



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

CONSUMER STUDIES

NOVEMBER 2013

MEMORANDUM

MARKS: 200

This memorandum consists of 24 pages.

SECTION A

QUESTION 1.1		
1.1.1	A	Remembering LO 12.1.1 (easy) [Focus: 2 - 25; OBE for FET: 3-28; Doing: 7 -34; Successful: 2-48] (1)
1.1.2	B/ D	Remembering LO 12.1.2 (easy) [Focus: 2 - 25; OBE for FET: 3-28; Doing: 7 -34; Successful: 2-48] (1)
1.1.3	C/ D	Remembering LO 12.1.2 (easy) [Focus: 2 - 25; OBE for FET: 3-28; Doing: 7 -34; Successful: 2-48] (1)
1.1.4	A	Remembering LO 12.1.2 (easy) [Focus: 2 - 25; OBE for FET: 3-28; Doing: 7 -34; Successful: 2-48] (1)
1.1.5	D	Remembering LO 12.1.2 (easy) [Focus: 2 - 25; OBE for FET: 3-28; Doing: 7 -34; Successful: 2-48] (1)
1.1.6	A	Understanding LO 12.2.1 (moderate [Focus:54; OBE for FET:50; Doing:55; Successful: 27] (2)
1.1.7	C	Understanding LO 12.2.1 (moderate) [Focus:35; OBE for FET: 59; Doing: 64; Successful: 20]; (2)
1.1.8	D	Remembering LO 12.2.1 (moderate) [Focus: 34; OBE for FET: 77; Doing: 45 ; Successful:: 22] (2)
1.1.9	C	Understanding LO 12.2.1 (moderate) [Focus: 42; OBE for FET: 34 ; Doing 50 ; Successful: 32] (1)
1.1.10	D	Understanding LO 12.2.3 (moderate) [Focus: 87 ; OBE for FET: 110 ; Doing: 83 ; Successful: 70] (1)
1.1.11	B	Remembering LO 12.2.5 (easy) [Focus: 111 ; OBE for FET: 160 ; Doing: 114 ; Successful: 107] (1)
1.1.12	C	Remembering LO 12.2.5 (easy) [Focus: 111 ; OBE for FET: 160 ; Doing: 114 ; Successful: 107] (1)
1.1.13	B	Understanding LO 12.2.6 (easy) [Focus: 129 ; OBE for FET: 180 ; Doing: 140 ; Successful: 113] (1)
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1.1.15	A	Remembering LO 12.2.5 (easy) [Focus: 174 ; OBE for FET: 207 ; Doing: 226] (1)
1.1.16	C	Remembering LO 12.4.1 (moderate) { OBE for FET: 226 ; Successful: 160] (1)
1.1.17	D	Remembering LO 12.4.2 (easy) [Focus: 199 ; OBE for FET: 247; Doing: 242; Successful: 160] (1)
1.1.18	B	Understanding LO 12.4.2 (easy) [Focus: 185; OBE for FET: 239; Doing: 253; Successful: 169] (1)
(21)		

QUESTION 1.2		
1.2.1	C	(1)
1.2.2	B	(1)
1.2.3	E	(1)
1.2.4	A	(1)
1.2.5	G	(1)
(5)		Remembering LO 12.4.1 (easy) [Focus: 187 ; OBE for FET: 229 ; Doing: 249 ; Successful: 144]

QUESTION 1.3		
A, D, E, F (Any order, only three)	(3)	Remembering LO 12.2.7 (easy) [Focus: 171 ; OBE for FET: 205 ; Doing: 218 ; Successful: 132]

QUESTION 1.4		
A, C, E (Any order)	(3)	Understanding LO 12.2.1 (difficult) [Focus: 29; OBE for FET: 32; Doing: 37 Successful: 20]

QUESTION 1.5		
1.5.1	G	(1)
1.5.2	F	(1)
1.5.3	A	(1)
1.5.4	D	(1)
1.5.5	C	(1)
(5)		Remembering LO 12.2.4 (moderate) [Focus: 61; OBE for FET ; Doing: 94; Successful: 79]

QUESTION 1.6		
B, D, F (Any order)	(3)	Applying LO 12.1.1 (difficult) [Focus: 7; OBE for FET: 2; Doing: 7; Successful: 2; Exam Guidelines]

TOTAL SECTION A: 40

SECTION B: FOOD AND NUTRITION**QUESTION 2****2.1 Name THREE foods that cause allergies.**

- Peanuts/nuts/tree nuts(e.g. Pecan, cashew, walnuts, almonds)✓, milk (products)✓, eggs✓, shellfish✓, fish, ✓ soya (beans)✓, wheat (products)✓ chocolate, legumes, tomatoes, avocados, cucumber, potatoes, berry fruits e.g. strawberries , citrus fruit e.g. oranges, grapes, pineapples, beef/pork/chicken (meat) , garlic, sesame seeds, sunflower seeds, bananas (Any 3) (3)

Note: Trade names of products are not acceptable.

