



# basic education

Department:  
Basic Education  
**REPUBLIC OF SOUTH AFRICA**

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**CONSUMER STUDIES**

**NOVEMBER 2015**

**MEMORANDUM**

**MARKS: 200**

**This memorandum consists of 23 pages.**

**QUESTION 1: SHORT QUESTIONS**

- 1.1 1.1.1 A✓ *Remembering, easy (Focus, p 165; Successful, p 181)* (1)
- 1.1.2 C✓ *Remembering, easy (Focus, p 167; Successful, p 185)* (1)
- 1.1.3 B✓ *Understanding, moderate (Focus, p 162; Successful p 179)* (1)
- 1.1.4 D✓ *Remembering, easy (Focus, p 89; Successful p 103)* (1)
- 1.1.5 B✓ *Understanding, easy (Focus, p 79; Successful p 93)* (1)
- 1.1.6 C✓ *Remembering, easy (Focus, p 82; Successful p 95)* (1)
- 1.1.7 D✓ *Understanding, easy (Focus, p 75; Successful p 89)* (1)
- 1.1.8 A✓ *Understanding, easy (Focus p 107; Successful p 130)* (1)
- 1.1.9 C✓ *Understanding, moderate (Focus p 64; Successful p 72)* (1)
- 1.1.10 A✓ *Remembering, easy (Focus p 58; Successful p 63)* (1)
- 1.1.11 A✓ *Remembering, easy (Focus p 125; Successful p 142)* (1)
- 1.1.12 C✓ *Remembering, easy (Focus p 128; Successful p 145)* (1)
- 1.1.13 D✓ *Understanding, moderate (Focus p 130; Successful p 149)* (1)
- 1.1.14 B / A✓ *Understanding, moderate (Focus p 148; Successful p 162)* (1)
- 1.1.15 D✓ *Remembering, easy (Focus p 13; Successful p 20)* (1)
- 1.1.16 A✓ *Understanding, easy (Focus p 20; Successful p 25)* (1)
- 1.1.17 D✓ *Remembering, easy (Focus p 16; Successful p 21)* (1)
- 1.1.18 C✓ *Understanding, easy (Focus p 25; Successful p 26)* (1)
- 1.1.19 A✓ *Understanding, easy (Focus, p 19; Successful p 23)* (1)
- 1.1.20 B✓ *Understanding, moderate (Focus, p 14; Successful p 20)* (1)
- 1.2 1.2.1 F✓ (1)
- 1.2.2 E✓ (1)
- 1.2.3 B✓ (1)
- 1.2.4 C✓ (1)
- 1.2.5 G✓ (1)

*Understanding, easy (Focus p 93-94; Successful p 113-114)*

- 1.3      1.3.1      D✓      (1)
- 1.3.2      B✓      (1)
- 1.3.3      F✓      (1)
- 1.3.4      C✓      (1)
- 1.3.5      G✓      (1)
- Understanding, moderate (Focus, p 126-127; Successful p 146-147)*
- 1.4      1.4.1      Marketing mix/strategy/plan/5 P's✓ (Focus, p 24; Successful, p 28)      (1)
- 1.4.2      Target market/group ✓ (Focus, p 20; Successful, p 11)      (1)
- 1.4.3      Trademark/logo/tradename/slogan/symbol✓ (Focus, p 29; Successful, p 28)      (1)
- Remembering, easy*
- 1.5      C✓
- E✓
- F✓      Any sequence      (3)
- Analysing, moderate (Focus, p 180; Successful, p 199)*
- 1.6      B✓
- C✓
- D/F✓ (only one)
- G✓      (4)
- H ✓
- Analysing, difficult (Grade 11, Focus, page 57; Successful, page 59)*
- Any sequence

**[40]**

**QUESTION 2: THE CONSUMER****2.1 Define the term grey goods/parallel imports**

- Grey goods/parallel imports are items that a manufacturer does not want sold in a particular country✓<sub>1</sub> but that end up there through unofficial distribution channels.✓<sub>2</sub> It is not illegal.✓<sub>3</sub> (Any 2)

OR

- Grey goods/parallel imports are goods that have been imported into a country through unofficial or unauthorised distribution channels.✓<sub>4</sub> These are not illegal goods✓<sub>5</sub> they are imported into a country legally and necessary duties are paid. ✓<sub>6</sub>They are sold by individuals or businesses that are not authorised by the manufacturer to do so.✓<sub>7</sub>

(Any 2) (2)

*Remembering, easy (Focus, page 158; Successful, page 176)***2.2 Explain the following types of income tax paid by South African tax payers****2.2.1 Pay-as-you-earn:**

- Employers✓<sub>1</sub> deduct tax from an employee's monthly/full-time employment income/sliding scale✓<sub>2</sub> in excess of the tax threshold for a year.✓<sub>3</sub>

(Any 2)

OR

- Employee pays tax at the same time✓<sub>4</sub> that his/her income is earned. An employer✓<sub>5</sub> deducts one-twelfth of the estimated tax that the employee will pay at the end of the year/The person's tax liability is settled over the course of the year.✓<sub>6</sub> (Any 2)

(2)

**2.2.2 Provisional tax:**

- Taxpayers whose income is not fixed✓<sub>1</sub> pay tax twice a year✓<sub>2</sub> based on their estimated taxable income.✓<sub>3</sub> (Any 2)

OR

- Paid by taxpayers with irregular income or people with income other than their regular salaries.✓<sub>4</sub> Tax is paid in the form of two payments✓<sub>5</sub> made from income received during the year.

