



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

CONSUMER STUDIES

NOVEMBER 2025

MARKING GUIDELINES

MARKS: 200

These marking guidelines consist of 20 pages.

SECTION A: SHORT QUESTIONS**QUESTION 1**

1.1	1.1.1	A✓ <i>Remembering, moderate (Focus, p.171; Successful, p.191)</i>	(1)
	1.1.2	C✓ <i>Understanding, easy (Focus, p.141,174; Successful, p.193)</i>	(1)
	1.1.3	D✓ <i>Understanding, easy (Focus, p.157; Successful, p.174)</i>	(1)
	1.1.4	B✓ <i>Understanding, moderate (Focus, p.166; Successful, p.184)</i>	(1)
	1.1.5	D✓ <i>Understanding, moderate (Focus, p.164-165; Successful, p.182)</i>	(1)
	1.1.6	C✓ <i>Remembering, moderate (Focus, p.90; Successful, p.106–107)</i>	(1)
	1.1.7	D✓ <i>Remembering, easy (Focus, p.94; Successful, p.113–114)</i>	(1)
	1.1.8	C✓ <i>Remembering, easy (Focus, p.74; Successful, p.83)</i>	(1)
	1.1.9	B✓ <i>Understanding, easy (Focus, p.103; Successful, p.123)</i>	(1)
	1.1.10	A✓ <i>Remembering, easy (Focus, p.104; Successful, p.125)</i>	(1)
	1.1.11	B✓ <i>Understanding, easy (Focus, p.54; Successful, p.57)</i>	(1)
	1.1.12	B✓ <i>Applying, moderate (Grade 11)</i>	(1)
	1.1.13	C✓ <i>Remembering, easy (Focus, p.49; Successful, p.51)</i>	(1)
	1.1.14	A✓ <i>Remembering, easy (Focus, p.119; Successful, p.139)</i>	(1)
	1.1.15	D✓ <i>Understanding, easy (Focus, p.148; Successful, p.162)</i>	(1)
	1.1.16	B✓ <i>Understanding, easy (Focus, p.30-31; Successful, p.30)</i>	(1)
	1.1.17	B✓ <i>Remembering, easy (Focus, p.19; Successful, p.23)</i>	(1)
	1.1.18	A✓ <i>Understanding, moderate (Focus, p.35; Successful, p.35)</i>	(1)
	1.1.19	D✓ <i>Understanding, moderate (Focus, p.8; Successful, p.11)</i>	(1)
	1.1.20	A✓ <i>Remembering, moderate (Focus, p.40; Successful, p.42)</i>	(1)

- 1.2 1.2.1 Antioxidants✓
- 1.2.2 Stabilisers/ emulsifiers✓
- 1.2.3 (Chemical) preservatives✓
- 1.2.4 Bleaches/ colourants✓ (4)
- Remembering, easy (Focus, p.93–94; Successful, p.113–114)*
- 1.3 A✓
- C✓
- E✓ (Any order) (3)
- Understanding, moderate (Focus, p.64; Successful, p.72)*
- 1.4 1.4.1 D✓
- 1.4.2 C✓
- 1.4.3 E✓
- 1.4.4 B✓
- 1.4.5 F✓ (5)
- Understanding, moderate (Focus, p.155, 156, 158,161,162; Successful, p.169, 173, 175–179)*
- 1.5 A✓
- C✓
- F✓
- H✓ (Any order) (4)
- Understanding, difficult (Focus, p.16; Successful, p.24)*
- 1.6 1.6.1 Levy✓
- 1.6.2 Rent✓
- 1.6.3 (Homeowner's comprehensive) insurance✓
- 1.6.4 Rates/ property taxes/ services fees✓ (4)
- Understanding, moderate (Focus, p.117, 122, 127,128; Successful, p.137, 139, 140, 145)*

[40]

SECTION B: LONG QUESTIONS**QUESTION 2: THE CONSUMER**

2.1 **Define the following terms:**

2.1.1 **Consumer Price Index (CPI)**

The consumer price index (CPI) measures/ calculates/ determines^{✓1} the change in the price of a group of products and services^{✓2} over a specific period/ 12 months.^{✓3} (Any 2) (2)

Remembering, easy (Focus, page 167; Successful, page 185)

2.1.2 **Pay as you earn (PAYE)**

It is tax deducted from an employee's^{✓1} salary on a monthly basis/ at the same time his/ her income is earned.^{✓2} (2)

