business an advantage over other businesses.
- **Weakness**: something that is a disadvantage for the business.
- **Opportunity**: something that the business can take advantage of.
- **Threat**: something can can create issues or be problematic for the business.

27. true

2 marks

Explanation:

Payments have become much **easier** for customers as there are so many options:

- **Credit** or **debit** cards.
- **EFT** payments online.
- Paying using **apps**, such as Zapper, SnapScan etc.
- Paying by tapping your **cellphone**, such as ApplePay.
- Paying by tapping a **smart watch**, such as GarminPay.

28. C: The power of intermediaries.

4 marks

Explanation:

The following affect competition in the market:

- The power of **suppliers**.
- The power of **customers**.
- Threat of **substitute** products.
- Level of **competition** in the industry.
- Threat of **new businesses** entering the market.

These are known as **Porter's Five Forces**.

Total: 84 Marks