(2)

*Remembering, easy (Focus, page 163; Successful, page 181)*

2.3 **Discuss how a lack of the following municipal services may have a negative influence on the people in a community.**

2.3.1 **Sewage removal**

- If sewage collection and disposal are not done correctly it can cause major health issues/E.coli/attract flies/ bad odours/smells✓<sub>1</sub>
- People become sick and cannot go to work, the drop in income will affect their living conditions negatively. ✓<sub>2</sub>  
If sewage seeps into streams and rivers, it is a health hazard because it pollutes the area's drinking water. ✓<sub>3</sub> (Any 2) (2)

2.3.2 **Refuse removal**

- If refuse is not removed/collected regularly, it will contribute to the creation of unhealthy and unsafe living environments/physical danger to children✓<sub>1</sub> and more pests/flies/rodents/micro organisms.✓<sub>2</sub>
- Poor refuse removal services will make it difficult to attract business or industry to an area/unsightly✓<sub>3</sub> and will limit job opportunities for residents.✓<sub>4</sub>
- Negative effect on morale of community✓<sub>5</sub> (Any 2) (2)

*Applying, moderate (Focus, page 182-183; Successful, page 203-204)*

*Do not accept air or soil pollution*

2.4 2.4.1 **Explain why Mona made a more responsible consumer choice.**

- Gas heaters are the most effective and efficient way to heat up a room.✓<sub>1</sub>/ An electric heater takes time to heat up✓<sub>2</sub> therefore it will be using more energy.✓<sub>3</sub>
- Gas produces instant/ fast heat/gas is cheaper than electricity.✓<sub>4</sub>
- Gas can be controlled very accurately.✓<sub>5</sub>
- By using gas, the demand for electricity is lowered/more sustainable✓<sub>6</sub> and thereby the negative environmental impact/pollution from generating electrical power is less.✓<sub>7</sub>
- The gas heater will lighten the load on the country's overstretched energy supply✓<sub>8</sub> and decrease load-shedding.✓<sub>9</sub>
- Mona took it back within five to seven working days within the cooling off period as she bought it from a direct marketing company.✓<sub>10</sub>
- She obtained information from the representative.✓<sub>11</sub>
- She bought it from a company specialising in heaters✓<sub>12</sub>

(Any 3) (3)

*Understanding, moderate (Focus, 176; Successful, page 194-195)*

*Emphasis on choice not responsibility*

2.4.2 **Give THREE reasons why Lebo did not act according to the Consumer Protection Act when he decided to return the heater only 14 days after purchasing it.**

- Lebo responded to an advertisement on television and that is not considered direct marketing✓<sub>1</sub> and does not fall within the cooling-off provision✓<sub>2</sub> of the Consumer Protection Act.
- According to the Act, Lebo must be prepared to pay the credit provider a reasonable amount for the cost of having the heater returned✓<sub>3</sub> and a reasonable rent for the use of the heater for the time it was in his possession.✓<sub>4</sub> The shop may charge him a cancellation fee of not more than ten per cent on the outstanding amount.✓<sub>5</sub> (Any 3) (3)

*Applying, moderate (Focus, page 155, 157; Successful, page 173, 175)*

2.5 **Discuss how the repo rate affects consumers.**

- The big pair of scissors refers to the authority of the Reserve bank to cut the repo rate.✓<sub>1</sub>
- The base of the interest rate calculations is the South African Reserve Bank Repurchase Rate/Repo rate/Interest rates on credit agreements rise and fall with the repo rate charged by the Reserve Bank.✓<sub>2</sub>
- The banks cut their interest rate/prime rate based on a cut in the repo rate.✓<sub>3</sub> If the banks' (prime) interest rate is higher than the repo rate the consumer is negatively affected as he/she pays more interest on loans. ✓<sub>4</sub> Consumers who have investments benefit, as they earn more interest✓<sub>5</sub>
- Thus, if the Reserve Bank cuts the repo rate, banks will follow by cutting the interest rate charged on credit card accounts✓<sub>6</sub> which affect consumers with credit card accounts positively. ✓<sub>7</sub>
- As the repo rate is cut consumers tend to spend more✓<sub>8</sub> thus increasing possible debt.✓<sub>9</sub> (Any 4) (4)

*Analysing, difficult (Focus, page 166-167; Successful, page 184)*

*Exam Guidelines p 3 – keep up with current trends/issues/developments*

**[20]**

**QUESTION 3: FOOD AND NUTRITION****3.1 3.1.1 Name TWO symptoms of gastro-enteritis.**

- (Non-bloody) diarrhoea/loose stools ✓<sub>1</sub>
- Nausea ✓<sub>2</sub>
- Vomiting ✓<sub>3</sub>
- Abdominal/stomach pain ✓<sub>4</sub>
- Abdominal/stomach cramping ✓<sub>5</sub>
- Bloating ✓<sub>6</sub>
- Muscle aches ✓<sub>7</sub>
- Headaches ✓<sub>8</sub>
- Fever ✓<sub>9</sub>

(Any 2) (2)

*Remembering, easy (Focus, page 91; Successful, page 108)***3.1.2 State how gastro-enteritis is transmitted.**

- Food is contaminated by people with viral gastro-enteritis/bacterial infection/parasites who prepare or handle food. ✓<sub>1</sub>
- Eating food contaminated by bacteria. ✓<sub>2</sub>
- Drinking water contaminated by bacteria/dirty water. ✓<sub>3</sub>
- Contact with an infected person, ✓<sub>4</sub> poor hygiene/unwashed hands ✓<sub>5</sub> and dirty utensils ✓<sub>6</sub> are the most common routes for transmission.