Remembering, easy (Focus, p.163; Successful, p.181)

2.2 **Name the body that is responsible for setting the repo rate.**

(South African) Reserve Bank (SARB).[✓] (1)

Remembering, moderate (Focus, p.166; Successful, p.184)

2.3 **Name THREE basic services that are provided by municipalities.**

- Electricity^{✓1}
- Water^{✓2}
- Sanitation/ sewage collection^{✓3}
- Refuse/ waste removal^{✓4}

(Any 3) (3)

Remembering, easy (Focus, p.183; Successful, p.202)

2.4 **Name TWO types of credit contracts in which goods and services are bought and paid for later.**

- Mortgage bonds^{✓1}
- Bank loans/ loans from financial institutions^{✓2}
- Instalment sale/ hire purchase^{✓3}
- Store credit accounts/ store card^{✓4}
- Credit card^{✓5}

(Any 2) (2)

Remembering, easy (Focus, p.155-156; Successful, p.170–172)

2.5 State TWO ways to reduce the consumption of electricity when drying clothes.

- Hang washing out to dry instead of using a tumble dryer.✓¹
- Dripping wet clothes must not be tumble dried/ wring out clothes before tumble drying✓² because they will take longer to dry.
- Use the correct temperature setting on a tumble dryer to minimize the amount of electricity used.✓³
- Only use the tumble dryer when there is a full load.✓⁴
- Use an energy efficient tumble dryer with an A rating.✓⁵
- You can avoid ironing clothes by removing clothing promptly from the tumble dryer and folding it carefully.✓⁶
- Ensure that rubber seals are intact to prevent heat from escaping.✓⁷
- Clean filters regularly to reduce drying time.✓⁸
- Do not overload the tumble dryer.✓⁹
- Use a gas tumble dryer.✓¹⁰

(Any 2) (2)

Understanding, moderate (Focus, p.174; Successful, p.193–194)

2.6 Explain why compound interest is beneficial for investments/ savings.

- In compound interest, interest is earned on the original/ principal investment/ savings/ amount✓¹ and the interest already earned.✓²
- Money grows faster✓³ over a short period of time.
- It is a better long-term choice because it gives higher returns.✓⁴

(Any 2) (2)

Understanding, easy (Focus p.166; Successful p.184)

2.7 Explain why it is advantageous for a consumer to buy a product that has a warranty/ guarantee.

- It assures a consumer that a product will meet the quality/ durability/ standards✓¹ and remain in working order✓² for a particular length of time.✓³
- It ensures that a product will be repaired✓⁴ if it has any defects without the cost to the consumer.✓⁵
- Warranty/ guarantee promises that product will be replaced✓⁶ if the product is not in working order✓⁷ within a given period of time.
- It allows for the consumer to be refunded✓⁸ if the product does not satisfy the terms agreed upon.✓⁹
- It safe guards the consumer against any loss.✓¹⁰

(Any 4) (4)

Understanding, moderate (Focus, p.158; Successful, p.175)

2.8 2.8.1 **Identify the type of scam that is represented in the SMS above.**

Lottery/ prize notification scam.✓

Understanding, moderate (Focus, p.159; Successful, p.177)

(1)

2.8.2 **Explain why the above SMS is regarded as a scam.**

- Alex received an SMS stating that he won a lottery jackpot.✓¹
- It required Alex to provide his personal details.✓²
- Alex must pay a processing fee of \$200 to claim the price.✓³
- The SMS stated that 'Don't miss out on this amazing opportunity' even though it stated that he/she has already won the lottery.✓⁴
- There is a spelling error (clam) on the SMS indicating that it is not legitimate.✓⁵
- It sounds too good to be true.✓⁶
- Alex might not have entered the lottery jackpot.✓⁷
- There are no contact details/ name of lottery is not provided.✓⁸
- A lotto ticket is claimed on site and a SMS is not sent to the winner/ Alex.✓⁹

(Any 4)

(4)

Understanding, moderate (Focus, p.159; Successful, p.177)

2.9 **Differentiate between the *inflation rate* and the *interest rate*.**

- Inflation rate is the average percentage increase✓¹ in prices of goods and services in a year/ annually✓² which is based on the Consumer Price Index (CPI).✓³
- Interest rate is the rate at which borrowers pay interest✓⁴ for the money they borrowed✓⁵ from financial institutions. It is charged on a month to month basis.✓⁶
- The interest rate is also the rate at which consumers receive interest on their investments/ savings.✓⁷
- Interest rate is determined by the repo rate.✓⁸

(Any 4)

(4)

Understanding, moderate (Focus, p.166-168; Successful, p.184–185)

NOTE: Candidate must refer to both inflation rate and interest rate to be awarded 4 marks.

