



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

CONSUMER STUDIES

NOVEMBER 2018

MARKING GUIDELINES

MARKS: 200

These marking guidelines consist of 19 pages.

QUESTION 1: SHORT QUESTIONS

1.1	1.1.1	C✓	<i>Remembering, easy (Focus, p. 163; Successful, p. 181)</i>	(1)
	1.1.2	D✓	<i>Remembering, easy (Focus, p. 166; Successful, p. 184)</i>	(1)
	1.1.3	A✓+1	<i>Understanding, easy (Focus, p. 171; Successful, p. 191)</i>	(1)
	1.1.4	B✓	<i>Remembering, moderate (Focus, p. 94; Successful, p. 114)</i>	(1)
	1.1.5	C✓	<i>Remembering, easy (Focus, p. 82; Successful, p. 94)</i>	(1)
	1.1.6	C✓	<i>Understanding, moderate (Focus, p. 106; Successful, p. 128)</i>	(1)
	1.1.7	A✓	<i>Understanding, difficult (Focus, p. 77; Successful, p. 91)</i>	(1)
	1.1.8	D✓	<i>Understanding, moderate (Focus, p. 80; Successful, p. 93)</i>	(1)
	1.1.9	B✓	<i>Remembering, easy (Focus, p. 61; Successful, p. 67)</i>	(1)
	1.1.10	D✓	<i>Applying, difficult (Grade 11)</i>	(1)
	1.1.11	C✓	<i>Remembering, moderate (Focus, p. 127; Successful, p. 146)</i>	(1)
	1.1.12	B✓	<i>Remembering, easy (Focus, p. 122; Successful, p. 140)</i>	(1)
	1.1.13	A✓	<i>Remembering, easy (Focus, p. 121; Successful, p. 138)</i>	(1)
	1.1.14	C✓	<i>Understanding, moderate (Focus, p. 122; Successful, p. 140)</i>	(1)
	1.1.15	D✓	<i>Applying, moderate (Focus, p. 130; Successful, p. 149)</i>	(1)
	1.1.16	A✓	<i>Remembering, moderate (Focus, p. 37; Successful, p. 39)</i>	(1)
	1.1.17	C✓	<i>Understanding, easy (Focus, p. 35; Successful, p. 35)</i>	(1)
	1.1.18	B✓	<i>Remembering, easy (Focus, p. 16; Successful, p. 21)</i>	(1)
	1.1.19	C✓	<i>Understanding, easy (Focus, p. 28; Successful, p. 26)</i>	(1)
	1.1.20	B✓	<i>Remembering, moderate (Focus, p. 39; Successful, p. 41)</i>	(1)

- 1.2 C✓
 D✓
 F✓ (Any order) (3)
Remembering, easy (Focus, page 15-18; Successful, page 21-23)
- 1.3 1.3.1 Decline/ stage 4✓ (1)
 1.3.2 Introduction/ launch/ beginning/ stage 1✓ (1)
 1.3.3 Obsolescence/ end/ stage 5✓ (1)
 1.3.4 Peak/ stage 3✓ (1)
Understanding, easy (Focus, page 50; Successful, page 50)
- 1.4 1.4.1 D✓ (1)
 1.4.2 G✓ (1)
 1.4.3 A✓ (1)
 1.4.4 B✓ (1)
 1.4.5 F✓ (1)
Understanding, moderate (Focus, page 155 - 156; Successful, page 169 – 172)
- 1.5 A✓
 B✓
 C✓ (Any order) (3)
Applying, easy (Focus, page 139-145; Successful, page 157-160)
- 1.6 A✓
 B✓
 D✓
 F✓
 J✓ (Any order) (5)
Understanding, difficult (Focus, page 77; Successful, page 86-87)

[40]

QUESTION 2: THE CONSUMER**2.1 Define the term *stokvel*.**

- A (community/group based) savings club.✓

Remembering, easy (Focus, page 161; Successful, page 177)

(1)

2.2 2.2.1 Give the time frame for a cooling-off period as applied to the signing of a contract.

- Five working days.✓

Remembering, easy (Focus, page 157; Successful, page 173)

(1)

2.2.2 State under which conditions a cooling-off condition applies when direct marketing was used for a sales transaction.