(Any 2) (2)

*Remembering, easy (Focus, page 91; Successful, page 108)***3.2 Name FOUR advantages of genetically modified food with regard to the economic environment.**

- Fewer pesticides need to be sprayed on crops, ✓<sub>1</sub> which reduces the production costs. ✓<sub>2</sub>
- Crops may have an increased resistance to disease/ drought/ fluctuations in temperature/crops can be grown in regions with low agricultural productivity ✓<sub>3</sub> therefore farmers in these areas can also benefit financially. ✓<sub>4</sub>
- The crop yield is greater/more people can be fed/ more food will be provided/food is more/plentiful ✓<sub>5</sub> and the production costs may be lower/food may be cheaper/increases income for farmer. ✓<sub>6</sub>
- Food products may have a longer shelf-life/life span ✓<sub>7</sub> thus consumers can buy in bulk thus saving money in the long run. ✓<sub>8</sub>

(Any 4) (4)

*Understanding, easy (Focus, page 103; Successful, page 123)*

3.3 3.3.1 **Explain why oats is NOT suitable for a person with Celiac disease.**

- Oats is unsuitable as it contains gluten<sup>✓1</sup> which damages the lining of the intestines which contain villi<sup>✓2</sup> and help with the absorption of nutrients.<sup>✓3</sup> The villi/body/intestines<sup>✓4</sup> are then less able to absorb essential nutrients/ which leads to malnutrition.<sup>✓5</sup> (Any 3) (3)

*Remembering, easy (Focus, page 80; Successful, page 93)*

3.3.2 **Identify the information on the label that could be misleading for consumers.**

- '(The) energy champion'<sup>✓1</sup> OR
- 'It comes as no surprise that Champion Oats has been South Africa's energy champion for over 80 years'<sup>✓2</sup> (1)

*Understanding, moderate (Focus, page 102; Successful, page 121)*

*DO NOT accept excellent source of Vitamin B as Vitamin B is a nutrient in oats.*

3.3.3 **Explain how this choice may help Sipiwe to manage his obesity.**

- Eating breakfast helps to keep the metabolism going and this assists with weight loss.<sup>✓1</sup>
- The oats will provide enough energy to sustain him through his morning tasks.<sup>✓2</sup> This will prevent him from snacking later in the morning.<sup>✓3</sup>
- The milk is low in fat and that will help to reduce his total energy/kilojoule intake.<sup>✓4</sup>
- Oats has an intermediate glycaemic index<sup>✓5</sup> which will cause a medium rise in blood-glucose levels/release glucose steadily.<sup>✓6</sup>
- Oats contain fibre and this fills him up and delays the feeling of hunger which makes him/her eat less/is digested slowly<sup>✓7</sup> and prevents the fluctuation of blood glucose levels/improves carbohydrate metabolism.<sup>✓8</sup> (Any 4) (4)

*Applying, moderate (Focus, page 71, 73, 83; Successful, page 78 and 98)*



**3.4 Give reasons why Hepatitis A is closely linked to poor sanitation and a lack of personal hygiene.**

**Poor sanitation:**

Hepatitis A spreads when an uninfected or unvaccinated person ✓<sub>1</sub> eats or drinks food or water that was contaminated by sewage containing faeces and urine due to poor sanitation. ✓<sub>2</sub> (Any 1)

**Lack of hygiene:**

Foods or drinks may become contaminated when an infected person does not wash his or her hands ✓ after going to the toilet/changing nappy/diaper of an infected baby and then touches the food. ✓<sub>2</sub> (Any 1) (2)

*Understanding, easy (Successful 103, Focus 89)*

*NOTE: ONE mark each*

**3.5 3.5.1 Give TWO reasons why potato chips contain food additives.**

- To increase the shelf-life/keep it fresher for longer. ✓<sub>1</sub>
- To improve the taste/flavour. ✓<sub>2</sub>
- To prevent rancidity. ✓<sub>3</sub>
- To enhance/preserve the colour/prevent oxidation/prevent browning. ✓<sub>4</sub> (Any 2) (2)

*Remembering, moderate (Successful 116, Focus 96)*

**3.5.2 Write a paragraph to illustrate the effect of these food items on the physical and emotional health of the learners.**

**Physical health:**

Learners will become obese/overweight ✓<sub>1</sub> because the food items mentioned contain a lot of refined carbohydrates/sugar/starch/fat ✓<sub>2</sub> with no high density nutrients ✓<sub>3</sub> These food items make them irritable/dizzy/cause hypertension/heart disease/diabetes. ✓<sub>4</sub> These energy rich foods contain additives/colourants which could cause allergic reactions/hyperactivity/poor concentration. ✓<sub>5</sub> Malnutrition could occur as these foods do not contain vitamins and minerals/vitamin A. ✓<sub>6</sub> Some learners may develop anaemia due to the lack of iron in the food. ✓<sub>7</sub> Learners may become more prone to infections due to a lack of vitamin C. ✓<sub>8</sub> The high sugar content may cause dental caries. ✓<sub>9</sub> (Any 2/3)

**Emotional health:**

Some learners are rejected by their peers – this could lead to depression/low self esteem ✓<sub>10</sub> and they will eat to feel good/comfort food ✓<sub>11</sub> More prone to bullying ✓<sub>12</sub> learners feel guilty ✓<sub>13</sub> because they eat incorrectly/feel good because they eat like their peer group ✓<sub>14</sub> (Any 2/3) (5)

*Applying, difficult (Successful 116, Focus 96)*

**NOTE:** Minus one mark if not written in paragraph style.

3.6 3.6.1 **Nita experienced hypoglycaemia while shopping. Explain what caused this condition.**