2.10 Explain the causes of the continuous increase in prices.

- The increase in the price of electricity^{✓1} caused manufactures and sellers to increase their prices to cover the increased electricity costs.^{✓2}
- The prices of raw materials increase^{✓3} causing the selling prices to increase.
- An increase in the cost of fuel/ transportation^{✓4} would also contribute to price increases.
- The manufactures/ businesses increased salaries/ wages^{✓5} and rental increases.^{✓6} cost the businesses more money/ increasing the overhead costs^{✓7} and the cost of the increases are added^{✓8} to the price of goods and services.
- Strikes/ protest actions/ riots/ wars can cause prices to increase.^{✓9}
- Loadshedding/ watershedding may also cause prices to increase.^{✓10}
- The increase in the interest rate^{✓11} would have cost businesses that has debt more money to pay off^{✓12} the debt.
- An increase in the inflation rate^{✓13} also caused prices to increase.
- If the government prints more money without security/ spend more than it receives.^{✓14}
- The increase in levies/ sugar tax/ sin tax/ fuel tax/ import duties/ exchange rate^{✓15} also caused an increase in the price of goods and services.
- Floods/ drought^{✓16} could have impacted local farms resulting in low crop yield^{✓17} which increased prices. (Any 5)

Analysing, difficult (Focus, p.164–168; Successful, p.182, 184, 185)

(5)

2.11 **Both communities and municipalities have a responsibility towards combating the problem.**

Validate the above statement.

Municipalities must ...

- collect the rubbish/ waste regularly^{✓1} from the community.
- build/ maintain/ manage landfill sites^{✓2} for the refuse collected.
- encourage communities to recycle^{✓3} waste that is recyclable like glass/ paper/ plastic/ cardboard.^{✓4}
- provide recycling areas.^{✓5}
- put up 'no dumping' signs/ boards/ notifications and ensure there are consequences/ fines^{✓6} for illegal dumping.
- provide wheely bins/ trash bags^{✓7} so that animals cannot destroy black bags before they are collected.
- use rates and taxes responsibly to ensure that rubbish is collected.^{✓8}

Communities must ...

- throw away their rubbish in a responsible manner,^{✓9} and not litter.^{✓10}
- pay rates and taxes^{✓11} so that municipalities can have funds to collect waste.^{✓12}
- recycle^{✓13} their waste like paper/ plastic/ glass/ cardboard instead of throwing it away.
- put their bins out on collection days.^{✓14}
- organise community clean up campaigns.^{✓15}
- communities must submit recommendations and complaints about rubbish that is not collected/ removed to the municipality in writing.^{✓16}
- report illegal dumping to the municipality.^{✓17}
- attend council meetings^{✓18} to show support or stay informed of what the municipality is doing with regards to refuse removal.^{✓19} (Any 8) (8)

Analysing, moderate (Focus, p.183, 185; Successful, p.203, 205)

NOTE: Candidate must refer to both municipalities and communities to be awarded full marks.

[40]

QUESTION 3: FOOD AND NUTRITION**3.1 Define the following terms:****3.1.1 Cholesterol**

It is a soft/ white,^{✓1} waxy/ fatty substance^{✓2} that occurs naturally in the blood/ is a component of body cells/ hormones^{✓3} and is produced in the liver and body cells.^{✓4}

(Any 3) (3)

*Remembering, easy (Focus, p.74; Successful, p.84)***3.1.2 Food security**

It is the ability of individuals to obtain/ access sufficient/ enough/ adequate,^{✓1} nutritious^{✓2} food that is safe^{✓3} on a daily basis^{✓4} to maintain a healthy/ active lifestyle.^{✓5}

(Any 3) (3)

*Remembering, easy (Focus, p.106; Successful, p.128)***3.1.3 Organic foods**

Organic foods are grown in an environmentally friendly way/ using traditional/ natural farming methods^{✓1} without the use of pesticides/ herbicides/ chemicals/ fertilisers.^{✓2}

