

**HOërSKOOL JOHAN JURGENS**  
**GRADE 11 BUSINESS STUDIES**



TERM 1 CYCLE TEST  
TOTAL: 100 MARKS

4 MARCH 2026  
TIME: 1.5 HOURS

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MODERATOR: K. POTGIETER

**MARKING GUIDELINE**

**SECTION A (COMPULSORY)**

**QUESTION 1**

1.1.1) D✓✓

1.1.2) A

1.1.3) C

1.1.4) D

1.1.5) B

(5X2=10)

1.2.1) mission statement✓✓

1.2.2) strike

1.2.3) psychographics

1.2.4) social factors

1.2.5) competition

(5X2=10)

**TOTAL SECTION A: 20**

## SECTION B

**NOTE:** Mark **ONLY THE FIRST TWO** questions from this section.

### QUESTION 2

**2.1 List any THREE components of the micro-environment. (3)**

- Vision, mission statement, goals and objectives✓
- Organizational structure✓
- Organizational resources✓
- Organizational culture✓
- Management and leadership✓
- Eight business functions✓

**NOTE:** Mark **ONLY** the first **THREE** responses.

**2.2**

<b>CHALLENGES (2.2.1)</b>	<b>BUSINESS ENVIRONMENT (2.2.2)</b>	<b>EXTENT OF CONTROL (2.2.3)</b>
1. CCC has employees who have a negative attitude towards new employees.✓	Micro-environment✓	Full control✓
2. They struggle a lot with their supplier to deliver their raw materials on time.✓	Market environment✓	No control, but can influence <b>OR</b> Semi control / limited control / partial control✓
3. The government has increased import tariffs, making it difficult to import fabric from China.✓	Macro environment✓	No control✓
Sub max 3	Sub max 3	Sub max 3

**(9)**

**NOTE: DO NOT AWARD MARKS FOR THE EXTENT OF CONTROL IF THE ENVIRONMENT WAS INCORRECTLY IDENTIFIED.**

**2.3 Discuss ways in which businesses can overcome competition in the market environment. (4)**

- ✦ Businesses must ensure that they produce unique√ goods and services for the target market.√
- ✦ Create a positive image through regular engagements√ in community development projects.√
- ✦ Businesses must improve on customer services√ and keep customers happy.√
- ✦ Charging lower prices√ than that of the other businesses.√
- ✦ Keeping up with developments in the sector √ following consumer trends / investing in new technology.√

**(any 2 x2)**

**2.4 Explain benefits of businesses that are involved in the macro environment. (4)**

- Businesses will gain good publicity√ and so attract and retain loyal customers√
- They will attract and retain√ skillful employees in their communities√
- Businesses that support their communities√ normally get some tax rebates√
- Top investors are attracted to businesses√ that are involved in the macro environment√
- The business can more accurately predict√ future events threats and opportunities that may arise√

**(any 2 x 2)**

**[20]**

### QUESTION 3

**3.1 State any THREE components of the market environment. (3)**

- \* Customers/consumers✓
- \* Suppliers✓
- \* Intermediaries✓
- \* Competitors✓
- \* Regulators✓
- \* Strategic allies✓
- \* Unions✓
- \* Other organisations / civil society (CBO's & NGO's)✓

**NOTE: Mark ONLY the first THREE responses.**

**3.2.1 Identify the THREE concepts that were used by EF to adapt to challenges of the business environments. Motivate your answer by quoting from the scenario. (9)**

**Use the table below to answer QUESTION 3.2.1:**

CONCEPTS USED BY EF	MOTIVATIONS
1. Merger ✓✓	Eldwin Furnishers has joined together with OK Furnishers to start a new company. ✓
2. Takeover ✓✓	Together they have bought shares from Lewis Furnishers to have controlling interests. ✓
3. Acquisitions ✓✓	Later on, they bought another company at an agreed price. ✓

**NOTE: DO NOT AWARD MARKS FOR MOTIVATION IF CONCEPT WAS INCORRECTLY IDENTIFIED.**

**3.3 Discuss projects that businesses can undertake as part of social responsibility. (4)**

- ⚙️ Businesses must allow employees✓ to get involved in social development programmes✓
- ⚙️ Engage in environmentally friendly campaigns✓ such as recycling or re-using scarce resources✓
- ⚙️ HIV and Aids✓ awareness programmes✓