- Nita drank the energy drink✓<sub>1</sub> which had a high glycaemic index/GI✓<sub>2</sub> her blood glucose level rose sharply.✓<sub>3</sub>
- As a diabetic, she should not have drunk an energy/sugary drink/ high GI drink on its own/on an empty stomach.✓<sub>4</sub>
- Her body overreacted which resulted in her pancreas producing too much insulin✓<sub>5</sub> to transport the glucose to her cells.✓<sub>6</sub>
- This decreased her blood glucose levels rapidly ✓<sub>7</sub> and resulted in the dizziness, confusion and loss of consciousness.✓<sub>8</sub>

(Any 4)

(4)

*Applying, moderate (Focus, page 71; Successful page 78-79)*

3.6.2 **Discuss how Nita could have prevented the incident in the scenario.**

- Nita should eat regular meals/packed lunch/not skipped a meal.✓<sub>1</sub>
- She should eat healthy snacks✓<sub>2</sub> every three hours.
- Include low GI carbohydrates in every meal/snack✓<sub>3</sub> to keep her blood glucose levels steady/stable✓<sub>4</sub>
- Avoid eating or drinking high GI foods or drinks (energy drink) on their own.✓<sub>5</sub>
- Combine high GI and low GI carbohydrate foods✓<sub>6</sub> and high GI food with protein-rich foods/chicken/tuna.✓<sub>7</sub>
- She must control the amount of glucose that comes into her bloodstream/keep the amount of glucose in her bloodstream stable.✓<sub>8</sub>

(Any 3)

(3)

*Understanding, moderate (Successful 78-79, Focus 71)*

3.6.3 **Evaluate the suitability of the food in Nita's lunch box to manage her diabetes.**

- Whole wheat bread: is fibre rich✓<sup>1</sup> and has a low GI.✓<sup>2</sup> Fibre-rich foods are digested slowly and prevent large fluctuations in blood-glucose levels/improve carbohydrate metabolism✓<sup>3</sup> and lowers the total cholesterol level.✓<sup>4</sup>
- Canola margarine: Contains unsaturated fat that will be beneficial.✓<sup>5</sup>
- Chicken mayonnaise: the chicken contains saturated fat✓<sup>6</sup> which should be restricted/used sparingly✓<sup>7</sup> the mayonnaise is high in fat✓<sup>8</sup> which could lead to obesity/overweight✓<sup>9</sup>
- Tuna (oily fish): contains unsaturated fat that will reduce the risk of heart disease✓<sup>10</sup>
- Tomato and avocado pear salad: the tomato has a low GI✓<sup>11</sup> and is fibre rich✓<sup>12</sup> the avocado contains unsaturated fat✓<sup>13</sup> which lowers the risk of heart disease and stroke.✓<sup>14</sup>
- Apple: has a low GI✓<sup>15</sup> and is fibre rich✓<sup>16</sup>
- Shortbread biscuit: contains trans fat which should be restricted as diabetics are more prone to heart disease.✓<sup>17</sup> The shortbread has an intermediate/high GI✓<sup>18</sup> and contains sugar which increases the blood glucose levels.✓<sup>19</sup> (Any 7)
- Conclusion: Most of the food in the lunch box is suitable for managing diabetes.✓<sup>20</sup> (1)

*Evaluating, difficult (Focus, page 73; Successful, page 82-83)*

(8)

**[40]**

**QUESTION 4: CLOTHING****4.1 Define the following terms:****4.1.1 Fashion**

- Fashion is the style of clothing that the majority of people✓<sub>1</sub> in a country/age group/area✓<sub>2</sub> wear now/currently/at a given time✓<sub>3</sub>  
(Any 2)

OR

- Fashion is the style accepted by a specific group of people✓<sub>4</sub> at a given time✓<sub>5</sub> and place✓<sub>6</sub>  
(Any 2)

(2)

*Remembering, easy (Focus, page 48; Successful, page 49)***4.1.2 Retrospective fashion**

- Retrospective fashion refers to clothes that imitate/resemble✓<sub>1</sub> the style of a previous era.✓<sub>2</sub>

OR

- Designers turn to history for inspiration and design garments that imitate/resemble✓<sub>3</sub> an earlier period.✓<sub>4</sub>

**NOTE:** *Retrospective garments are not vintage garments.*

(2)

*Remembering, easy (Focus, page 51; Successful, page 53)***4.2 State TWO factors to consider when purchasing clothes for the world of work.**

- Clothes should suit/fit the body type/shape✓<sub>1</sub> type of work✓<sub>2</sub> and the image of the company.✓<sub>3</sub>
- Garments must coordinate in terms of style/colour/texture (design elements) ✓<sub>4</sub> to mix and match✓<sub>5</sub> for the extension of the clothes for the working wardrobe of a professional. ✓<sub>6</sub>
- Garments must suit weather conditions/climate/seasons✓<sub>7</sub>
- Consider your available budget/money.✓<sub>8</sub>
- Consider your personality and value system.✓<sub>9</sub>

(Any 2)

(2)

*Remembering, easy (Focus, page 56; Successful, page 59)***4.3 4.3.1(a) Name the stage in the fashion cycle at which young designers will showcase their new fabrics made from hemp combined with other fibres**

- Beginning/launch/introduction✓

*Remembering, easy (Focus, page 49; Successful, page 50)*

(1)

4.3.1(b) **Describe the stage in the fashion cycle mentioned in Question 4.3.1 (a)**

- A new fashion/fabric is introduced✓<sub>1</sub> at fashion shows/ on cat walks/ in magazines✓<sub>2</sub>
- Only a few people/celebrities/fashion leaders will be wearing it.✓<sub>3</sub>
- Only available from fashion designers.✓<sub>4</sub>
- These items are expensive ✓<sub>5</sub> and exclusive✓<sub>6</sub> (Any 2) (2)