Gluten/yeast extract should not be accepted, it's not food

Tea and coffee are not accepted, they are beverages

Remembering LO12.2.1 (easy) [Doing: 62; Focus: 47; OBE for FET: 68]

2.2 Give TWO symptoms of a food allergy in each of the following:**2.2.1 Digestive system:**

Diarrhoea ✓, bloated abdomen/gas/wind✓, (projectile)vomiting/nausea,✓ swelling of lips✓/tongue✓/mouth or throat✓, stomach/(abdominal)cramps/pain/ache ✓ (Any 2) (2)

2.2.2 Skin:

Itching✓, skin rashes✓, skin irritation✓, hives✓, eczema/dry skin/cracks✓ swelling of the face/lips/tongue/mouth/eyelids, dark circles around the eyes✓ (Any 2) (2)

Remembering LO 12.2.1 (moderate) [Doing: 62; Focus: 47; OBE for FET: 68; Successful: 26; CLS: 94]

2.3 **Explain** the difference between food allergies and food intolerances by completing the table below.

CRITERIA	FOOD ALLERGIES	FOOD INTOLERANCES
Type of response/reaction in the body	Response to immune system/immunological response✓ Body sees a harmless ingredient/protein as harmful/a threat✓ Life threatening/fatal/dangerous/more severe✓ A fast response ✓ (Any 1)	Adverse response to food✓ Body regards a chemical substance in food as harmful/body lacks an enzyme to digest food substance✓ Not life threatening/uncomfortable/less dangerous/severe✓ A slow response✓ (Any 1)
Immune system's involvement NO yes or no is acceptable	Body produces antibodies/immunoglobulin (IgE) to fight/attack the harmful substance/allergen/protein✓ Involves the immune system	Does not involve the immune system/no effect✓

(2)

(2)

Note: Responses must clearly show the difference between the columns

Understanding LO 12.2.1 (Difficult) [Doing: 61; Focus: 70; OBE for FET 65; Successful:25; CLS: 92]

2.4 2.4.1 **Give a brief description of the food-related condition high cholesterol.**

High cholesterol develops when excessive amounts of cholesterol/low density lipoprotein✓ is deposited in the arteries✓. This will narrow/block the arteries/veins/restrict blood flow✓, cutting off the oxygen supply to the heart/brain✓ increasing the risk of cardio-vascular disease/heart attack/atherosclerosis/ stroke. ✓

(4)

Remembering LO 12. 2.1(easy) [Doing:48; Focus:30; Successful: 23; Exam guidelines]

2.4.2 **Explain how regular checking of blood cholesterol levels can benefit a person suffering from high cholesterol.**

Cholesterol accumulates slowly/largely unnoticed/no symptoms/may be genetic/hereditary✓, therefore regular (blood) checks are necessary to create awareness/may reveal the condition, ✓ only then can the condition be managed/take medication/make dietary/lifestyle changes✓. (Any 2)

(2)

Understanding LO 12.2.1(moderate) [Exam guidelines], Successful: 23,

2.4.3 **State FIVE dietary guidelines to manage high cholesterol.**

- Control the amount of fat/saturated fat/some seafood consumed on a daily basis✓
- Grill instead of fry/cut off visible fat✓.
- Eat lots of fibre/soluble fibre/oat bran/legumes.✓
- Eat lots of fruit and vegetables/onions/garlic/anti-oxidants✓
- Reduce high-fat dairy products/use low-fat dairy products✓
- Avoid hidden fat /trans-fat in your diet e.g. processed foods/junk foods containing fat ✓
- Increase the amount of omega 3 fatty acids/fish✓
- Increase low GI-food ✓
- Cut down on refined carbohydrates/sugar✓
- Limit alcohol intake ✓
- Limit food with high cholesterol levels e.g. egg yolk/organ meat ✓
- Choose more (poly/mono)unsaturated fats e.g. olive oil, canola oil, avocados, margarine if poly-unsaturated✓
- Increase water intake✓
- Avoid excessive/high salt intake✓ (Any 5)

(5)

Note: Do NOT accept lifestyle guidelines

Understanding LO 12.2.1 (moderate) [Doing: 48; Focus: 31; Successful: 23; CLS: 84]

2.5 2.5.1 Explain what is meant by Glycaemic Index.