**(any 2 x 2)**

**3.4 Explain the advantages of networking. (4)**

- Businesses can attract new customers√ resulting to increased market share and profitability√
  - Plays a role in the marketing√ and expansion of a business√
  - Businesses can gain support√ when representation to various authorities is planned√
- (any 2 x 2)**  
**[20]**

**QUESTION 4**

**4.1 Outline reasons why businesses have full control over the micro-environment. (4)**

- + Businesses choose the suppliers from which they purchase √√ / which employees they hire √√ / the products they sell and where they sell those products √√
  - + Establish and revising its vision, mission statement, goals and objectives in line with current trends √√
  - + Engages strategic management systems and ensures that plans are implemented and revised when necessary √√
  - + Ensuring that all the business resources are used efficiently and effectively to the benefits of the business √√
- (any 2 x 2)**

**4.2 Explain the following ways in which businesses can adapt to challenges of the business environment:**

**4.2.1 Information management:**

- Businesses need to implement an effective√ information management system which is accessible and useful to all employees√
- Modern IT solutions enable businesses√ to satisfy customer needs faster and better√

**(any 1 x 2)**

**4.2.2 Strategic responses:**

- Businesses need to be aware of new competitors in the market√, and they must be able to strategically respond to threats√
- Business must develop strategic plans√ to remain sustainable in a competitive market√

**(any 1 x 2)**

**4.3 State the benefits of CSI/social responsibility projects for businesses. (6)**

- ❖ Businesses can use CSR/CSI projects as a marketing strategy to promote their products ✓✓
- ❖ CSI projects promote teamwork within businesses ✓✓
- ❖ Promotes customer loyalty resulting in more sales ✓✓
- ❖ May attract experienced employees which could increase productivity ✓✓
- ❖ The business enjoys the support of communities ✓✓

**(any 3 x 2)**

**4.4 Discuss any TWO challenges of the market environment.**

- Competition ✓✓
  - Increased competition forces businesses to decrease their prices and so their profit margins decrease ✓
  - If a business is not able to match the quality of services / products and the price of its competitors, it will lose its customers ✓

**Name: 2  
Discuss: 1  
Sub max: 3**

- Shortage of supplier ✓✓
  - Businesses that experience shortage of supply may lose customers as they may buy from other businesses ✓
  - If the supply of raw materials or inputs is disrupted, the business productivity and profitability will also decrease ✓

**Name: 2  
Discuss: 1  
Sub max: 3**

- Changes in consumer behaviour ✓✓
  - Consumers are influenced by many factors and are mostly unpredictable in their buying behaviour ✓
  - Businesses are forced to continuously study these changes so that they can provide goods or services that consumers always need ✓

**Name: 2  
Discuss: 1  
Sub max: 3**

- Demographics ✓✓
  - The consumer market is diverse in the cultural and social background which has a direct influence on the choices they make ✓

- When lots of people emigrate, it could lead to a decrease in the number of consumers and skilled labour√

**Name: 2**  
**Discus: 1**  
**Sub max: 3**

- Psychographics√√

- It refers to customers' lifestyles and behaviour√
- Businesses must be aware of their customers' lifestyles and behaviour√

**Name: 2**  
**Discus: 1**  
**Sub max: 3**

- Socio-cultural factors√√

- It affects the product line and the marketing campaigns of a business√
- Businesses need to ensure that their marketing campaigns are not offensive to cultural groups√

**Name: 2**  
**Discus: 1**  
**Sub max: 3**

**Max (6)**

**NOTE: Mark ONLY the first TWO responses.**

**[20]**

**TOTAL SECTION B: 40**

## SECTION C

Answer ANY ONE question in this section.

### QUESTION 5

The business environments pose many challenges on businesses and their operations. Businesses need to be able to adapt to these changes, to stay ahead of their competitors.

