

# BUSINESS SECTORS



PAPER



TOPIC

**Name THREE types of business sectors: primary, secondary and tertiary.**

## PRIMARY SECTOR

- This sector deals with extraction of raw materials and natural resources.
- Natural resources that are not manmade like coal, gold, fish and livestock are extracted from this sector.
- Examples the primary sector industries: mining, mining, fishing, agriculture, forestry and farming

## SECONDARY SECTOR

- This business sector is responsible for changing the raw materials acquired from the primary sector into useful products.
- It includes the manufacturing factories, construction and energy generation
- Examples of the secondary sector industries; manufacturing, clothing, food processing, building and construction are found in this sector.

## TERTIARY SECTOR

- This sector renders services to the public and businesses.
- It includes services from transport, banking, legal and health.
- Examples of the tertiary sector industries; distribution, banking, insurance, tourism, transportation, entertainment, retail and legal services.

*Identify/Name a business sector from given scenarios/statements.*

## BUSINESS CHALLENGES

*Identify business challenges from given scenarios/case studies and classify them according to the THREE business environments.*

**NOTE:** *You will not need to list the challenges, but rather be able to identify the challenge from a scenario by quoting it and knowing which environment it belongs to. See example on pg 3.*

Business environments	Common challenges
Micro environment	<ul style="list-style-type: none"><li>• Difficult/Unmotivated employees</li><li>• Lack of adequate management skills</li><li>• Lack of vision/mission</li><li>• Strikes/go-slows</li><li>• Outdated goals/objectives</li><li>• Lack of human resource capacity</li><li>• Various business functions working/operating inefficiently</li><li>• Poor working conditions</li></ul>
Market environment	<ul style="list-style-type: none"><li>• Competition</li><li>• Supply shortages</li><li>• Changes in consumer behaviour</li><li>• Demographics/Psychographics</li><li>• Socio-cultural factors</li></ul>
Macro environment	<ul style="list-style-type: none"><li>• Changes in income levels</li><li>• Political changes</li><li>• Contemporary legislation</li><li>• Labour restrictions</li><li>• Globalisation/international changes</li><li>• Socio-economic issues</li><li>• Technological advances</li></ul>

## BUSINESS ENVIRONMENTS

State the extent to which a business (operating in any of the three sectors) can control the three business environments from given scenarios and case studies.

ENVIRONMENT	EXTENT OF CONTROL
Micro	Full
Market	Some/Little
Macro	None

### EXEMPLAR ACTIVITY

#### QUESTION 1

**1.1** Read the scenario below and answer the question that follows.

#### NALEDI SOLAR DISTRIBUTORS (NSD)

The government has increased the corporate tax rate payable by Naledi Solar Distributors. The management of NSD indicated that they might not be able to pay tax because of financial constraints. Customers have decided to buy affordable solar products from another cheap rival.

Use the table below as a GUIDE to answer QUESTIONS 1.1.1 – 1.1.3.

	CHALLENGES (1.1.1)	BUSINESS ENVIRONMENTS (1.1.2)	EXTENT OF CONTROL (1.1.3)
1.			
2.			
3.			

**1.1.1** Quote THREE challenges for ND from the scenario above. (3)

**1.1.2** Classify ND's challenges according to the THREE business environments. (3)

**1.1.3** State the extent of control ND has over EACH business environment named in QUESTION 1.1.2. (3)

#### SUGGESTED ANSWER

	CHALLENGES (1.1.1)	BUSINESS ENVIRONMENTS (1.1.2)	EXTENT OF CONTROL (1.1.3)
1.	The management of NSD indicated that they might not be able to pay tax due to financial constraints.	Micro environment	Full/complete control
2.	Customers have decided to buy affordable solar products from another cheap rival.	Market environment	Some/limited/less/partial control
3.	The government has increased the corporate tax rate payable by Naledi Solar Distributors.	Macro environment	No control