*Understanding, moderate (Focus, page 49; Successful, page 50)*

4.3.2 **Explain why there is a need for eco-friendly textiles**

- The natural resources are limited✓<sub>1</sub> and must be protected✓<sub>2</sub> otherwise they will be depleted or permanently damaged.✓<sub>3</sub>
- More and more people want to protect the Earth and reduce their carbon footprints✓<sub>4</sub> /more people want products that have minimal impact on the environment✓<sub>5</sub> (Any 2) (2)

*Understanding, moderate (Focus, page 61; Successful, page 67)*

4.3.3 **Discuss why hemp is considered an eco-friendly textile.**

- It is easy to grow/grows fast.✓<sub>1</sub>
- It produces more fibre yield per acre than any other textile plant, freeing up land needed for food crops.✓<sub>2</sub>
- It adds organic matter to the topsoil/improves soil quality.✓<sub>3</sub>
- Less waste/no waste is created.✓<sub>4</sub>
- It is sustainable/grown in an environmentally friendly way.✓<sub>5</sub>
- It lasts very long/can be worn for a very long time/is durable and this reduces waste.✓<sub>6</sub> (Any 3) (3)

*Understanding, moderate (From extract and Focus, page 61; Successful, page 67- 68)*

4.3.4 **Briefly discuss why clothing items made from hemp could be regarded as classic-style garments.**

- Hemp is good quality/will last long/be long lasting/durable/blends well with other fibres✓<sub>1</sub> making it a suitable choice for classic styles✓<sub>2</sub> (2)

*Analysing, moderate (Focus, page 49; Successful, page 51)*

**4.4 Give reasons why the outfit is suitable for a corporate meeting.**

The rolled-up sleeves of the jacket/blazer creates an informal look. ✓<sub>1</sub> The colours, blue and red are too informal ✓<sub>2</sub> and the skinny jeans are too tight fitting/unprofessional. ✓<sub>3</sub> The strappy top could be considered unsuitable/too informal/not professional. ✓<sub>4</sub>

The wide wrist band/large linked chain (necklace)/sling bag is too informal/not professional. ✓<sub>5</sub>

The low neckline is too revealing for a corporate meeting. ✓<sub>6</sub>

(Any 4)

(4)

*Evaluating, difficult (Focus, page 53-57; Successful, page 60 -63)*

*NOTE: Learners should not give recommendations.*

**[20]**

**QUESTION 5: HOUSING**

5.1 **Name FOUR costs that a buyer must pay before property can be transferred into his/her name.**

- Transfer duty✓<sub>1</sub>
- Conveyance fees/Transfer fees✓<sub>2</sub>
- Deeds office fees/admin fees✓<sub>3</sub>
- Deposit✓<sub>4</sub>
- Bond registration costs✓<sub>5</sub>
- Initiation/interim fee✓<sub>6</sub>
- Property valuation fees✓<sub>7</sub>
- Pro rata property tax✓<sub>8</sub>

(Any 4) (4)

*Remembering, easy (Focus, page 127 – 128; Successful, page 146)*

5.2 **Give THREE advantages of building a house.**

- Building can cost less than buying if you are an owner-builder.✓<sub>1</sub>
- The owner can design the house to suit his/her needs/taste✓<sub>2</sub> The owner can choose his/her own design/fittings/floor coverings✓<sub>3</sub> and can choose the latest designs.✓<sub>4</sub> This could be personally satisfying if you take an active role in the building process.✓<sub>5</sub>
- Owner can use/choose the latest technology.✓
- The house/components/fittings/appliances are all new and should work.✓<sub>7</sub>
- It is possible to create an environmentally friendly house.✓<sub>8</sub>
- The house can be finished according to the owner's own schedule/If there are not enough funds the building can be halted for a while.✓<sub>9</sub>
- New houses are generally built in areas that are growing rather than declining and that will help in future to resell the house/a new house is a good investment.✓<sub>10</sub>

(Any 3) (3)

*Remembering, easy (Focus, page 121, Successful, page 138)*

5.3 **Name THREE documents that banks will require when a buyer applies for a home loan.**

- Home loan application form✓<sub>1</sub>
- Certified copy of the buyer's South African identity document/ passport✓<sub>2</sub>
- Proof of income/most recent salary slips/banking statements/ letter from employer✓<sub>3</sub>
- Copy of the offer to purchase✓<sub>4</sub>
- Proof of current residential address/municipal/store account/valid TV licence✓<sub>5</sub>
- Income tax reference number✓<sub>6</sub>

(Any 3) (3)

*Remembering, easy (Focus, page 129; Successful, page 147)*

5.4 **Define the term *collateral security*.**

- Something pledged✓<sub>1</sub> as security for the repayment of a loan.✓<sub>2</sub>  
OR
- The value of the property/house✓<sub>3</sub> serves as security for the money borrowed/ loan.✓<sub>4</sub>  
OR
- If the loan does not cover the entire purchase price✓<sub>5</sub> the buyer may be asked to assist with payment from another source.✓<sub>6</sub> (Any 2) (2)

*Remembering, moderate (Focus p 126, Successful page 144)*

5.5 **Identify the types of home ownership in:**

5.5.1(a) **Advertisement A**

- Sectional/condominium title✓ (1)

*Understanding, easy (Focus, page 121; Successful, page 139)*

5.5.1(b) **Advertisement B**

- Full title/single title/freehold title✓ (1)