- When consumers feel pressurised/ coerced to purchase goods✓¹ through direct marketing such as a sales agent/ individual electronic means such as SMS/ emails.✓²
- When the credit agreement concerns a lease or instalment contract that was concluded at any place other than the business premises of the credit provider✓³ – no longer wants to be bound by the agreement✓⁴

(Any 2)

Remembering, moderate (Focus, page 157; Successful, page 173)

(2)

2.3 2.3.1 Name the type of business deal evident in the scenario.

- Scam/ dishonest business deal/ illegal business deal/ fraudulent scheme/ unfair business practice✓

Understanding, easy (Focus, page 159; Successful, page 176)

(1)

2.3.2 Predict what is likely to happen when the money is transferred.

- The caller will take the money and disappear/ will never hear from him again.✓¹
- There will be no buying of stolen goods/ meeting.✓²
- The entrepreneur will lose his/her money.✓³

(Any 2)

Understanding, moderate (Focus, page 159; Successful, page 176)

(2)

2.4 Suggest how water can be used more efficiently by referring to:**2.4.1 Toilets:**

- Good maintenance of the toilet can reduce the water usage/ make sure the toilet does not leak.✓¹
- Place a plastic bottle filled with water/ brick into the cistern✓² to reduce the amount of water per flush/ install no flush/ flush less toilet/ double flush toilets✓³
- Lift the handle✓⁴ of the toilet to stop unnecessary flushing.
- Install a rainwater tank✓⁵ to capture rainwater that can be used for flushing the toilet.
- Use grey/ shower/ bath water/ for flushing the toilet.✓⁶
- Do not flush after urination/ don't flush unnecessary✓⁷

(Any 2) (2)

2.4.2 Plants:

- Plant indigenous plants/ water-wise plants✓¹ that require less water.
- Group plants with similar water needs together.✓²
- Use mulches✓³ to retain the water in the soil.
- Install a rainwater tank/ Jo-jo tank/ borehole✓⁴ this can be used to water the garden.
- Use watering cans/ buckets/ drip system/ grey water✓⁵ to water the garden.
- Do not water plants during the middle of the day/ when it is windy✓⁶ as you may lose up to 90 per cent of the water that you use.

(Any 2) (2)

*Applying, moderate (Focus, page 180 -181; Successful, page 199)***2.5 According to Statistics South Africa, municipalities spend more than 20% of their income on electricity. Explain what this money is spent on.**

- For funding the provision of the free basic electricity/ 50 kW for poor households.✓¹
- Providing and maintaining street lights/ traffic lights.✓²
- Providing electricity for municipal offices/ buildings/ facilities.✓³

(3)

Understanding, moderate (Focus, page 183 – 184; Successful, page 202-203)

2.6 Explain the interrelationship between earning a high salary and paying taxes.

- It is based on the principle that people should contribute to the wealth of the state✓¹ to the same extent as that they are able to contribute to their own wealth.✓²
- Income tax/ pay as you earn (PAYE) is payable at the same time that a salary is paid/ earned. Paying income tax is worked out on a sliding scale. The higher the salary✓³, the more income tax/pay as you earn (PAYE) is payable.✓⁴
- Consumers who earn a high salary are likely to buy many goods and services.✓⁵ They will therefore pay more Value Added Tax (VAT) than consumers who buy fewer goods and services.✓⁶
- Consumers earning a high salary usually own one or more cars/ drive/ travel more.✓⁷ They will therefore pay more fuel levy/ toll levy as they use more petrol/diesel.✓⁸
- Home owners pay rates to the municipality. The amount of the rates is based on the value of the property.✓⁹ The higher the value of the property, the higher the rates will be. It is likely that a consumer who earns a high salary owns property with a high value in an affluent area.✓¹⁰
- Transfer duty is payable when a property is bought.✓¹¹ Transfer duty is based on the value of the property. A consumer who earns a high salary is likely to buy expensive property and will therefore pay more transfer duty.✓¹²
- Estate duty is charged on the value of all property/ assets owned by South African citizens at the date of his/her death.✓¹³ The higher the salary that a consumer earned during his/her life, the higher the value of the property that he/she may have owned and therefore more estate duty will be payable.✓¹⁴
- People who earn more will probably buy more imported goods✓¹⁵ and therefore pay more excise/ import duty.✓¹⁶
- People with a higher income are likely to buy more luxury goods/ alcohol/ perfume✓¹⁷ and therefore will pay more "sin"/ excise tax.✓¹⁸ (3 x 2) (6)