(2)

*Remembering, easy (Focus, p.104; Successful, p.125)***3.2 List the information found on a food label that could assist in preventing food poisoning.**

- Date stamp/ markings^{✓1} (used by/ best before)
- Ingredients^{✓2}
- Storage instructions^{✓3}
- Cooking/ heating instructions^{✓4}

(Any 3) (3)

*Understanding, moderate (Focus, p.97; Successful, p.117)***3.3 Write a paragraph to discuss the difference between *high-density lipoprotein (HDL)* and *low-density lipoprotein (LDL)* cholesterol.**

HDL is the good^{✓1} cholesterol. It gathers up excess cholesterol^{✓2} and removes some cholesterol already deposited on the artery walls^{✓3} and transports it to the liver where it is broken down to be excreted.^{✓4} It lowers the risk of heart disease.^{✓5} It is increased by exercising.^{✓6} LDL is the bad/ dangerous^{✓7} cholesterol. It builds up in the arteries^{✓8} causing the gradual narrowing^{✓9} of the blood vessels. It contributes to heart disease.^{✓10} It is increased by saturated/ trans fatty acid.^{✓11}

(Any 6) (6)

*Understanding, moderate (Focus, p.74; Successful, p.84)***NOTE:** Candidates must refer to both HDL and LDL to be awarded full marks.

3.4 Discuss how hepatitis A can be transmitted in the food environment.

- Transmission can occur when an infected person does not wash his/ her hands^{✓1} after using the toilet^{✓2} and then touches food/ drinks.^{✓3}
- Poor sanitation may also lead to the transmission of Hepatitis A.^{✓4}
- Hepatitis A can spread when an uninfected or unvaccinated person^{✓5} eats or drinks food that was contaminated by the faeces^{✓6} of an infected person.
- It can also spread through contaminated food/ water.^{✓7} (Any 3) (3)

Remembering, easy (Focus, p.89; Successful, p.103)

3.5 Explain the advantages of the irradiation of fruit and vegetables.

- Delays the ripening of fruit.^{✓1}
- Reduces losses during transportation and storage.^{✓2}
- Controls the sprouting of onions, garlic and potatoes.^{✓3}
- Delays the greening of potatoes.^{✓4}
- Increases/ extends the shelf life of fruit and vegetables.^{✓5}
- Destroys insects in/ on tropical fruit that are imported/ exported.^{✓6}
- It destroys harmful organisms thus preventing food-borne diseases.^{✓7} (Any 4) (4)

Understanding, moderate (Focus, p.105; Successful, p.127)

3.6 Explain how anaemia can be prevented and managed by vegetarians

- They must eat sufficient quantities of foods that are rich in iron^{✓1} and folic acid.^{✓2}
- Other sources of iron/ folic acid are fish/ wholegrain cereals/ legumes/ green leafy vegetables.^{✓3}
- They must also eat foods that contain vitamin C/ ascorbic acid^{✓4} such as dark leafy vegetables/ berries/ citrus fruit/ tomatoes^{✓5} because it promotes the absorption of iron.^{✓6}
- Coffee/ tea must not be consumed with a meal^{✓7} because it reduces the absorption of iron.^{✓8}
- Vegetarians must take iron/ vitamin B₁₂ supplements^{✓9} because vitamin B₁₂ is only found in animal foods.^{✓10}
- Include foods fortified^{✓11} with vitamin B₁₂ such as bread. (Any 6) (6)

Understanding, moderate (Focus, p.77; Successful, p.91)

3.7 Discuss the effect that a diet high in fruit, vegetables and fish may have on the prevention and management of hypertension and coronary heart disease.