*Understanding, easy (Focus, page 122; Successful, page 140)*

5.5.2

<b>MAINTENANCE COSTS FOR OWNERSHIP IN ADVERTISEMENT A</b>	<b>MAINTENANCE COSTS FOR OWNERSHIP IN ADVERTISEMENT B</b>
<p>(Sectional title ownership)</p> <ul style="list-style-type: none"> <li>• Owner is responsible for the maintenance of the interior✓<sub>1</sub> of the unit/townhouse.</li> <li>• Monthly levy✓<sub>2</sub> is paid to the body corporate and is used to pay for the maintenance of common areas/garden/ swimming pool/ staircase/ corridors/ exterior of the townhouse/ unit.✓<sub>3</sub> (Any 2)</li> </ul>	<p>(Full title ownership)</p> <ul style="list-style-type: none"> <li>• Owner is responsible for the maintenance of the interior and exterior of the house. ✓<sub>1</sub></li> <li>• The owner must pay for the maintenance of the garden/swimming pool/ exterior of the house.✓<sub>2</sub></li> </ul>

(2) (4)

*Understanding, moderate (Focus, page 122; Successful, page 139 – 140)*

*NOTE: Deduct ONE mark if not in tabular form*



**5.6 Advise Peter on the steps he should have taken to determine whether he could afford the repayment of the loan.**

- Monthly repayments should not exceed 25% of his or 30%✓<sub>1</sub> of their joint monthly income.✓<sub>2</sub>
- Peter should have checked his financial position with the lending institution/Find out how much money he could borrow/get for a home loan/subsidy before starting to look for a house. ✓<sub>3</sub>
- He should have saved money for a deposit. ✓<sub>4</sub>
- Only looked at houses that he could afford. ✓<sub>5</sub>
- Consider current debt he may have incurred. ✓<sub>6</sub>
- Should have considered other hidden costs when purchasing e.g. insurance/maintenance/rates and taxes/conveyance fees etc. ✓<sub>7</sub> (Any 4)

*Applying, moderate (Focus, page 124; Successful, page 145)*

(4)

**5.7 Justify the following statement: “It is financially better to buy a house than renting one.”**

- The statement is true✓<sub>1</sub> the home owner will be better off because:
- Owning a house helps you to accumulate wealth in the form of an asset that increases in value/ it is a sound investment because the value of property increases over time.✓<sub>2</sub>
- The house can be sold to make a profit✓<sub>3</sub> if market conditions are favourable✓<sub>4</sub>, so it creates long-term wealth.
- House prices normally increase more than the interest you can earn on savings.✓<sub>5</sub>
- If you buy you have security of tenure, which is not the case when renting/Home ownership gives a sense of security and independence.✓<sub>6</sub>
- When buying, you can bequeath (leave in your will) the house to your children.✓<sub>7</sub>
- You can use the house as collateral security for a bank loan/ A tenant cannot use the rented property as security for a bank loan.✓<sub>8</sub>
- A room in the house can be rented out to earn income from the property✓<sub>9</sub> (without the consent of another person).
- Once you have paid off your bond, you do not pay for your accommodation,✓<sub>10</sub> except for rates, taxes and insurance.✓<sub>11</sub>
- Although monthly rent is initially cheaper than bond repayments, it is more expensive in the long run✓<sub>12</sub> as rent increases every year while bond repayments only fluctuate with the interest rate.✓<sub>13</sub>
- After paying rent for years, the tenant still does not own the property/ rented property never becomes yours✓<sub>14</sub> and you are actually paying off someone else’s house.✓<sub>15</sub> (Any 8)

*Analysing, moderate (Focus, pages 118 and 122; Successful, pages 137 and 140)*

The emphasis is on the financial advantages/better to buy

(8)

5.8 5.8.1 **Name FOUR universal design features that would make this appliance a good purchase.**

- 5 programmes allow for selecting the most efficient programme at a time. ✓<sub>1</sub>
  - Touch controls make it easy to operate ✓<sub>2</sub>
  - 14 plate capacity ✓<sub>3</sub>
  - Adjustable racks mean that the height of racks can be adjusted when bulky items are being washed. ✓<sub>4</sub>
  - No pre-rinsing is needed/extra hot rinse ✓<sub>5</sub>
  - Child-proof control makes it safer to use. ✓<sub>6</sub>
  - Touch controls are in front which make it easy to access ✓<sub>7</sub> and are easily accessible for example, for people in wheelchairs. ✓<sub>8</sub> (4)
- (Any 4)

*Applying, difficult (Focus page 147-148, Successful page 157)*

5.8.2 **Evaluate the suitability of the dishwasher in terms of preserving the environment.**

- It has a quick wash option which will use energy for a shorter period, therefore saves electricity. ✓<sub>1</sub>
- It has a water-level control programme that can be used to control water consumption/saves electricity because less water needs to be heated ✓<sub>2</sub>
- No pre-rinsing is required, so water is saved. ✓<sub>3</sub>
- 14 plate capacity saves electricity by washing a full load of dishes at once/Filling it completely before operating will save the use of electricity ✓<sub>4</sub>
- AAA energy rating means electricity is used more efficiently. ✓<sub>5</sub> (5)
- Conclusion: It is suitable. ✓<sub>6</sub> (1)

OR

- The dishwasher uses more electricity than washing dishes by hand. ✓<sub>1</sub>This contributes to the carbon footprint ✓<sub>2</sub> as natural resources are used during the manufacturing of electricity ✓<sub>3</sub>
- The dishwasher uses more water than washing by hand/less water to wash dishes in sink. ✓<sub>4</sub>
- Non –renewable resources are used in the manufacturing of dishwashers. ✓<sub>5</sub> (5)
- Conclusion: The dishwasher is unsuitable because it is harmful to the natural environment. ✓<sub>6</sub> (1)