Analysing, difficult (Focus, page 128, 163-165, 182; Successful, page 181-183, 146, 201)

[20]

QUESTION 3: FOOD AND NUTRITION**3.1 Name TWO reasons why stabilisers are added to food.**

- Stabilisers are added to food to maintain a uniform dispersion^{✓1} of two or more immiscible substances/ prevents food from separating.^{✓2}
- It gives food an even texture/ contributes to the consistency/ texture/ body/ smoothness/ appearance^{✓3} of a food product.
- Prevents the formation of large ice crystals in frozen desserts.^{✓4} (Any 2) (2)

Remembering, easy (Focus, page 74-74; Successful, page 113)

3.2 Food labels protect consumers, provide information and help in the choice of food items for a healthy diet. List the information on a food label that will meet these aims.

- List of ingredients^{✓1}
- Nutritional information/ claims^{✓2}
- Sell-by/ use-by/ best-before/ expiry date^{✓3}
- Storage^{✓4}
- Preparation instructions^{✓5}
- Allergens/ additives^{✓6}
- Endorsements e.g. heart foundation^{✓7} (Any 4) (4)

Remembering, easy (Focus, page 97-98, 182; Successful, page 117, 201)

3.3 3.3.1 Define the health condition obesity.

- Obesity is a condition of excessive fatness/ body fat/ BMI over 30^{✓1} to the extent that it has a harmful effect on health.^{✓2}
- Obesity is when a person weighs more than 20%^{✓3} than the recommended weight for his/her height/ age.^{✓4} (Any 2) (2)

NOTE: Do not accept overweight.

Remembering, easy (Focus, page 83; Successful, page 97)

3.3.2 Give ONE reason for Nicole's obesity.

- She enjoys energy dense food/ high kilojoule/ fat/ sugar rich/ high GI^{✓1} junk food/ unhealthy food e.g. cake, chocolate, fried meat, fizzy drinks.^{✓*2}
- Nicole is very inactive^{✓3} and the excess energy is stored in fat.^{✓4}
- Her energy input is more^{✓5} than her energy output.^{✓6} (Any 2) (2)

Remembering, easy (Focus, page 83; Successful, page 97)

NOTE: *If learners list two foods, two marks may be awarded.

3.3.3 (a) Other than obesity, identify the food-related health condition that Nicole is suffering from due to her high carbohydrate intake.

Type 2 Diabetes/ Diabetes✓ (1)

(b) Explain the causes of the health condition mentioned in 3.3.3 (a)

- She eats too much refined sugar/ carbohydrates (cake/ chocolates/ fizzy drinks) which are high GI/ too little fibre.✓¹
- Eats too much fat✓² which causes obesity/ overweight✓³ – cause of diabetes.
- Lack of physical activity contributes to obesity/ diabetes✓⁴
- Her pancreas does not produce enough insulin/ the body is unable to use insulin properly/ insulin resistant✓⁵ therefore when the sugar/starch is broken down to glucose,✓⁶ all of the glucose cannot move into the cells✓⁷ to be changed/ converted into energy.✓⁸
- The blood glucose levels continue to increase/ rise/ become abnormally high✓⁹ and build up in the bloodstream.✓¹⁰

(Any 5) (5)

Understanding, easy (Focus 72 - 73; Successful 80- 81)

3.3.4 Nicole was concerned that she may be HIV positive. Give TWO reasons for her concern.

- She recently lost excessive weight.✓¹
- She remains tired/ lacks energy.✓²
- She struggles with infections that do not heal quickly.✓³
- As she is a nurse the risk of being infected is high.✓⁴

(Any 2) (2)

Remembering, moderate (Focus, page 73 - 84; Successful, page 80; 99)

NOTE: Question refers to HIV not diabetes

3.3.5 Explain why Nicole has high cholesterol levels.

- Cake contains hidden/ hydrogenated margarine✓¹ which are trans fats✓² and increase the cholesterol levels.✓³
- Cake/ chocolate/ fried/ fatty meat contains saturated fat✓⁴ which build up cholesterol/ plaque in the arteries.✓⁵
- Lack of physical activity✓⁶ can lead to weight gain,✓⁷ and lack of unsaturated fat in the diet ✓⁸ will raise her low density lipoprotein (LDL)/ bad cholesterol,✓⁹ lower her high density lipoprotein (HDL)/ good cholesterol✓¹⁰ and increase her total cholesterol levels.