The Glycaemic Index (GI) ranks food✓ on a scale/measurement/ rating from 0-100/low to high✓, according to their actual effect on blood glucose levels/rate/ tempo/speed at which glucose is released into the blood stream✓. (Any 2) (2)

Note:Learners need not be specific/ mention 0-100/low to high about the rating of the measurement.

Understanding LO 12.2.1 (easy) [Exam guidelines; Successful:29;OBE for FET:52; Doing: 57

2.5.2 Identify THREE foods from the meal plan that will be most beneficial for diabetics when they apply the Glycaemic Index (GI) concept.

Whole wheat bread✓, full cream milk✓, low fat plain yoghurt✓, muesli✓, blueberries✓. (Any 3) (3)

Note: Learners may only mention milk, yoghurt, bread.

Remembering LO 12. 2.1 (moderate) [Exam guidelines Successful:309;OBE for FET:52; Doing: 57]

2.5.3 Explain why this meal plan is suitable for someone suffering from osteoporosis.

The meal plan contains:

- Milk✓, yoghurt✓ and cheese✓ that are high in calcium,✓ phosphorus✓ which strengthen bones✓ and Vitamin D✓ which facilitates calcium absorption and strengthens bones/prevents loss of bone density ✓
 - Blueberries✓ are high in Vitamin C✓ which forms collagen/connective tissue to support the bone structure✓
 - Muesli ✓ contains phosphorus✓ which strengthens bones. ✓
- (Any 5) (5)

Note: Award one mark for dairy products.

Applying LO 12.2.1 (moderate) [Doing: 53; Focus: 33; OBE for FET: 71, Oxford p 22x]

2.5.4 Evaluate the suitability of the meal plan for a person suffering from anaemia.

- Iron is necessary to form haemoglobin✓ which prevents/manages anaemia. ✓
- Banana/whole wheat bread✓ contains folic acid ✓ because a shortage of folic acid can also cause anaemia✓
- The coffee✓ because it prevents/inhibits the absorption of iron✓
- If the muesli contains raisins✓ which are a good source of iron✓ haemoglobin will be formed✓
- Raisins contain non-haem iron✓ which is less easily absorbed by the body✓
- There is no food/meat/liver✓ which a good source of iron✓
- No good sources of haem iron✓ which are more easily absorbed by the body✓
- The blueberries✓ contain Vitamin C✓ which improves the absorption of iron✓ but the role of the blueberries is minimal in this meal plan.
- Milk,/cheese/yoghurt ✓ contain Vitamin B12 ✓ which manages a certain type of anaemia ✓

Conclusion:

Overall the menu is not suitable for people suffering from iron deficiency anaemia✓

(8)

OR

The meal plan is suitable for people suffering from Vitamin B12/folic acid deficiency anaemia. ✓

(Any 8)

Note: Marks only to be given for the food source if it is in context with the explanation

Evaluating LO 12.2.1 (difficult) [Doing: 48; Focus: 31; OBE for FET: 78, Successful: 22]

TOTAL SECTION B: 40

SECTION C: CLOTHING**QUESTION 3**

3.1 **Name FOUR steps in planning a basic wardrobe for the world of work.**

- Do a needs analysis/stock taking/inventory✓
- Evaluate the existing wardrobe✓
- Analyse available resources✓
- Draw up a list of items/garments that are needed to complete/complement the existing wardrobe✓

(4)

Note: Preferably in the above logical sequence but any order will be accepted

Remembering LO 12.2.3 (easy) [Examination guidelines: 7, OBE for FET: 119, Successful: 69; Focus:87]

3.2 3.2.1 **Explain the message (non-verbal communication) that is conveyed by each of the head gear (A–C) above.**

Picture A:

- Indicates occupation/activity/work in the kitchen ✓ as it is worn by people working in a kitchen/preparing food/ a chef ✓.
 - Can also indicate possession/property/to whom it belongs (Chef Smith) ✓
 - The height/shape indicates the chef's rank/position✓
 - In this instance the person can be identified✓ (Any 3)
- Note: Hygiene not non-verbal communication

Picture B:

- Indicates religion✓ as it is worn by women of the Muslim faith ✓
- It is typical of the Asian/Eastern culture✓
- It is gender specific/female✓
- The person is a devout/loyal/conservative/modest/ obedient/respectful Muslim ✓ (Any 3)

Picture C:

- Indicates activity✓ as it is worn by people exercising/ taking part in sport ✓
- Sporty/fun personality/casual outlook✓
- Can also indicate brand loyalty✓/making a fashion statement. ✓ (Any 3)

(9)

Understanding LO 12.2.3 (moderate) [Exam guidelines; CLS: 112; Successful: 63; Doing 76; Focus 79]

3.2.2 Identify the brand label illustrated in the pictures.

Nike✓

(1)

Remembering LO 12.2.4 (easy) [Successful: 83, Focus:76, OBE for FET: 136]

3.2.3 Explain why young adults prefer to wear branded clothing.

- Peer acceptance/conformity/social standing/sense of belonging is very important to young adults✓
 - Brand labels imply instant and guaranteed popularity/ friends/ importance/physical appeal✓
 - Brand labels boost self-confidence/self-esteem/feeling good about themselves✓
 - Wearing brand labels creates the impression of wealth/financial status/success✓
 - Brand labels indicate (good) quality✓
 - Fashionable/latest fashion trends are seen in branded clothing
 - Brands indicate good style/taste✓
- (Any 4) (4)

Understanding LO 12.2.4 (moderate) [Successful: 83, OBE for FET: 135, Doing: 103]

3.3 3.3.1 Explain the term *haute couture*.

- High fashion/Haute couture is a collection of new/exclusive/original garment styles ✓
 - created by fashion designers ✓
 - that are worn by a few fashion leaders✓
 - Small quantities of these items are produced/manufactured✓.
 - These items are expensive ✓
 - Good quality/workmanship✓
- (3)

(Any 3)

Remembering LO 12.2.4 (moderate) [Exam guidelines; Doing: 95; Focus: 64; OBE for FET: 130]

3.3.2 **There are five stages in the fashion cycle. Explain the following stages as are evident in the extract.**

(a) Innovation / introduction / launch / emerging

New exotic/glamorous fashions/clothes were showcased at the fashion week ✓

At this stage the designs are only available from designers ✓

(2)

(b) Rise / growth

Orders from retail chains and individual customers were placed ✓.

The fashion will be produced in growing numbers/more people will start wearing it/more clothes will be produced and it will be sold to a wider market. ✓

(2)

Note: Not general explanations they must refer to the extract.

Applying LO 12.2.4 (difficult) [Examination guidelines; Successful: 80;

3.4 3.4.1 **Explain how the mass media influences consumer buying behaviour.**

- Magazines often have articles/advertisements featuring the latest fashion/inform consumers about the latest fashion trends ✓.
- Creates a desire/expectation to buy the new fashion/trends ✓.
- Advertising/articles in magazines directly influences the buying behaviour of consumers as it encourages/persuades buying ✓.
- Advertising of the latest fashion trends and brand labels imply instant and guaranteed popularity/ friends/ acceptance/ importance/ physical appeal ✓.
- The media/magazine/advertising may imply that wearing a specific brand/fashion may boost self-confidence/self-esteem ✓.
- Mass media such as magazines/TV/internet/newspapers/radio spread fashion news quickly ✓ to a wide variety of people ✓ resulting in an increased demand for fashion change. ✓
- Marketing in the mass media aims to influence consumers to accept the importance of fashion and fashion change ✓.