- A diet high in fruit, vegetables and fish reduce the risk and improve^{✓1} the management of hypertension and coronary heart disease.
- Fruit and vegetables contain antioxidants/ vitamin C/ ascorbic acid/ carotene^{✓2} minimizing the effect of free radicals^{✓3} which reduces the risk of heart disease.
- Fruit and vegetables are rich in (soluble) fibre^{✓4} which helps lower LDL (bad cholesterol)^{✓5} that clogs the arteries which leads to heart disease.
- Potassium/ magnesium^{✓6} found in some fruit and vegetables are essential for blood pressure regulation^{✓7} reducing strain on the arteries^{✓8} and reducing the risk of hypertension.
- Fruit/ vegetables are low in sodium/ salt^{✓9} which will reduce hypertension.
- Fruit/ vegetables do not contain animal fat or cholesterol.^{✓10} This will reduce the risk of coronary heart disease and hypertension.
- Fruit/ vegetables do not contain fat^{✓11} and are low in kilojoules^{✓12} reducing the risk of obesity^{✓13} and thus reducing the risk of hypertension and coronary heart disease.
- Dark green leafy vegetables such as spinach/ broccoli contain large amounts of phytochemicals^{✓14} that help to reduce the build-up of cholesterol in the arteries^{✓15} and reduces the risk of atherosclerosis.
- Fish contain unsaturated fats^{✓16} which reduces the LDL (bad cholesterol)^{✓17} thus lower the risk of coronary heart disease.
- The fat in fish has omega 3 fatty acids^{✓18} that protect the heart and blood vessels.^{✓19}

(Any 10) (10)

Analysing, difficult (Focus, p.74,75,77; Successful, p.83–88)

[40]

QUESTION 4: CLOTHING**4.1 Name TWO factors that influence fashion change.**

- Social✓¹
- Economic✓²
- Technological✓³
- Political/ Judicial✓⁴
- Cultural✓⁵
- Boredom of current fashion.✓⁶

(Any 2) (2)

*Remembering, easy (Focus, p.49, 51; Successful, p.53–55)***4.2 Explain the term *trademark*.**

A trademark is any word/ symbol/ logo/ label/ device/ name✓¹ that is used to identify/ distinguish✓² goods from those manufactured/ sold by others.✓³

(Any 2) (2)

*Remembering, easy (Focus, p.64; Successful, p.28,71)***4.3 State TWO illegal clothing practices.**

- Brand piracy✓¹
- Counterfeiting✓²
- Replication✓³
- Knock-offs✓⁴
- Fake/ imitation✓⁵

(Any 2) (2)

*Remembering, easy (Focus, p.64; Successful, p.72)***4.4 4.4.1 Identify the type of fashion that is represented by the graph.**

Fashion fad✓

(1)

*Understanding, moderate (Focus, p.49-50; Successful, p.50–51)***4.4.2 Name the stage in the fashion cycle that is represented by the following months:**(a) **December:** Introduction/ beginning/ launch✓

(1)

(b) **February:** Peak✓

(1)

*Understanding, easy (Focus, p.50; Successful, p.50)***4.4.3 Explain what happens to the cost of clothing items in the following months.**(a) **February**

The price is more affordable/ cheaper✓ and many people are buying it.

(1)

(b) **March**

The prices have gone down/ most of the items are on sale.✓

(1)

Applying, moderate (Focus, p.50; Successful, p.50)

4.5 **Discuss the versatility of the shoes.**

- The shoes can be worn formally or informally.✓¹
- Can be worn in different seasons.✓²
- Can be worn for different occasions/ types of work places.✓³
- Can be worn by males or females/ different age groups.✓⁴
- Can be worn with or without socks.✓⁵
- The shoes can be worn with a dress/ shorts/ long pants/ skirt.✓⁶
- Black is a neutral colour which makes it easy to wear with different coloured clothes.✓⁷

(Any 4) (4)

*Applying, moderate (Focus, p.55; Successful, p.62)*4.6 **Analyse the long-term effects that fast fashion will have on the natural environment.**

- Fast fashion lasts for a very short time which means it will be discarded✓¹ if it cannot be recycled and end up on landfills (cradle-to-grave).✓² More landfill sites will be required✓³ using up valuable/ productive/ farmland.✓⁴
- Non-biodegradable textiles/ packaging does not break down✓⁵ and will pile up on landfill sites causing soil/air pollution.✓⁶
- New textiles need to be produced all the time✓⁷ to meet the demand of making new clothing✓⁸ which requires more water✓⁹ and electricity✓¹⁰ causing depletion of natural resources✓¹¹ and increasing the carbon footprint/ global warming.✓¹²
- Toxic chemicals/ dyes✓¹³ used in the production of the textiles harm the natural environment/ water/ soil pollution.✓¹⁴
- The import of clothing✓¹⁵ from all over the world could lead to air/ noise pollution✓¹⁶ causing high carbon emissions during transportation.✓¹⁷

(Any 5) (5)