(Any 6) (6)

Applying, moderate (Focus, page 74; Successful, page 84-85)

3.3.6 Describe the advantages of the following for Nicole:**(a) Physical exercise**

- Exercise increases HDL/high density lipoproteins/ good cholesterol✓¹ and will help Nicole lose weight.✓² Losing weight reduces the risk of coronary heart disease.✓³
- Physical exercise lowers the blood glucose level✓⁴ promotes weight loss✓⁵ reduces stress.✓⁶ (Any 2) (2)

(b) Inclusion of mono-unsaturated fats in her diet

- Mono-unsaturated fats can decrease the LDL/low density lipoproteins/ bad/ dangerous cholesterol.✓¹ LDL builds up in the arteries, causing the gradual narrowing of the blood vessels/ prevents atherosclerosis/ plaque.✓² (2)

Applying, moderate (Focus 74-75; Successful 84-85)

3.4 3.4.1 Explain how poor food hygiene of consumers living in rural areas contributes to the transmission of Listeriosis.

- The bacteria are found in soil/ water/ vegetation/ cattle✓¹ therefore the unpasteurised/ raw milk/ home slaughtered meat available in the rural areas may carry the bacteria.✓²
- Not enough (clean) water available/ contaminated water✓³ to wash utensils/ hands properly✓⁴ and rinse vegetables.✓⁵ (2 x 2) (4)

Understanding, moderate (Focus 86; Successful 103)

3.4.2 Discuss why Listeriosis affects consumers from the low socio-economic group so readily.

- Consumers of the low socio-economic group are dependent on cheaper processed meat (polony/viennas/chicken)/cheese/milk/raw/unpasteurised milk for their protein requirements✓¹- with the removal of these products from the shelves of food outlets they will have less protein products to buy.✓²
- Consumers in low socio-economic group may not have proper cold storage facilities/refrigerators✓³ to store food/on bus or taxi for a long time before food is eaten/stored.✓⁴ this increases the multiplication of the bacteria✓⁵
- Informal food outlets often have limited clean sanitation✓⁶ therefore hands cannot be washed/food is easily contaminated/lack of health control.✓⁷
- Because some consumers have a lower level of education/lower income✓⁸ they usually buy processed meat products (polony/ viennas/ chicken)/ raw milk from informal food outlets with questionable hygiene/ cannot read the information/ expiry dates on the food.✓⁹
- Some do not have access to information e.g. newspapers/internet✓¹⁰ which provides information regarding the Listeriosis outbreak and/ management of the disease.✓¹¹
- The lack of money and access to doctors/clinics✓¹² leads to the death of infected consumers.✓¹³
- As a result of their socio-economic status they could possibly have compromised immune systems✓¹⁴ due to lack of good nutrition.✓¹⁵
- People from the low socio-economic group often work on farms✓¹⁶ where they come into direct contact with the bacteria on chickens/ cattle.✓¹⁷

(4 x 2)

(8)

Analysing, difficult (Focus, page 86-91; Successful, page 103-109)

NOTE: Learners must be specific about the food e.g. polony

[40]

QUESTION 4: CLOTHING**4.1 Give FOUR suggestions how consumers can support sustainable textiles when buying clothing items.**

- Read clothing labels/ posters in shops ✓¹ before buying to know what textile the item is made of/ how to care for the item in order to make good choices.
- Buy organic clothing/ fabrics/ organic cotton/ textiles made from sustainable sources/ bamboo/ flax/ hemp/ eco-friendly fabrics. ✓²
- Buy locally produced garments/ support local designers/ the 'proudly South African' logo ✓³ as these have a smaller carbon footprint.
- Buy recycled textiles/ buy upcycled/ unwanted/ second hand clothing items from a hospice/ charity/ vintage shop. ✓⁴
- Buy classic/ good quality clothes as these can be worn for a long time. ✓⁵

(Any 4) (4)

*Understanding, easy (Focus, page 62; Successful, page 69-70)***4.2 Explain what organic cotton is.**

- Organic cotton is grown/ in an eco friendly/ natural way/ not harming the environment/ without the use of herbicides/ pesticides/ fertilisers/ chemicals/ other toxic materials. ✓

(1)

*Remembering, easy (Focus, page 61; Successful, page 67)***4.3 4.3.1 (a) Identify the clothing item that is an example of retrospective fashion.**

- (Light and dark brown check) tie ✓ with 1970 appearance. (1)

(b) Motivate your answer given in 4.3.1 (a).