(5)

Any (5)

Applying LO 12.2.4 (moderate) [Successful: 83; Focus: 74]

3.4.2 The consumer in the cartoon is showing conformity**Give reasons why.**

- The consumer/woman in the cartoon does not follow her own mind/taste/individuality ✓ but wants to conform by making choices according to/based on a magazine's recommendation. ✓
- She wants to be accepted/part of a group/fashionable ✓ (3)

Applying LO 12.2.3 (moderate) [Examination guidelines; Doing: 77]

3.5 Evaluate the suitability of this outfit for an interview for a professional job.

The outfit is NOT suitable for an interview for a professional job ✓ (1)

Reasons:

- Black linen jacket is formal ✓ and suitable. ✓
- The linen may crease easily ✓ and create an untidy/not neat/informal look ✓
- T-Shirt is unsuitable as it is too informal/casual ✓ as it does not have a collar/it should have a collar ✓.
- Pants are unsuitable as they are rolled at the bottom ✓ and a light blue/colour ✓. An informal/relaxed/casual look is created ✓.
- The man is wearing secret socks which are unsuitable as they are informal/casual ✓.
- The shoes are not suitable as the light soles make them too informal/casual ✓.
- The outfit consists of too many colours therefore creates an informal look ✓.
- The overall look is neat ✓ but not professional ✓ as it is too informal/relaxed/casual ✓. Any 6 (6)

Note: Only accept answers referring to the outfit and not body language.

No mark to be awarded for item identification only, it must be supported

Evaluating LO 12.2.3 (difficult) [Focus: 83, Successful: 57, OBE for FET: 110, Doing: 78]

TOTAL SECTION C: 40

SECTION D: HOUSING AND SOFT FURNISHINGS**QUESTION 4**

- 4.1 4.1.1 (a) **Identify the present type of housing ownership for Lloyd and Grace.**
- Full title/free hold title/free standing/sole/single ownership property ✓ (1)

Remembering LO 12.2.5 (easy) [Successful: 100; Doing: 108; OBE for FET: 155]

- (b) **Identify the future type of housing ownership for the Lloyd and Grace.**
- Sectional title (ownership) ✓ (1)

Note: Not renting

Remembering LO 12.2.5 (easy) [Successful: 100; Doing: 108; OBE for FET: 155]

- 4.1.2 **Give THREE advantages of Lloyd and Grace owning their own home.**
- Legal ownership brings a sense of independence/pride/peace of mind/security/landlord cannot ask them to leave ✓
 - Property can be used as security/collateral for further bank loans ✓
 - Sound investment ✓ as value of property increases over time
 - A profit can be made if the house is sold/can use profit to buy place in retirement village ✓
 - They can let the property/generate income (when they move to the retirement village) ✓
 - Need no approval if they want to make changes ✓
 - Their son/Keith can inherit the house ✓
 - It encouraged them to save for a worthwhile goal. ✓ Any 3) (3)

Remembering LO 12.2.5 (easy) [Successful: 102; CLS: 163; Focus: 104; Doing: 117; OBE for FET: 136]

4.1.3 After retirement their home maintenance responsibilities will change. Indicate these changes.

- Garden services will not be needed ✓ and Lloyd will not have to take care of a swimming pool ✓
- He will have to pay a levy ✓ as the body corporate of the retirement village will be responsible for the maintenance of the grounds and common areas ✓
- They will only have to take care of the surrounding area of their own unit ✓ and interior of their unit ✓
- Lloyd will no longer have to take care of the exterior of the house as the body corporate is responsible for that ✓

(Any 4) (4)

Applying LO 12.2.5 (moderate) [Focus: 105, Doing:108, Successful:102, OBE for FET: 154]

4.1.4 Briefly explain why renting accommodation is a good housing option for Keith.

- Initially renting is cheaper/more affordable than buying. ✓
- He is paying a fixed amount over a specific period of time ✓ and will not be influenced by changing interest rates ✓. He can do sound financial planning/budget/save ✓ to buy his own property. ✓
- He will save money as he does not have to: pay property rates or taxes ✓ / maintain the property ✓ / buy furniture (as he rents a furnished flat) ✓ / pays insurance on the property/home-owners' insurance (not household insurance) ✓
- It will be easy for him to move if he has to work overseas. ✓

(Any 5) (5)

Understanding LO 12.2.5 (moderate) [Successful: 101, Doing: 109, Focus 103, OBE for FET: 156]

4.1.5 **State FIVE stipulations that should be included in the Lease Agreement which will protect Keith.**

- Date of occupation ✓
- Length of lease/period of lease ✓
- Statement of lease renewal (is the renewal automatic or subject to certain conditions?) ✓
- The cost of rental/amount of rent payable ✓
- Escalation of rent payment ✓
- When and where the amount must be paid/frequency of payment ✓
- Term of notice/notice period for cancellation of the lease agreement ✓
- Clause indicating who is responsible for paying for the water, electricity and other unit-related bills/clause indicating any additional payments ✓
- Clause concerning the deposit (amount, conditions that must be met before it will be paid back) ✓
- Subletting (stating restrictions that might apply) ✓
- Clause regarding the final inspection in the presence of the tenant ✓
- List of furniture must be attached to the lease as a separate inventory ✓