*Analysing, difficult (Focus, p.61-63; Successful, p.67–69)***NOTE:** Water/ Soil/ Air pollution should only be awarded a mark once.**[20]**

QUESTION 5: HOUSING AND INTERIOR

5.1 **Name the housing ownership option that is managed by a body corporate.**

Sectional title/ condominium✓ ownership (1)
Remembering, easy (Focus, p.122; Successful, p.140)

5.2 **Briefly describe what the body corporate is.**

- Every owner is a member in a sectional title complex and forms part of the body corporate.✓¹
- The group of people/ trustees elected by the owners of the units in the complex✓² who control/ administer/ manage/ run the complex.✓³

OR

• A professional managing agent appointed by the owners.✓⁴ (Any 1) (1)
Remembering, easy (Focus, p.122-123; Successful, p.140–141)

5.3 **State THREE disadvantages of buying household appliances on credit.**

- Repayments of the appliance must be paid promptly/ on time/ monthly/ over a long period,✓¹ which may decrease consumers' disposable income.✓²
- Failure to pay may result in repossession of the appliances.✓³
- There is a certain limit that can be spent/ provided by the credit provider.✓⁴
- There are other costs such as interest/ administration fee/ initial fees that must be paid/ penalties for late payment✓⁵ which makes it expensive.✓⁶
- The consumer cannot negotiate for a discount.✓⁷
- Consumers can spend more than they can afford✓⁸ and could be black listed.✓⁹
- Instalments must still be paid even if the appliance is broken/ stolen.✓¹⁰
- If a consumer stop paying the instalments he/ she loses all the money already paid.✓¹¹ (Any 3) (3)

Understanding, easy (Focus, p.148; Successful, p.162)

5.4 **List the information that must be included in a lease agreement to protect both the tenant and the landlord.**

- The date at which the rental of the property starts/ the length of the lease.✓¹
- Details on the renewal of the lease.✓²
- The amount of the rental instalment✓³ and the date on which it must be paid.✓⁴
- Rental conditions.✓⁵
- Clauses indicating the rights and responsibilities of the tenant and property owner.✓⁶
- Property inspection before moving in and after the lease expires.✓⁷
- Entry/access to the unit by the property owner.✓⁸
- Rules regarding deposit/ water/ electricity/ sub-letting/ pets.✓⁹ (Any 3) (3)

Understanding, moderate (Focus, p.118; Successful, p.138)

5.5 5.5.1 **Explain the advantages of the energy sources of the fridge/ freezer.**

- It uses gas which is cheaper^{✓1} than electricity, thus saving the cost of electricity.^{✓2}
- It will convert to gas when there is no electricity^{✓3} and food will not spoil.^{✓4}
- It switches itself over to electricity when gas runs out.^{✓5}
- It saves electricity/ lowers the demand for electricity^{✓6} and lightens the load on the country's over-stretched supply,^{✓7} thereby reducing the negative environmental impact of generating electricity.^{✓8}
- Although LPG is a fossil fuel, it is relatively clean compared to coal/ oil/ less air pollution^{✓9} and produces fewer emissions of carbon dioxide.^{✓10}
- When used correctly, LPG is completely safe,^{✓11} like electricity.

(Any 4) (4)

Applying, moderate (Focus, p.134, 176; Successful, p.155, 193, 195)

5.5.2 **Discuss how the fridge/ freezer saves human energy and time.**

- The consumer will not have to manually switch to either gas or electricity^{✓1} as it switches automatically.
- The consumer does not have to buy the regulator and hose to connect the gas separately,^{✓2} this save time.
- The aluminium interior/ metallic exterior is easy to clean.^{✓3}
- See through glass makes it easy to see what is inside,^{✓4} without opening the fridge.
- The fridge does not need to be opened to get cold water because it is already on the outside.^{✓5}
- It seems to have wheels which makes it easy to move/ clean underneath.^{✓6}
- An upright fridge/ freezer does not require uncomfortable bending.^{✓7}

(Any 3) (3)

Understanding, moderate (Focus, p.134, 136,145; Successful, p.140)

5.6 **Evaluate the negative financial impact that the non-payment of the accommodation will have on landlords.**