- The tie imitates/ resembles the style of a previous era (1970s). ✓

(1)

*Understanding, easy (Focus, page 51; Successful, page 53)***4.3.2 Describe the optical illusion created by the following items from the outfit when worn by a young adult:****(a) Shirt**

- The light/sky blue* ✓¹ shirt will make the upper body of the wearer appear larger/ broader ✓² as light colours reflect more light/ create the illusion of space. ✓³ (Any 2) (2)

(b) Suit

- The navy blue/ dark ✓¹ suit will make the wearer appear slender/ thinner ✓² as dark colours absorb light/ one colour does not divide the figure in two. ✓³
- The slim fit ✓⁴ trousers and jacket make the wearer appear thinner/ slimmer/ taller ✓⁵ because it is not bulky ✓⁶.

(Any 2) (2)

*Understanding, moderate (Grade 11)***NOTE:** No mark awarded for light/sky blue if it is not linked to the optical illusion.

4.3.3 Write a paragraph to discuss the versatility of the navy blue suit.

It is a fashion classic/ classic style✓¹ which is timeless/ will last for many seasons/ remain popular for a long time.✓² The jacket and trousers can be worn separately/ can be dressed up or down/ mixed and matched.✓³ The suit can be worn with different coloured shirts/ pullovers.✓⁴ The suit can be worn with ties/ accessories of a different colour/ style.✓⁵ It can be worn with any colour shoes.✓⁶ It can be worn in different seasons.✓⁷ Can be worn in the day or evening/ different occasions.✓⁸

(Any 4) (4)

Applying, moderate (Focus, page 58; Successful, page 61-62)

NOTE: Deduct ONE mark if not written in paragraph format.

4.3.4 Analyse why the accessories of the outfit have been chosen wisely.

- The dark brown colour of the briefcase/ shoes/ watch strap/ frame of glasses match/ co-ordinate/ complement each other and other outfits.✓¹
- The briefcase and shoes are good quality✓² as they are genuine leather✓³ and will last for many seasons/ timeless/ classic styles.✓⁴
- The shoes are a darker colour than the trousers✓⁵ and it is good practice to wear shoes that are the same colour or darker than the hemline.
- The check light and dark brown tie, when worn, creates interest✓⁶ and is the point of emphasis in the outfit.✓⁷
- The blue and brown pocket handkerchief brings the colours used in the outfit into harmony/ unity with one another.✓⁸
- The modern style of the watch complements the modern style of the suit.✓⁹
- These accessories create a formal/professional/sophisticated look.✓¹⁰

(Any 5) (5)

Analysing, difficult (Focus, page 55, 59; Successful, page 62)

[20]

QUESTION 5: HOUSING AND INTERIOR

5.1 Name THREE types of monthly payments that a home owner must pay to the local municipality.

- Water✓¹
- Electricity✓²
- Property rates/ property taxes/ rates and taxes✓³
- Sewerage✓⁴
- Refuse removal✓⁵

(Any 3) (3)

Remembering, easy (Focus, page 124; Successful, page 139)

5.2 Explain the function of a body corporate.

- Control/ administer/ manage✓¹ the complex/ block/ sectional title scheme.✓²
- Responsible for the election of trustees✓³ who are responsible for the day-to-day running of the complex/ block/ scheme,✓⁴ for example, taking care of the gardens/ waste disposal.✓⁵
- The body corporate is responsible for distributing/ using the levies.✓⁶

(Any 2) (2)

Remembering, easy (Focus, page 122; Successful, page 140)

5.3 Name TWO costs included in the monthly repayments of a home loan.

- Reducing capital✓¹
- Interest✓²
- Life insurance premium/ mortgage bond protection insurance✓³
- Homeowner's comprehensive insurance✓⁴
- Administration fees/ service fee✓⁵

(Any 2) (2)

Remembering, easy (Focus, page 127, 128; Successful, page 145)

NOTE: Do not accept "insurance" on its own.