#### Introduction:

- Businesses operate in dynamic business environments that pose many challenges on their operations√
- The profitability and success of businesses depend on how they respond to challenges posed by the market and external business environments√
- *Any other relevant introduction related to the reasons why businesses have limited control over the market environment; challenges of the micro-environment; contemporary legislation and ways how businesses can be involved in the macro environment.*

**Any 2 x 1 (2)**

#### The reasons why businesses have limited control over the market environment:

- ★ *Customers*√√
  - A business could attract and influence customers' decisions through good marketing campaign such as promotional sales, discount prices, extended working hours, persuasive advertisement and so on√√
- ★ *Suppliers*√√
  - Entrepreneurs could also influence the decisions and actions of their suppliers by signing long-term contracts for their inputs at fixed prices or by forming strategic alliance with them√√
- ★ *Competitors*√√
  - Although businesses have little or no influence over their competitors, they might form a strategic alliance, join a community business forum, or form a consortium with other business owners to share ideas and resources to undertake a project that will benefit all the members of the group√√

**Sub max 4**

**Sub max 4**

**Sub max 4**

★ *Regulators*√√

- Regulators are government bodies that make rules and regulations to check the activities of the business√√
- For example, a representative for the businesses can lobby with their regulators to take away or pass legislation that will help them to achieve their goals√√

**Sub max 4**

★ *Unions*√√

- Businesses can also influence the decisions of unions if they try to maintain a good relationship with them√√

**Sub max 4**

**Max (12)**

**Four challenges of the micro-environment:**

*Difficult employees*√√

- ❖ They may have a negative√ attitude on new employees√
- ❖ They can do harm to the business image√ if they say negative things about the business√

**Name: 2**

**Explanation: 2**

**Sub max: 4**

*Lack of vision and mission statement*√√

- ❖ When there is no mission statement√ the business will lack focus/direction√
- ❖ Lack of vision and mission statement means that management√ and staff have different ideas about the goals of the business√

**Name: 2**

**Explanation: 2**

**Sub max: 4**

*Lack of adequate managerial skills*√√

- ❖ It will result in the business√ not achieving its objectives√
- ❖ A manager with poor management skills√ may struggle in dealing with employees which can lead to an unhappy workforce√

**Name: 2**

**Explanation: 2**

**Sub max: 4**

*The impact of unions*

- ❖ Sometimes unions make demands that are impossible for businesses to meet and this creates tension between management and employees

**Name: 2**  
**Explanation: 2**  
**Sub max: 4**

*Strikes and go-slows*

- ❖ Employees may not report to work due to a complete shutdown strike
- ❖ A go-slow means that employees report for duty as normal but deliberately work at a slower pace

**Name: 2**  
**Explanation: 2**  
**Sub max: 4**

*Shortage of skilled employees*

- ❖ Some businesses end up employing workers who are not qualified to do the job
- ❖ Unqualified employees may contribute to bad decision-making

**Name: 2**  
**Explanation: 2**  
**Sub max: 4**

*High employee turnover*

- ▣ It means that employees resign from the business frequently

**Name: 2**  
**Explanation: 2**  
**Sub max: 4**

*Employee absenteeism*

- ▣ It reduces productivity and affects profitability

**Name: 2**  
**Explanation: 2**  
**Sub max: 4**

**Max (16)**

**NOTE: Mark ONLY the first FOUR responses.**

### **Three contemporary legislations:**

#### *Labour Relations Act*

- This legislation regulates the relationship between the employer and employees when resolving conflict in the workplace

#### *Basic Conditions of Employment Act*

- It describes the conditions of employment

#### *Compensation for Occupational Injuries and Diseases Act*

- This legislation provides compensation for employees who sustain injuries or contract diseases while on duty

#### *Skills Development Act*

- Ensures that employers contribute towards the education and training of their employees

#### *Consumer Protection Act*

- This act promotes and advances the social and economic welfare of consumers in South-Africa

#### *National Credit Act*

- This act was established to protect both businesses and consumers from negligent lending practices that could result in over-indebtedness by consumers

#### *Employer Equity Act*

- This act is there to eliminate unfair discrimination such as discrimination against race, colour, age, gender, religion or disability in the workplace

