

**Memorandum****Section A:**

- Q1.1 1.1.1 D  
 1.1.2 D  
 1.1.3 A  
 1.1.4 B  
 1.1.5 D  
 1.1.6 C  
 1.1.7 A  
 1.1.8 B  
 1.1.9 B  
 1.1.10
- Q1.2 1.2.1 True  
 1.2.2 True  
 1.2.3 True  
 1.2.4 True  
 1.2.5 False
- 1.2.6 False  
 1.2.7 True  
 1.2.8 True  
 1.2.9 False  
 1.2.10 False
- Q1.3 1.3.1 The market environment  
 1.3.2 Primary Sector  
 1.3.3 The marketing function  
 1.3.4 Innovation  
 1.3.5 Disposable income
- 1.3.6 Absolute poverty  
 1.3.7 Human Resource function  
 1.3.8 Inflation  
 1.3.9 Intermediaries  
 1.3.10 Piracy
- Q1.4 1.4.1 D  
 1.4.2 I  
 1.4.3 E  
 1.4.4 A  
 1.4.5 J  
 1.4.6 B  
 1.4.7 G  
 1.4.8 H  
 1.4.9 C  
 1.4.10 F

**Section B:****Question 2:****Factors contributing to unemployment**

- Actions of trade unions could contribute towards unemployment (✓✓) because a small increase in wages for unskilled labourers could cause a bigger decrease in the demand for that specific form of labour. (✓✓)
- Current labour laws are very rigid and are preventing employment. (✓✓)
- Lower productivity means that the production output by workers has decreased, yet the cost of production has increased. (✓✓)

- Employing people who suffer from HIV/AIDS leads to an increase in absenteeism. (✓✓)
- Local textile and clothing manufacturers are unable to compete with cheap imports from Asian countries. (✓✓) They may have to cut their costs by retrenching many workers. (✓✓)
- The stronger Rand, which makes exports more expensive, contributes towards liquidation of many mining companies, leaving thousands unemployed. (✓✓)
- The government has allocated large sums of money for job creation, but these funds have not filtered through to the people who should benefit from them. (✓✓) (10)

### **Recommendations to alleviate unemployment**

- Businesses could implement social investment strategies (✓✓) such as adult literacy courses, (✓✓) entrepreneurship projects and providing learnerships that will enable young people to acquire skills and training while earning an income (✓✓).
- Municipalities have launched job creation projects, using workers from their own community. (✓✓)
- People suffering from HIV/AIDS should be encouraged to be tested regularly to stay aware of their health status so that they can receive medical treatment. (✓✓)
- Labour laws need to be reviewed to address factors that are hampering business development (✓✓)
- Trade unions need to consider approaches when bargaining for wage increases that would not decrease productivity. (✓✓) This would in turn reduce the cost of production and create more jobs, by making businesses more competitive. (✓✓) (10)

**Introduction:** 3 marks

**Conclusion:** 2 marks

**Question 3:**

Environment	0 - 2	3 - 4	5 -6	MARKS
Micro	Basic definition and correct identification of environment.	Environment correctly defined and identified, and level of control correctly indicated.	Identification, definition and control correct, as well as the identification of <b>THREE</b> challenges that impact on the micro environment.	
Market	Basic definition and correct identification of environment.	Environment correctly defined and identified, and level of control correctly indicated.	Identification, definition and control correct, as well as the identification of <b>THREE</b> challenges that impact on the market environment.	
Macro	Basic definition and correct identification of environment.	Environment correctly defined and identified, and level of control correctly indicated.	Identification, definition and control correct, as well as the identification of <b>THREE</b> challenges that impact on the macro environment.	
<b>TOTAL MARKS</b>				<hr/> 18

***Micro-economic environment***...refers to the internal working of a business such as the management systems, the people employed, the activities, communications, relationships, etc, which the business is able to technically and/or tactically control through efficient decision-making.√√√

*Factors* which impact on this environment are consumer preferences, activities of competitors, the available capital and other resources, government staffing regulations. Challenges in this environment would be the businesses mission statement, employee skill levels, retention of employees, 'difficult' employees, trade unions, and so on.√√√

**The market environment**...comprises all the essential elements immediately outside the business which the business takes into account when making decisions and conducting its business. So, while these elements, which are not under the control of the business, play a big role, management is still able to control their activities and beneficially influence the outcome.√√√

*Factors* which impact on this environment are consumers, suppliers, competitors, bankers, and intermediaries such as wholesalers and agents.√√√

**The macro-environment**...consists of those elements outside the business of a national or international/global nature, over which the business has no control whatsoever. The business can only analyse and examine these elements and adapt itself to meet the challenges they present.√√√

*Factors/challenges* which impact on this environment are things like:√√√

- The natural/physical environment...shortage of raw materials, drought, etc
- The institutional/political environment...legislation passed by the govt, etc.
- The social environment...low levels of education, unemployment, shortage of skilled labour, decreasing standards of living, high levels of crime, HIV/AIDS sicknesses, etc.
- The technological environment...technological advances, e-commerce, the IT industry challenges, communications, etc.
- The economic environment...fiscal and tax policies, international trading...
- The international environment...exports and imports of goods and raw materials, international competition, trade barriers, economic unions, etc

#### **Question 4:**

- 4.1 a) General rise in the level of prices  
b) The rate at which the Reserve Bank lends money to commercial banks

4.2 Tito Mboweni

4.3 Secondary Sector

4.4 Primary Sector: This includes the extraction of raw materials from nature such as farming, forestry and mining.

Tertiary Sector: This is the movement of products from the producer to the consumer. This includes storage, transport, financing and insurance.

4.5 Economic environment

4.6 Any TWO of the following:

- Nedbank
- ABSA
- Standard Bank
- First National Bank

**Question 5:**

- |   |  |     |
|---|--|-----|
| 1 | Tertiary ✓✓  | (2) |
| 2 | Concerned with getting food and raw materials from nature ✓✓ | (2) |
| 3 | Changing raw materials into finished goods ✓✓                | (2) |
| 4 | Agriculture ✓✓   | (2) |
| 5 | Manufacturing ✓✓   | (2) |
| 6 | Gold ✓✓  | (2) |
| 7 | Banks ✓✓   | (2) |
| 8 | For example, KOO FACTORY ✓✓                                  | (2) |
- [16]**

**Question 6:**

- Good organisational and management skills ✓✓ - experience in the planning, controlling and organising of the marketing activities. ✓✓
- Good communication skills. ✓✓ - internal newsletter. ✓✓
- Creativity and ability to be innovative ✓✓ - imported new fabrics from China ✓✓
- Interpersonal skills and the ability to work with people ✓✓ - regular meetings with staff ✓✓
- Ability to take calculated risks to increase output and profits. ✓✓ - resigned from the clothing factory and started his own business. ✓✓
- Positive and committed to the business ✓✓ - persevered with his business. ✓✓

(any 3 X 4 = 12 marks)