(Any 5)

(5)

Remembering LO 12.2.5 (moderate) [Focus: 101; Oxford: 102; OBE for FET: 152; CLS: 161 Doing: 109, Focus: 101]

4.2 4.2.1 **Give reasons why washing machine A is more suitable for the retired couple.**

- Easier to use for elderly people ✓ as they do not have to bend down. ✓
- It is less expensive/less deposit/monthly payments are less they will be able to afford it. ✓
- They can wash larger loads less frequently ✓ and save time/energy/electricity/water/money. ✓

(3)

Applying LO 12.2.6 (moderate)

4.2.2(a) **Calculate the total cost of washing machine A if it is bought on instalment sale. Show ALL calculations.**

$$\begin{aligned} R173,00 \times 36 \text{ months} \checkmark &= R6\,228,00 \checkmark \\ R6\,228,00 + R290,00 \checkmark &= R\,6\,518,00 \checkmark \end{aligned}$$

(4)

Note: A mark will not be awarded for incorrect calculations but the learner will not be penalized for further calculations if done correctly. (Mark with mistakes)

Applying LO 12.2.6 (moderate) [Successful: 113; Focus: 192; Doing: 248]

4.2.2(b) **Calculate the difference between the cash price and the instalment sale price of washing machine B. Show ALL calculations.**

$$\begin{aligned} R210,00 \times 36 &= R7\,560,00 \checkmark \\ R7\,560,00 + R370,00 &= R7\,930,00 \checkmark \\ R7\,930,00 - R3\,699,00 &= R4\,231,00 \checkmark \end{aligned}$$

(3)

Note: A mark will not be awarded for incorrect calculations but the learner will not be penalized for further calculations if done correctly. (Mark with mistakes)

Applying LO 12.2.6 (moderate) [Successful: 113; Focus: 192; Doing: 248]

4.3 **Suggest THREE benefits of installing an Eskom heat pump.**

- The heat pump can cut the cost of heating water up to 67%/save 67% on the cost of heating water/save money/save electricity ✓
- Eskom will give a rebate/refund/pay some money back ✓ and thus making it cheaper/more affordable ✓
- Installing the heat pump will help you to live greener/protecting the environment/more environmentally friendly/saving non-renewable resources/energy efficient. ✓

(Any 3)

(3)

Understanding LO 12.3.4 (easy) [Source: Information from extract]

4.4 Give good reasons why Keith should invest in property during a recession.

- It will be cheaper to buy during the recession ✓ as many people have to sell their houses at a lower price ✓ as they cannot afford bond payments ✓
 - Because house prices are down/lower/cheaper to buy/buyers' market ✓ Keith will be able to buy a larger property. ✓
 - Many houses on the market will widen the choice. ✓
 - Interest rates are low so it may be easier to get a bond/bond approval ✓
 - Initial bond repayments will be lower because of the low interest rates ✓
 - Buying is a good investment ✓ as the value of the property will increase in the long term ✓
 - When reselling the property in the long term, ✓ a profit will be made ✓
 - The demand for property to rent/the rental market will increase ✓ as people will be renting after selling their houses ✓
 - Keith can let/rent out this property (when he goes overseas) ✓ and an income can be generated ✓
- (Any 8) (8)

Note: Accept any 8 or (4x2)

Analyzing LO 12.2.5 (difficult) [Doing:108, Focus: 013, Successful: 102, OBE for FET: 157]

TOTAL SECTION D: 40

SECTION E: THEORY OF PRODUCTION AND ENTREPRENEURSHIP**QUESTION 5****5.1 5.1.1 Define the term *target market*.**

- A group of consumers/people that are likely to buy a product ✓
- Potential buyers of a product ✓ (1)
- Consumers who share the same characteristics ✓ (Any 1)

Remembering LO 12.4.2 (easy) [Focus:180; Doing: 246; OBE for FET: 215; Successful: 166]

5.1.2 Identify Pete's main target market.

- Tourists ✓ (1)

Remembering LO 12.4.2 (easy) [Focus:180; Doing: 246; OBE for FET: 215; Successful: 166]

5.2 5.2.1 How much must Pete pay his workers if they have to occasionally work on a Sunday?