*Evaluating, difficult (Focus, page 137, 146-147; Successful, page 157 – 158)*

(6)

**[40]**

**QUESTION 6: ENTREPRENEURSHIP****6.1 Give THREE examples of overhead costs for a business.**

- Electricity✓<sub>1</sub>
- Water✓<sub>2</sub>
- Stationery✓<sub>3</sub>
- Fuel/ transport/delivery costs✓<sub>4</sub>
- Rent✓<sub>5</sub>
- Administrative costs/ telephone/cell phone/ fax/internet✓<sub>6</sub>
- Cleaning costs/ cleaning materials/maintenance✓<sub>7</sub>
- Labour/wages/salaries✓<sub>8</sub>
- Insurance✓<sub>9</sub>

(Any 3) (3)

*Remembering easy (Focus p 37, Successful p 36)***6.2**  
**6.2.1 Explain the following terms:  
Quality control**

- Quality control is the process of inspecting✓<sub>1</sub> products to make sure the required standards are met.✓<sub>2</sub>

OR

- Quality control is the procedure for making sure that the quality of a product is maintained✓<sub>3</sub> through inspection✓<sub>4</sub> to meet the required standards.✓<sub>5</sub>

(Any 2) (2)

*Remembering, easy (Focus, page 16; Successful, page 22)***6.2.2 Sustainable production**

Sustainable production means using goods and services to improve quality of life✓<sub>1</sub> and meet the (basic) needs of consumers✓<sub>2</sub> without harming the environment.✓<sub>3</sub>

- The production of waste/pollution/toxic materials/greenhouse gases✓<sub>4</sub> should be minimal to sustain the environment✓<sub>5</sub>

(Any 2) (2)

*Remembering, easy (Focus, page 26; Successful, page 26)***6.3 Write a paragraph and explain the importance of a cash-flow projection to ensure the sustainability of a business.**

Poor cash management is the cause of failure for many businesses.✓<sub>1</sub> A cash flow projection will help to ensure that there is cash/money✓<sub>2</sub> to pay employees/suppliers/buy raw materials/ingredients/fabric/yarn/packaging/fuel/electricity/telephone bills.✓<sub>3</sub> A cash flow projection can be used to monitor whether the business is achieving its financial goals.✓<sub>4</sub> A cash flow projection will identify cash flow problems that could arise in the future.✓<sub>5</sub> (Any 3) (3)

**NOTE:** minus one mark if not written in paragraph style.*Understanding, moderate (Focus, page 40; Successful, page 42)*

6.4 6.4.1 **Name ONE human skill in the scenario and explain how this skill contributes to the success of the business.**

- Creativity ✓<sub>1</sub> contributed to the production of a variety/range of products ✓<sub>2</sub> and constantly updating their range and fabrics to keep up with the trends. ✓<sub>3</sub>
- Knowledge ✓<sub>4</sub> Seamstresses were skilled ✓<sub>5</sub> which ensured that there was quality in every stitch/reading patterns. ✓<sub>6</sub>
- Communication ✓<sub>7</sub> They keep in touch their customers via personal contact ✓<sub>8</sub> and social media/Web page/Twitter/Facebook. ✓<sub>9</sub> (Any one skill must count 3 marks)

*Applying, easy (Focus, page 10; Successful, page 17)*

(3)

6.4.2 **Discuss TWO ways in which the business meets the requirements for the production of quality products.**

- Good quality raw materials are used ✓<sub>1</sub> The business actively sources the best quality fabrics/ leather. ✓<sub>2</sub>
- Cutting the patterns by hand ✓<sub>3</sub> ensures good quality bags that meet prescribed product specifications. ✓<sub>4</sub>/Individually cut bags ✓<sub>5</sub> are unique ✓<sub>6</sub>
- The skilled seamstresses ✓<sub>7</sub> ensure that there is quality in every stitch ✓<sub>8</sub> and this contributes to good quality bags.
- Product range is appropriate for needs ✓<sub>9</sub> of a wide target market/variety/many people. ✓<sub>10</sub>

(2 x 2)

*Applying, moderate (Focus, page 20, 21, 25; Successful, page 24 – 25)*

(4)

6.4.3 **Calculate the profit that this business will make if all the back packs that were produced in September are sold.**

**Option A**

$$R900,00 + 150\% = R2\,250,00 ✓$$

$$R2\,250,00 \div 10 ✓ = R225,00 ✓$$

$$10 \times R225,00 \times 21 ✓ = R47\,250,00 ✓$$

$$R900,00 \times 21 ✓ = R18\,900,00 ✓$$

$$R47\,250,00 - R18\,900,00 ✓ = R28\,350,00 ✓$$

(9)

OR

**Option B**

$$R900 + 150\% ✓ = R1\,350,00 ✓ ✓$$

$$R900 + R1\,350,00 ✓ = R2\,250,00 ✓ ✓$$

$$R1\,350,00 \times 21 ✓ = R28\,350,00 ✓ ✓$$

(9)

OR

**Option C**

$$R900,00 \times 21 ✓ = R18\,900,00 ✓ ✓$$

$$R18\,900,00 + 150\% ✓ = R47\,250,00 ✓ ✓$$

$$R47\,250,00 - R18\,900,00 ✓ = R28\,350,00 ✓ ✓$$

(9)

OR

**Option D**

$$21 \checkmark \times 10 \checkmark = 210 \checkmark$$

$$210 \checkmark \times R900.00 \checkmark = R18\,900.00 \checkmark$$

$$150 \div 100 \checkmark \times R18\,900.00 \checkmark = R28\,350.00 \checkmark \quad (9)$$

