



**BUSINESS STUDIES  
PAPER 1**

**EXAMINER:** GL  
**MODERATOR:** LF / TG / UM / GO / AK

**DURATION:** 2 HOURS  
**MARKS:** 100 MARKS

**INSTRUCTIONS AND INFORMATION**

Read the following instructions carefully before answering the questions:

1. This question paper consists of THREE sections.

SECTION A: COMPULSORY

SECTION B: Consists of THREE questions.

Answer any TWO of the three questions in this section.

SECTION C: Consists of TWO questions.

Answer any ONE of the two questions in this section.

2. Read the instructions for each question carefully and take note of what is required.
3. Number the answers correctly according to the numbering system used in this question paper.
4. Except where other instructions are given, answers must be in full sentences.
5. Use the mark allocation and nature of each question to determine the length and depth of an answer.
6. Use the table below as a guide for mark and time allocation when answering each question.

SECTION	QUESTION	MARKS	TIME (minutes)
<b>A: Objective-type questions COMPULSORY</b>	1	20	20
<b>B: THREE direct/indirect type questions CHOICE: Answer any TWO.</b>	2	20	70
	3	20	
	4	20	
<b>C: TWO essay-type questions CHOICE: Answer any ONE.</b>	5	40	30
	6	40	
<b>TOTAL</b>		<b>150</b>	<b>120</b>

7. Begin the answer of EACH question on a NEW page.
8. You may use a non-programmable calculator.
9. Write neatly and legibly.

## SECTION A (COMPULSORY)

### QUESTION 1

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number (1.1.1–1.1.5).

1.1.1. Which of the following forms part of the market environment?

- A Technological
- B Intermediaries
- C Structure
- D Resources

1.1.2. Which business function is known as the “umbrella” function?

- A Administration
- B Marketing
- C General management
- D Purchasing

1.1.3 Fresh Earth Ltd manufactures gluten-free baked goods. The business operates in the .... sector

- A primary
- B secondary
- C tertiary
- D public

1.1.4 A statement that explains how the business will go about achieving their plan.

- A Mission.
- B Vision.
- C Goal.
- D Objective.

1.1.5 Ethan must maintain the machinery to avoid breakages. He is therefore part of the ...function.

- A human resources
- B public relations
- C purchasing
- D production

(5 x 2) (10)

- 1.2 Complete the following statements by using the word(s) provided in the list below. Write only the word(s) next to the question number (1.2.1–1.2.5).

Institutional environment	Private sector	Management	
Middle Management	Leadership	Political environment	
Top Management	Objectives	Public Sector	Goals

- 1.2.1 The way in which an individual can influence the behaviour of others towards achieving the objectives of the business.
- 1.2.2 Management is responsible for executing organisational plans, which comply with the company's policies and lower management.
- 1.2.3 The environment that refers to the three levels of government in South Africa, that puts laws and rules that regulate how businesses operate.
- 1.2.4 Businesses owned, managed and controlled by individuals and organisations seeking to generate profit.
- 1.2.5 The long-term plans of what the business wants to achieve. (5 x 2) (10)

**TOTAL SECTION A: 20**

## SECTION B

Answer ANY TWO questions in this section.

**NOTE:** Clearly indicate the QUESTION NUMBER of each question that you choose. The answer to EACH question must start on a NEW page, e.g. QUESTION 2 on a new page, QUESTION 3 on a NEW page etc.

### QUESTION 2 BUSINESS ENVIRONMENTS

- 2.1 Elaborate on the reason why competition poses a challenge to businesses. (2)
- 2.2 Describe the purpose of organisational culture. (4)
- 2.3 Read the scenario below and answer the questions that follow.

#### **SISIPHO'S FRUIT MARKET (SFM)**

Sisipho's Fruit Market (SFM) sells fresh fruits. The business employs seven full time workers. They use specialised equipment to wash the fruit. Sisipho wants to expand to selling vegetables as well. She has borrowed money from CapitalGain Bank to expand SFM.

- 2.3.1 Identify TWO organisational resources from the scenario and motivate your answer by quoting from the scenario. (6)

Use the table below as a GUIDELINE to answer QUESTION 2.3.1.