5.4 Give TWO reasons why reducing human energy consumption should be considered when buying household appliances.

- So that time is saved.✓¹
- So that energy/ physical labour/ effort/ workload is saved.✓²

(2)

Remembering, easy (Focus, page 136; Successful, page 154)

5.5 Explain what a government housing subsidy is.

- It is a government grant/ allowance✓¹ for qualifying low income (earn less than R3 500)✓² consumers/ beneficiaries to help them acquire housing/ to buy residential property✓³ for the first time.✓⁴ Doesn't have to be paid back.✓⁵

(Any 3) (3)

Remembering, moderate (Focus, page 130; Successful, page 148)

5.6 Explain the difference between *full title ownership* and *sectional-title ownership*.

- Full title ownership: The owner owns the entire property/land^{✓1} and the structures on it.^{✓2}
- Sectional title ownership: The owner owns a section/unit^{✓3} of the property and shares the ownership of the common areas.^{✓4}

Understanding, easy (Focus, page 121-122; Successful, page 139-140)

(4)

5.7 Discuss FOUR financial disadvantages of renting a property.

- After paying rent for years, the tenant still does not own the property^{✓1} therefore the tenant loses money over the years^{✓2} that cannot be regained.
- The tenant's assets do not increase/ no investment.^{✓3} He/she assists the owner to accumulate wealth^{✓4} as the value of the property normally increases over the years.^{✓5}
- If the tenant spends money on the property (any renovations/ improvements) (with permission) he/she may lose the money spent^{✓6} as the owner can decide if he/she will refund/reimburse the tenant.^{✓7}
- Rent usually increases every year^{✓8} therefore the tenant will have more accommodation/ housing expenses/ expensive in long run/ less disposable income every year.^{✓9}
- The tenant cannot use the property as security/ collateral security for a loan^{✓10} and may therefore not be able to afford his/her own home/ property in future^{✓11} if no money is saved towards buying a property.
- The tenant cannot sell the property^{✓12} to make a profit.^{✓13}
- If the tenant moves out before the end of the contract^{✓14}, the tenant is responsible for the payment of the last months.^{✓15}
- A tenant may have to forfeit a deposit^{✓16} if the tenant caused damages to the property.^{✓17}

Applying, difficult (Focus p 118; Successful p 137)

(Any 4 x 2)

(8)

5.8 Compile a check list of EIGHT universal design features applicable to a combination gas and electric stove.

- Continuous grid on gas top✓¹ for easy sliding of pots and pans
- Easy-to-clean top/ grid✓² that can be lifted to allow for easy cleaning
- Stove plates to accommodate different sized saucepans/ pots/ frying pans✓³
- Safety feature that shuts down the flow of gas if the flame is not ignited✓⁴
- One-hand/ electric ignition✓⁵
- Easy to operate/ handle/ use control buttons✓⁶
- Easy to read/ understand controls/ clear display text✓⁷
- Controls within easy reach/ front of stove✓⁸
- Electronic timer/ clock✓⁹
- Child-safety lock✓¹⁰
- Side-hinged oven door✓¹¹
- Self-cleaning oven✓¹²
- Interior lights in oven✓¹³
- Clear instruction manual✓¹⁴
- An oven light which indicates when the oven has reached the correct temperature✓¹⁵
- Easy to remove and clean oven racks.✓¹⁶

(Any 8)

(8)

*Understanding, moderate (Focus, page 137, 139-140 Successful, page 153 and 159)***5.9 Analyse the disadvantages for José having a house built.**

- Building the house was more expensive✓¹ as José spent much more money than was anticipated.✓²
- Building became complicated✓³ for José, as the builder was unskilled/ inexperienced/ not registered with the NHBRC.✓⁴ Although his labour was cheap,✓⁵ it cost José much more as he had to buy more building materials.✓⁶ and he had to pay more wages as there were more building days.✓⁷
- The building quality was poor/ poor workmanship/ wall was skew✓⁸ and had to be demolished and rebuilt.✓⁹
- The building process was delayed by another month✓¹⁰ and this caused stress✓¹¹ for José as he/she had already given notice for moving out of the rental house.✓¹² José had to pay rent for another month✓¹³ due to the delay.
- José had to pay rates and taxes/ water/ sewerage disposal to the local municipality✓¹⁴ although he didn't occupy the newly built house.✓¹⁵ (Any 8)