- They will not be able to pay their mortgage bonds✓¹ and might have cash flow✓² problems which may cause them to fall into debt✓³ and could lead to being blacklisted✓⁴ or lose/ sell their properties.✓⁵
- They will not be able to pay their monthly insurance fees✓⁶ which may be costly if any problems occur.✓⁷
- They will not be able to pay rates and taxes✓⁸ to their municipalities which will increase their debt✓⁹ and cause basic services not to be provided.✓¹⁰
- They will have to pay reconnection fees✓¹¹ to reconnect their services if they were disconnected.
- It will be difficult for them to maintain✓¹² their properties which could cause the value of the property to depreciate.✓¹³
- Unpaid rent may lead to legal costs/ administrative expenses.✓¹⁴
- It may result in landlords not being able to invest in other properties.✓¹⁵

(Any 5) (5)

Evaluating, difficult (Focus, p.118, 124; Successful, p.140,142)

[20]

QUESTION 6: ENTREPRENEURSHIP**6.1 State the purpose of adhering to product specifications.**

It is to ensure that all products are always the same^{✓1} in terms of appearance/ quality/ size/ weight/ colour/ style.^{✓2} Customers will get exactly what they expect.^{✓3} (Any 2) (2)

Remembering, easy (Focus, p.16; Successful, p.21)

6.2 Explain the following terms:**6.2.1 Mark-up**

The amount/ percentage^{✓1} added to the cost price of goods^{✓2} to cover overhead expenses^{✓3} and still leave money for a profit.^{✓4} (Any 3) (3)

Remembering, easy (Focus, p.37; Successful, p.39)

6.2.2 A best-sale scenario

It is a forecast of what could happen^{✓1} when the product sells very well.^{✓2} The business was able to meet its sales target^{✓3} and achieve its sales objective/ make a profit.^{✓4} (Any 2) (2)

Remembering, easy (Focus, p.39; Successful, p.41)

6.3 State how a business can use its time effectively.

- Prioritise tasks per day so that they can be completed on time.^{✓1}
- Set performance targets to be accomplished.^{✓2}
- Ensure that all needed stock/ raw materials/ equipment is available for continuous production.^{✓3}
- Establish routines and adhere to them as much as possible.^{✓4}
- Plan the use of all equipment to its full capacity.^{✓5}
- Preventative maintenance of equipment will save loss of production time.^{✓6}
- Plan the use of all workers to be efficient/ maximized/ train workers to be more productive.^{✓7}
- Set time limits for each task to be completed/ compile work schedules with time allocations.^{✓8}
- Keep workstations organised and tidy for an easy workflow.^{✓9}
- Do not postpone tasks, complete them immediately to save time.^{✓10}

(Any 2) (2)

Remembering, moderate (Focus, p.24; Successful, p.25)

6.4 Describe FOUR characteristics of sustainable producers.

They ...

- use goods/ services to improve quality of life and meets the needs of consumers.✓¹
- produce products that are not harmful to human health.✓²
- use electronic storage systems to reduce the use of paper.✓³
- making use of recycled raw materials/ packaging✓⁴
- make use of locally produced raw materials/ suppliers.✓⁵
- make only the required products and not unnecessary products✓⁶ to prevent waste.
- reduce waste by recycling.✓⁷
- use raw materials wisely/ do not waste.✓⁸
- reuse leftover materials and waste.✓⁹
- ensure that the process of making a product has minimal environmental impact.✓¹⁰
- protect resources/ energy/ water/ land.✓¹¹
- reduce/ eliminate the use of chemical/ toxic materials.✓¹²
- use minimum packaging✓¹³ and packaging that is biodegradable/ environmentally friendly.✓¹⁴
- produce eco-friendly products/ low carbon footprint products.✓¹⁵
- use natural ingredients.✓¹⁶
- use renewable sources of energy/ solar energy to reduce carbon footprint/ pollution.✓¹⁷
- do not waste energy/ are energy efficient.✓¹⁸

(Any 4) (4)

*Understanding, moderate (Focus, p.27; Successful, p.26)***6.5 Explain how the training of staff improves productivity in a business.**

- Staff will be skilled✓¹ and have knowledge✓² of what to do/ is required in their work.
- Staff will make less/ fewer mistakes.✓³
- Staff may be able to work independently✓⁴ and faster✓⁵ in producing products, thus saves time.
- Production will not stop✓⁶ because the staff know what to do.
- There will be less repairs/ equipment break down.✓⁷
- Training increases the morale/ motivation✓⁸ and this increases productivity.