	<b>ORGANISATIONAL RESOURCE</b>	<b>MOTIVATION</b>
1.		
2.		

- 2.4 Define the following macro environment components.
- 2.4.1 political (2)
- 2.4.2 social (2)

2.5 Read the scenario below and answer the questions that follow.

**ANAVRIN BOUTIQUE (AB)**

Anavrin Boutique (AB) offers unique, eco-friendly clothing options that appeal to socially conscious consumers. The increasing popularity of online shopping provides an avenue for expansion. The boutique has limited financial resources, which may restrict its ability to invest in marketing campaigns. Rapid changes in fashion trends require the boutique to stay up to date.

Conduct a SWOT analysis on AB by quoting from the scenario above. (4)

Use the table below as a GUIDE to answer QUESTION 2.5.

<b>STRENGTHS (2.5.1)</b>	<b>WEAKNESSES (2.5.2)</b>
<b>OPPORTUNITIES (2.5.3)</b>	<b>THREATS (2.5.4)</b>

**[20]**

### QUESTION 3

#### BUSINESS OPERATIONS

- 3.1 List TWO factors that influence the organisational structure of a business. (2)
- 3.2 Read the following scenario below and answer the questions that follow.

##### **TECH SAVVY (TS)**

Tech Savvy, a new start-up, approaches investors seeking capital in exchange for shares in the company. Simultaneously, the company applies for a business loan from a local bank to cover operational expenses. Additionally, Tech Savvy approaches the government for money to support its growth and expansion plans.

- 3.2.1 Identify the THREE sources of finance used by Tech Savvy. Motivate your answer by quoting from the scenario above. (9)

Use the table below as a GUIDE to answer QUESTION 3.2.1.

	<b>SOURCE OF FINANCE</b>	<b>MOTIVATION</b>
1.		
2.		
3.		

- 3.3 Discuss the activities of the purchasing function. (6)
- 3.4 Read the scenario below and answer the question that follows.

##### **LET'S GLOW COSMETICS (LGC)**

Let's Glow Cosmetics (LGC) allows their customers to buy their products on credit. The management of LGC does not discriminate against customers. They also ensure that all contracts are written in plain and understandable language.

- 3.4.1 Identify THREE consumer rights according to the National Credit Act from the scenario above. (3)

**[20]**

## QUESTION 4

### BUSINESS ENVIRONMENTS

4.1 Explain a challenge of the technological environment. (2)

4.2 Differentiate between the formal and informal sector.

Use the table below as a GUIDE to answer QUESTION 4.2. (8)

FORMAL SECTOR	INFORMAL SECTOR

### BUSINESS OPERATIONS

4.3 Define the following organisational structures.

4.3.1 Functional organisational structure. (2)

4.3.2 Matrix organisational structure. (2)

4.4 Read the scenario below and answer the questions that follow.

#### TECHNOVA MOBILE (TM)

TechNova Mobile (TM) technology company is launching a new flagship smartphone. The company advertises on television and social media. The business donates 10% of their income to an underprivileged school.

4.4.1 Identify the methods of public relations used by TM in the scenario above. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 4.4.1. (6)

	METHOD OF PUBLIC RELATIONS	MOTIVATION
1.		
2.		

[20]

**TOTAL SECTION B: 40**

## SECTION C

### QUESTION 5 BUSINESS ENVIRONMENTS

Businesses are also influenced by two external environments. These are the market environment and the macro environment. These business environments are interrelated and influence one another. They can also influence the success or failure of a business.

As an expert in the external business environments, write an essay on the following aspects:

- Discuss any FOUR components of the market environment.
- Elaborate on the meaning of opportunities and threats.
- Discuss the meaning of the macro environment.
- Analyse the challenges of the economic environment.

[40]

### QUESTION 6 BUSINESS OPERATIONS

Business functions encompass various activities within an organization, such as purchasing, marketing, general management, human resources, and public relations, that collectively work towards achieving the company's objectives.

With reference to the above, write an essay on the following aspects:

- Discuss the management tasks of general management.
- Elaborate on the importance of stock control.
- Analyse the importance of public relations.
- Discuss the purpose of the Consumer Protection Act (CPA)

[40]

**TOTAL SECTION C: 40**