Analysing, moderate (Focus p 121; Successful p 138)

(8)

[40]

QUESTION 6: ENTREPRENEURSHIP

6.1 Name the TWO options available to an entrepreneur to distribute his/her products.

- Selling themselves/ Direct selling/ distribution✓¹
- Using a middleman/ indirect selling✓² (2)

Remembering, easy (Focus, page 33; Successful, page 32)

6.2 Define the term *target market*.

- A specific group of people✓¹ prepared to purchase a product/ service✓² and are willing to pay the price for it/ have money to pay for the product/ service.✓³
- A target market has common needs and interests,✓⁴ differ from other groups✓⁵ and will respond similarly to marketing action.✓⁶ (Any 2) (2)

Remembering, easy (Focus, page 34; Successful, page 33)

6.3.1 State the main purpose of stock control in Nelisa's business.

- To prevent production stoppage due to a shortage of raw materials/ Ensures that she will have enough raw materials for production.✓¹
- Ensures the right quantity raw materials are purchased.✓²
- Ensures that the money invested in stock is limited.✓³
- Minimises the cost of storing final products.✓⁴
- Reduces the wastage of materials✓⁵ – no ordering of items for products not selling.
- Limits theft of raw material/ products/ equipment.✓⁶
- It enables Nelisa to check how many items have been completed and how many are in progress.✓⁷ (Any 3) (3)

Remembering, moderate (Focus, page 19; Successful, page 23)

6.3.2 Explain why a tidy workplace is important for the efficient production of Nelisa's products.

- It ensures a healthy/ hygienic✓¹ and safe✓² environment for the workers.
- A tidy workspace prevents accidents/ fires.✓³
- It will help the workers to work fast/ more efficiently✓⁴ and accurately.✓⁵
- Easier to keep clean if all the items are in their place/ containers.✓⁶
- A tidy workplace will ensure that she will be able to keep control of all the small items (beads etc.)/ there will be no loss of materials/ beads. ✓⁷ (Any 4) (4)

Remembering, easy (Focus, page 17; Successful, page 22)

6.3.3 State FOUR items of information that should appear on the labels of Nelisa's products.

- Product name✓¹
- Logo/ trademark/ Brand name✓²
- Type of product✓³
- Materials used/ origin of materials✓⁴
- Cleaning/care instructions✓⁵
- Name of manufacturer✓⁶
- (Contact) details of manufacturer✓⁷
- Address of the manufacturer/ country of origin✓⁸
- Price✓⁹
- Information on product/ hypo-allergenic/ warnings✓¹⁰
- Product size✓¹¹

(Any 4) (4)

*Remembering, easy (Focus, page 29; Successful, page 29)***6.3.4 Discuss why it is important for Nelisa to deal with customer queries.**

- A business's customers are its most important assets✓¹ as the number of people who buy the jewellery will determine the success of the business.✓² Quick response to customers' queries will ensure their support /improve customer relations✓³ so that the business grows.✓⁴ It is essential for her to make sure her business meets the needs of its customers.✓⁵ happy customers encourage sales by word-of-mouth/ unhappy customers mean possibly no sale and no profit.✓⁶
- Getting feedback from customers can be used to improve her business/ products/ service.✓⁷ As a result of customers' queries Nelisa can adapt her products to make her business grow/ meets needs of her customers/ produces what they want.✓⁸
- Addressing complaints/ needs/ listening to customers will help to keep them/ maintain their loyalty.✓⁹

(Any 5) (5)

*Understanding, moderate (Focus, page 25; Successful, page 25)***6.3.5 Various factors must be considered in an entrepreneur's choice of a suitable product for small-scale production. Discuss how each of the following factors contributes to Nelisa's success.****(a) Availability of financial resources**

- She chose a business idea with low start-up/ initial costs.✓¹
- She did not have to rent a working space, she worked from home.✓²
- She used a combination of profits and savings✓³ to build a new workshop in her garden✓⁴ when she needed a larger work space.✓⁵ OR She had sufficient funds to expand.✓⁶
- She doubled her sales by selling at a market.✓⁷ Revenue from this brought in more profit✓⁸
- She had the resources/ finances to employ/ pay four full-time staff members and casuals✓⁹