OR

**Option E**

$$R900.00 + 150\% = R2\,250.00 \checkmark$$

$$R2\,250 \div 10 \checkmark = R225.00 \checkmark$$

$$10 \times R225.00 \times 21 \checkmark = R47\,250.00 \checkmark$$

$$R900.00 \times 21 \checkmark = R18\,900.00 \checkmark$$

$$R47\,250.00 - R18\,900.00 \checkmark = R28\,350.00 \checkmark \quad (9)$$

OR

**Option F**

$$150 \checkmark \div 100 \checkmark \times R900.00 \checkmark = R1\,350.00 \checkmark \checkmark$$

$$21 \checkmark \times R1\,350.00 \checkmark = R28\,350.00 \checkmark \checkmark \quad (9)$$

OR

**Option G**

$$R900.00 \times 150\% \checkmark = R1\,350.00 \checkmark \checkmark$$

$$R1\,350.00 \div 10 \checkmark = R135.00 \checkmark \checkmark$$

$$R135.00 \times 210 \checkmark = R28\,350.00 \checkmark \checkmark \quad (9)$$

OR

**Option H**

$$R900.00 \div 10 = R90.00 \checkmark$$

$$R90.00 \times 150\% = R135.00 \checkmark$$

$$R135.00 + R90.00 = R225.00 \checkmark$$

$$R225.00 \times 21 \times 10 \checkmark = R47\,250.00 \checkmark$$

$$R90.00 \times 21 \times 10 \checkmark = R18\,900.00 \checkmark$$

$$R47\,250.00 - R18\,900.00 \checkmark = R28\,350.00 \checkmark \quad (9)$$

OR

**Option I**

$$10 \times 21 \checkmark = 210 \checkmark$$

$$R900.00 \div 10 \checkmark = R90.00 \checkmark$$

$$R90.00 \times 210 \checkmark = R18\,900.00 \checkmark$$

$$R18\,900.00 \times 150\% \checkmark = R28\,350.00 \checkmark \checkmark \quad (9)$$

**NOTE:** The Rand (R) value must be indicated. Penalise (- 1) only once.

*Applying, moderate (Focus, page 39 - 40; Oxford, page 38 – 40)*

**6.4.4 Explain the possible reasons why this business sells the most products from October to January.**

- People get their bonuses/stokvel returns/savings during this time of the year✓<sub>1</sub> therefore there is more disposable income to buy bags.✓<sub>2</sub>
- People buy bags as gifts for Christmas.✓<sub>3</sub>
- People buy toiletry bags/cosmetic bags/travel bags to go on holiday.✓<sub>4</sub>
- Pencil cases/back packs may sell well from December into the beginning of a new school year✓<sub>5</sub> as schools reopen in January.✓<sub>6</sub>
- During holidays people have more time to visit markets✓<sub>7</sub>

(Any 4) (4)

*Analysing, moderate (from scenario) (Focus, page 40; Successful, page 41)*

**6.4.5 Predict whether this business is likely to have a sustainable profitability in the long term. Give clear explanations for your reasoning.**

- The business is sustainable/✓<sub>1</sub> as it has a plan/goals/mission in place to ensure that it can grow✓<sub>2</sub> and still produce a profit in the long term/the mark-up is more than 100%. ✓<sub>3</sub>
- The business is constantly updating their range and fabrics✓<sub>4</sub> which ensures that they keep up with trends.✓<sub>5</sub>
- The business uses the best quality fabrics and leather.✓<sub>6</sub> The patterns for the bags are cut by hand.✓<sub>7</sub> Skilled seamstresses do the sewing and they ensure good quality stitching.✓<sub>8</sub> All of this will ensure customer satisfaction/loyalty.✓<sub>9</sub>
- The business keeps in touch with its customers via personal contact/web page/Facebook/Twitter (social media).✓<sub>10</sub>
- The business creates bags for everyone/men, women, children and babies.✓<sub>11</sub> This ensures that they fulfil a wide range/variety of needs.✓<sub>12</sub>
- Everyone needs bag(s) because consumers always have to carry goods/it is a useful item that must be replaced from time to time.✓<sub>13</sub>
- The business has a variety of points of sale/ These products are sold on markets/stores/online.✓<sub>14</sub> This ensures a wide exposure of products to the consumers/ many consumers come in contact with the products.✓<sub>15</sub> This ensures that there is a regular/ steady income.✓<sub>16</sub>
- These are locally produced products supplied to stores country wide which would appeal to many consumers especially tourists.✓<sub>17</sub>
- The business makes sure that there is enough stock✓<sub>18</sub> for the busy months/October–January.

OR

- This business is not sustainable✓<sub>1</sub> as these items are luxury items and in the current economic climate many consumers do not have money for luxury items. ✓<sub>2</sub>
- These items don't seem to be available on credit✓<sub>3</sub>
- The same items can be bought at the local Department stores✓<sub>4</sub> at a cheaper price✓<sub>5</sub> and on account. ✓<sub>6</sub>
- There is no guarantee of reorders from stores. ✓<sub>7</sub>
- Delivery costs to nationwide stores could decrease the profit. ✓<sub>8</sub>
- The possible increase in the price of raw materials could affect the business negatively. ✓<sub>9</sub>
- There is no guarantee that the workforce remains intact and skilful✓<sub>10</sub>
- Workers might demand more money because it is labour intensive✓<sub>11</sub>
- Unfavourable weather conditions could lead to losses which would decrease the profit✓<sub>12</sub> (Any 10) (10)

*Evaluating, difficult (Focus, page 35; Successful, page 34)*

[40]

**TOTAL: 200**