#### *Broad Based Black Economic Empowerment*

- This act ensures that previously disadvantaged individuals fully participate in the economy

**NOTE: Mark ONLY the first THREE responses.**

**Max (12)**

## Ways how businesses can be involved in the macro environment:

- ★ Create job opportunities for the people in their communities√√
- ★ Undertake social responsibility programmes to improve the welfare of people in the community√√
- ★ Initiating bargaining sessions between management and unions√√
- ★ Keeping up with new technologies to improve production and marketing√√
- ★ Working within the law to set up contracts√√

**Max (8)**

## Conclusion:

- Businesses can influence the business environments in one way or the other, and need to take into consideration the components of the market environment√√
- Businesses must pay careful attention to challenges that are posed by business environments and devise strategies to overcome those challenges√√
- *Any other relevant conclusion related to reasons why businesses have limited control over the market environment; challenges of the micro-environment; contemporary legislation and ways how businesses can be involved in the macro environment.*

**Any (1 x 2) (2)**

**[40]**

## **QUESTION 6**

Businesses lobby their regulator or supervisory body to try influence prices, policies, regulations and other decisions made by the regulator or the supervisory body. Businesses also need to network with entrepreneurs so that they can meet new people and build alliance with others. The power that the business has on the environment determines the status it holds within its industry.

## Introduction:

- ✓ Businesses must engage in lobbying and networking to keep good relations with their stakeholders√
- ✓ This enables businesses to have a say in government policy√
- ✓ There are ways businesses can use to influence government decisions√
- ✓ Power relationships enable businesses to also strive to keep good relationships with other businesses√
- ✓ *Any other relevant introduction related to the meaning of networking; examples of networking; types of lobbying and ways how businesses can form power relations.*

**Any 2 x 1 (2)**

### **Meaning of networking:**

- It refers to a coordinated activity where people who have a similar objective meet and exchange information and ideas√√
- It is a tool that is used by businesses to increase sales√√
- Networking can help businesses to identify new business trends√√

**Max (6)**

### **Examples of networking:**

- Formal networking√√: organised local, provincial and national chambers of business, industry and commerce√√
- Informal networking√√: social and less organised coordination√√
- For instance, business managers often network while playing golf√, attending sports events, or getting involved in social programmes√
- Social media and the Internet√√: new and cheap ways of businesses to network via online forums and business groups√√

**Max (12)**

### **Types of lobbying:**

#### *Hedging against inflation√√*

- Businesses use hedging to protect their financial investments√ by spreading the risk, for example they invest surplus funds√
- The business use hedging by buying bonds, shares, property or buying precious metals like gold√ to protect capital from the effects of inflation√

**Name: 2**

**Explanation: 2**

**Sub max: 4**

#### *Bargaining sessions between management and unions√√*

- These sessions enable employees to negotiate√ with employers as a group to protect employees' rights√
- The purpose of bargaining sessions√ is to find a win-win situation for all parties√

**Name: 2**

**Explanation: 2**

**Sub max: 4**

#### *Influencing supervisory body/regulators√√*

- There are large numbers of supervisory bodies√ and regulators who operate in the business environment√
- Businesses take an active role√ in professional bodies√

**Name: 2**

**Explanation: 2**

**Sub max: 4**

**Max (8)**

**NOTE: Mark ONLY the first TWO responses.**

**Ways how businesses can form power relations:**

*Strategic alliance / partnership agreements*√√

- ❖ Businesses form partnership agreements to benefit each in each other's involvement√√

*Persuasion of large investors*√√

- ❖ Businesses invite powerful influential people to sit on their board of directors to get advice from those people√√

*Company representatives' influence*√√

- ❖ Businesses must invest time and energy to recruit the right person for this job√√

**Max (8)**

**Conclusion:**

- Businesses can benefit from strong relationships with government√√
- Businesses also benefit from good relationships with other businesses to keep abreast on recent legislation and government policies√√
- *Any other relevant introduction related to the meaning of networking; examples of networking; types of lobbying and ways how businesses can form power relations.*

**Any (1 x 2) (2)**

**[40]**

**TOTAL SECTION C: 40  
GRAND TOTAL: 100**