- Double/1,5 times the normal rate/normal hourly rate (for the day) ✓ (1)

Note: do not accept more than normal or over time

Understanding LO 12.4.2 (easy) [Focus: 199; OBE for FET: 247; Doing: 249]

5.2.2 In terms of the labour law, Pete has responsibilities towards his employees. How much leave are Pete's employees entitled to?**Annual leave:**

- 21 consecutive days per year ✓
- 1 day leave for every 17 days worked ✓
- 1 hour for every 17 hours worked ✓

Sick leave:

- In a three year cycle ✓ the employee is entitled to six weeks of paid sick leave. ✓
- During the first six months of employment, ✓ an employee is entitled to one day of paid sick leave for every 26 days worked. ✓

Maternity leave:

- A pregnant employee is entitled to four consecutive months ✓ of unpaid maternity leave. ✓

Family responsibility leave:

- Employees who have been working for at least four months ✓ and who work for more than four days a week, ✓ are entitled to three days of paid family responsibility leave per year ✓ (2)

Remembering LO 12.4.2 (easy) [Focus: 199; OBE for FET: 247; Doing: 249]

5.2.3 Suggest TWO aspects Pete had to consider when he converted this double garage to ensure the following for his employees:

(a) A safe working environment :

- Good ventilation ✓
 - Adequate lighting ✓
 - Safe floors/non-slippery floors ✓
 - Enough storage space ✓
 - Electrical sockets/plugs/power points must be safe ✓
 - Must adhere to the rules and regulations set out in the Occupational Health and Safety Act ✓
- (2)
(Any 2)

(b) A comfortable working environment:

- Good ventilation ✓
 - Good climate control ✓
 - Sufficient and suitable work space ✓
 - Layout must be easy to use/user-friendly layout of workstations/production line must be comfortable to use ✓
 - Sanitation/toilet facilities ✓
 - Space to rest/eat ✓
 - Correct height of work surfaces/toe space
- (2)
(Any 2)

Note: Referring to free standing items not acceptable

Applying LO 12.4.1 (moderate) [OBE for FET: 204; Successful: 146; Doing: 256; Focus: 192; CLS: 322]

5.3 5.3.1 **Give FOUR reasons why Pete needs to do stock control of raw materials.**

- Helps Pete to know when to re-order and how much to order/improve purchasing/ To know if he has enough of the stock, so that it can be ordered before production starts. ✓
- Making most of funds by not having too much stock or the wrong stock /to apply the “just in time” principles✓
- Minor problems e.g. poor quality materials can be sorted out immediately. ✓
- Helps to prevent theft ✓ as stock that disappears will affect your profit (poor monetary control)/ budget. ✓
- It encourages employees to be sensible and careful with the stock they use. ✓
- To ensure that Pete has extras or spares handy, so as not to delay production. ✓
- To enable Pete to ascertain that further space is available for storage of stock. ✓
- Improve costing. ✓
- Prevent wastage as raw materials (not food) will not spoil/helps to apply “first in first” out principle (Any 4) (4)

Remembering LO 12.4.1 (easy) [CLS: 325; Focus: 191; Successful: 150]

5.3.2 **Explain why Pete's products are successful.**

- Good value for money ✓
- Unique/South African product ✓
- Raw materials are locally available ✓
- Good selling point✓
- Appeals/fulfills a need in target market/tourists✓
- Advertisements on the internet ✓ (Any 3) (3)

Understanding LO 12.4.2 (moderate) [Focus: 181; OBE for FET: 235]

5.3.3 **Name TWO important criteria for the packaging of the products (curios) which will be posted/mailed.**

- Strong/sturdy✓
- Durable ✓
- Protective/able to keep shape✓
- Well sealed/tamperproof ✓
- Waterproof✓
- Safe✓
- Light weight✓
- Indicate fragile/this way up✓ (Any 2) (2)

5.3.4 Suggest TWO ways in which Pete can use labeling to promote the sale of his products to tourists.

- State where it was made/South Africa✓/made from local raw materials
 - Design the label using South-African colours/ flag/ symbols/ picture of product/ information regarding the product✓
 - Attractive✓
 - Catchy phrase ✓
- (Any 2) (2)

Note: Proudly South African cannot be accepted as it is not stated in the scenario