(Any 3) (3)

Applying, moderate (Focus, page 11; Successful, page 18-19)

(b) Availability of raw materials

- Her raw materials do not depend on the season/ not seasonal✓¹ and will not go off/ perish.✓²
- The raw materials are available from various sources/locally available✓³/ always available/ will not run out and stop production.✓⁴
- She first bought beads from local bead shops✓⁵ and now buys semi-precious stones from international dealers.✓⁶
She has funds to buy better quality stones/ greater appeal that results in more sales✓⁷

(Any 3) (3)

Applying, moderate (Focus, page 13; Successful, page 19)

6.3.6 The selling price of a pair of earrings is R290,00. The raw materials to make 150 pairs of earrings cost R7 970. The overheads to make 150 pairs of earrings are R8 270.

- (a) Calculate how many earrings must be sold in order to cover the production cost. Show ALL your calculations.**

$$\begin{aligned}\text{Production cost} &= \text{R7 970} + \text{R8 270}✓ \\ &= \text{R16 240}✓\end{aligned}$$

$$\text{R16 240} \div \text{R290} = 56✓ \text{ pairs of earrings}$$

(3)

Applying, moderate (Focus, page 36 – 37; Successful, page 39)

- (b) Calculate the profit that Nelisa will make if she sells 150 pairs of earrings. Show ALL your calculations.**

$$\begin{aligned}150 \times \text{R290} &= \text{R43 500}✓ \\ \text{R43 500} - (\text{R7 970} + \text{R8 270})/\text{R16 240}✓ &= \text{R27 260}✓\end{aligned}$$

OR

$$\begin{aligned}150 - 56 &= 94✓ \\ 94 \times \text{R290}✓ &= \text{R27 260}✓\end{aligned}$$

OR

$$\begin{aligned}\text{Raw materials for 1 product: } &\text{R7 979} \div 150 = \text{R53,13} \\ \text{Overheads for 1 product: } &\text{R8 270} \div 150 = \text{R55,13} \\ \text{R53,13} + \text{R55,13} &= \text{R108,26} \\ \text{R290,00} - \text{R108,26} &= \text{R181,74}✓ \\ \text{R181,74} \times 150✓ &= \text{R27 261}✓\end{aligned}$$

OR

$$\begin{aligned}\text{R290} - \text{R108,27}✓ & \text{ (1 pair production cost)} \\ &= \text{R181,73} \times 150✓ \\ &= \text{R 27 259,50}✓\end{aligned}$$

(3)

Applying, moderate (Focus, page 36-37; Successful, page 39)

NOTE: The “R” must be indicated as part of the answer.

6.3.7 Nelisa met her sales targets and achieved her monthly sales objective for each of the past 18 months. Give reasons for this success AND explain why she is likely to have continued success.

- Nelisa knows her trade/ has the skills/ knowledge/ refresher courses✓¹ to make good quality jewellery. This will ensure customer satisfaction.✓²
- She has an appealing logo and labels✓³ and this will persuade✓⁴ customers to buy.
- She markets her products on Facebook✓⁵ to a large target market.✓⁶
- The jewellery is sold in various stores/ mall/ markets/ on-line✓⁷ and this enlarges her customer base/ increases sales.✓⁸
- People/ husband/ staff help her/ she doesn't do everything herself,✓⁹ thus she can focus on designing/ boosts production.✓¹⁰
- She tends to customer queries/ addresses complaints/ needs✓¹¹ therefore she keeps customers happy/ builds good customer relations.✓¹²
- She uses good quality raw materials✓¹³ which ensure durability.✓¹⁴
- Her range is versatile/ includes a variety of jewellery pieces✓¹⁵ at various prices.✓¹⁶ This means that her products will appeal to a wide target market/ niche market.✓¹⁷
- Her products are not seasonal/ people buy jewellery throughout the year✓¹⁸ and this enables her to make a profit throughout the year.✓¹⁹
- Her products do not go off/ don't have a shelf life,✓²⁰ therefore there is no wastage/ loss.✓²¹

(Any 4 x 2) (8)

Analysing, difficult (Focus, page 20-25; Successful, page 26 – 33)

[40]

TOTAL: 200