(Any 3) (3)

*Applying, moderate (Focus, p.25; Successful, p.26)***6.6 6.6.1 Explain how the couple identified a potentially profitable business opportunity.**

- Buying a cup of coffee was expensive.✓¹
- They wanted everybody to have access to affordable coffee on a daily basis.✓²

(2)

Remembering, easy (Focus, p.7; Successful, p.10)

6.6.2 **Identify the target market of Espresso Café.**

It is people who love coffee^{✓1}/ pastries/ pies/ sandwiches^{✓2} but do not have a lot of money to spend on it/ with a low budget.^{✓3} (Any 2)

Understanding, easy (Focus, p.34; Successful, p.11)

(2)

6.6.3 **Describe how Espresso Café was marketed.**

It was marketed by word of mouth from customers,^{✓1} customers talked about the price on social media^{✓2} and through featuring on radio^{✓3} and television.^{✓4} (Any 3)

Remembering, easy (Focus, p.30; Successful, p.29)

(3)

6.6.4 **Discuss why it was important for them to spend two years refining their model.**

- It gave them time to do a SWOT analysis/ look at their strengths and weaknesses.^{✓1}
- They had no experience^{✓2} therefore they needed to gain knowledge/ skills.^{✓3}
- To make sure that their idea was going to be possible to become a success/ feasible.^{✓4}
- They needed to source suppliers.^{✓5} (Any 3)

Applying, moderate (Focus, p.8, 10, 35; Successful, p.10,13,14,17,35)

(3)

6.6.5 **The selling price of R14,00 per cup of coffee included 30% profit. Calculate the profit made if 100 cups were sold. Show ALL calculations.****METHOD 1:**

$$R\ 14 \div 1.30 = R10.77^{\check{1}}$$

$$\text{profit per cup } R\ 14 - R\ 10.77 = R\ 3.23^{\check{2}} \times 100 = R\ 323^{\check{3}}$$

OR

$$30 \div 130^{\check{4}} \times R\ 14 = R3.23^{\check{5}} \times 100 = R\ 323^{\check{6}}$$

METHOD 2:

$$R14 \times 30\% = R4,20^{\check{7}} \text{ OR } R14 \times \frac{30}{100} = R4,20^{\check{8}} \text{ OR } R14 \times 0,3 = R4,20^{\check{9}}$$

$$R4,20 \times 100^{\check{10}} = R420,00^{\check{11}} \text{ (100 cups)}$$

OR

$$100 \times R14 = R1\ 400^{\check{12}}$$

$$R1\ 400 \times 30\%^{\check{13}} = R420^{\check{14}}$$

(Any 3) (3)

Understanding, moderate (Focus, p.39–40; Successful, p.35–39)

6.6.6 **Calculate the new selling price. Show ALL calculations.**

$$R14 \times 45\% \checkmark^1 = R6,30 \text{ OR } R14 \times \frac{45}{100} \checkmark^2 = R6,30$$

OR

$$R14 \times 0,45 \checkmark^3 = R6,30$$

$$R14 + R6,30 \checkmark^4 = R20,30 \checkmark^5$$

OR

$$R14 \checkmark^6 \times 1,45 \checkmark^7 = R20,30 \checkmark^8$$

(Any 3) (3)

*Understanding, moderate (Focus, p.39–40; Successful, p.35–39)*6.6.7 **Their business is definitely able to sustain its profitability.****Validate the above statement.**

- Their products are affordable^{✓1} compared to their competitors and more products will be sold.^{✓2}
- They already have over 65 stores nationwide^{✓3} and sell over 50 000 cups a day.^{✓4}
- They provide a variety of products/ coffee/ pastries/ pies/ sandwiches^{✓5} at the same low price.^{✓6}
- The products they provide are not seasonal,^{✓7} they are everyday products required by consumers.^{✓8}
- They have their own food factory^{✓9} which supplies their franchises meaning they do not have to pay other suppliers.^{✓10} This also ensures consistent quality^{✓11} products and their customers know what to expect.^{✓12}
- They have franchises^{✓13} which means many people are using their idea and they get more profit.^{✓14}
- They use a wide variety of marketing methods/ television/ social media/ radio^{✓15} which reaches more people.^{✓16} (Any 8) (8)

*Evaluating, difficult (Focus, p.35; Successful, p.34)***[40]**

TOTAL SECTION B: 160
GRAND TOTAL: 200