Understanding LO 12.4.1 (moderate) [Focus: 184; Doing: 253; Successful: 167]

- 5.4 5.4.1 **Pete's business produces 1100 products per week. The cost of the materials per week is R18 000,00. He adds 30% to cover overhead costs and 75% for profit (105% mark-up). Calculate the total production cost per product. Show ALL calculations.**

Cost of the materials per product:

$$\frac{18\,000}{1\,100} \checkmark = R16,36 \checkmark$$

1 100

Overhead costs:

$$R16,36 \times 30\% \checkmark = R4,91 \checkmark$$

$$\begin{aligned} \text{Total production cost} &= \text{cost of materials} + \text{overheads} \\ &= R16,36 + R4,91 \\ &= R21,27 \checkmark \end{aligned}$$

OR

Total overhead costs:

$$R18\,000 \times 30\% \checkmark = R5\,400 \checkmark$$

$$\text{Total production cost} = R18\,000 + R5\,400 = R23\,400 \checkmark$$

$$\text{Total production cost per product} = \frac{R23\,400}{1\,100} \checkmark$$

1 100

$$= R21,27 \checkmark$$

(5)

Note: Other methods of calculation (if correct) should be accepted.

Mark with mistakes

Applying LO 12.4.3 (moderate) [OBE for FET: 222; Focus: 192; Successful: 298]

5.4.2 **Calculate the selling price per product. Round the selling price off to the nearest Rand. Show ALL calculations.**

$$R16,36 \checkmark \times 105\% \checkmark = R17,18 \checkmark$$

$$R17,18 + R16,36 = R33,54 \checkmark$$

$$\text{Rounding} = R34,00 \checkmark$$

OR

$$R18\,000 \times 105\% \checkmark = R18\,900 \checkmark$$

$$R18\,000 + R18\,900 = R36\,900 \checkmark$$

$$\frac{R36\,900}{1\,100} = R33,5454 \text{ (R33,55)} \checkmark$$

$$1\,100$$

$$\text{Rounding} = R34,00 \checkmark$$

OR

$$R21,27 \checkmark \times 70\% \checkmark = R14,89 \checkmark$$

$$R21,27 + R14,89 = R36,16 \checkmark$$

$$\text{Round off} = R36,00 \checkmark$$

(5)

Note: Other methods of calculation (if correct) should be accepted.

Mark with mistakes

Applying LO 12.4.3 (moderate) [OBE for FET: 222; Focus: 192; Successful: 298]

5.4.3 Explain when the break-even point will be reached. Calculations NOT required.

- The break-even point will be reached when the sales ✓ cover the production cost ✓

OR

- The point where all the costs ✓ or the product are covered by the sales ✓

OR

- At this point the income from sales ✓ is equal to the total costs of the business ✓

OR

- Break-even point is the minimum quantity of sales ✓ needed to avoid showing a loss ✓

OR

- At break-even point the business has made back all the money ✓ that was spent on the production of the product ✓

(2)

Remembering LO 12.4.3 (easy) [Successful: 177; CLS: 4]

5.5 Briefly explain the possible impact of a transport strike on the production of the products.

- Employees may not be able to come to work/may be absent. ✓
- Employees may arrive late. ✓
- Employees may have to leave early. ✓
- Fewer products will be produced ✓ as workers will work for a shorter time ✓
- No/less stock/products can be delivered ✓ therefore lose customers/income. ✓
- Unable to pay employees because products are not sold/no sales/no income. ✓
- Business might close down due to the impact mentioned ✓

(Any 3)

(3)

Analysing LO 12.4.2 (difficult) [Focus: 196; Successful: 172; Doing:250; OBE for FET: 235]

5.6 Explain, with reasons, how the increasing electricity tariffs may affect the sustainable profitability of Pete's business.

- The **sustainable profitability** of the business may be **negatively** affected ✓

(1)

Reasons:

- Increase in electricity price will increase overhead costs/production costs ✓ he will make less profit ✓
- Pete may have to increase the selling price ✓ of his products in order to make a reasonable profit ✓

- As a result of a higher selling price, few products may be bought/ fewer products will sell ✓
- An increase in the electricity price will cause local consumers to have less money to buy Pete's products ✓ (Any 4) (5)

Analysing LO 12.4.3 (difficult) [Focus: 196; Successful: 172; Doing:250; OBE for FET: 235]

TOTAL SECTION E: 40
GRAND TOTAL: 200