

## Additional exemplar end-of-year examination

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### QUESTION 1: SHORT QUESTIONS

- 1.1 In each of the following questions, four options are provided as possible answers. Choose the answer and write only the letter (A-D) next to the question number (1.1.1-1.1.18) on your answer paper.
- 1.1.1 Which factor will have the biggest influence on young working adults when they are shopping for clothes?
- A Care instructions
  - B Colour
  - C Brand names
  - D Value for money
- 1.1.2. The most important requirement when dressing for an interview is, to
- A wear the latest fashion garments
  - B wear very bright colours
  - C dress glamorously
  - D dress neatly and conservatively
- 1.1.3. Select an outfit that will be suitable for a young woman to wear to a job interview at a clothing boutique
- A Miniskirt with a boob tube top
  - B Denim skirt with a T-shirt with a slogan
  - C Black jeans with a white T-shirt
  - D Navy slack suit
- 1.1.4. A young man who works at a sport shop and would like to look smart, will wear
- A Black jeans with a plain black Tshirt
  - B Tailored trousers with a plain shirt and a tie
  - C Blue jeans with a red golf shirt
  - D Chino trousers with a check cotton shirt

1.1.5. Men who work in a professional environment should wear shoes

- A with thick rubberised soles
- B in a colour darker than their trousers
- C with pointed toes
- D in two tones

1.1.6. The socks they wear with their professional looking shoes

- A should be dark in colour
- B may be the colour of their shirt
- C can be white
- D may have cartoon characters

1.1.7. This work shoe will be suitable for a young man who works:



- A in a bank
- B in a lawyer office
- C on a construction site
- D in a sport shop

1.1.8 A shortage of the following nutrients may cause anaemia:

- A calcium, iron and vitamin E
- B folic acid, iron and vitamin B12
- C folic acid, iron and vitamin D
- D iron, vitamin B12 and vitamin E

- 1.1.9 Choose the animal food that contains mostly unsaturated fat
- A Eggs
  - B Fish
  - C Poultry
  - D Red meat
- 1.1.10 A contagious liver disease is caused by the
- A Escherichia coli bacterium
  - B Hepatitis A virus
  - C Mycobacterium Tuberculosis
  - D Shigella species of bacteria
- 1.1.11 An additive that serves as an anti-oxidant and a nutrient:
- A Lecithin
  - B Mono Sodium Glutamate
  - C Tocopherol
  - D Sodium Benzoate
- 1.1.12 According to the food labelling regulations, it is compulsory that the following information appear on the label of a packet of cookies:
- A Instructions for use
  - B Instructions for storage
  - C Nutritional information
  - D List of ingredients
- 1.1.13 A food label states that the product is “low fat”. This means that the product has no more than
- A 10% fat
  - B 5% fat
  - C 3% fat
  - D 1% fat
- 1.1.14 The method of buying an article where a deposit is paid and the article remains in the care of the seller until the article has been fully paid.
- A credit card payment
  - B hire purchase
  - C lay-by
  - D instalment sale

- 1.1.15 The method of buying an article where the goods are taken by the customer at the time of purchase but are only paid for at the end of the month.
- A credit card payment
  - B hire purchase
  - C instalment sale
  - D store account
- 1.1.16 ... is the rate at which the cost of goods increases.
- A Inflation
  - B Consumer price index
  - C Repo rate
  - D Interest
- 1.1.17 The interest rate that commercial banks can borrow money from the South African Reserve Bank.
- A Interest rate
  - B Inflation
  - C Consumer price index
  - D Repo rate
- 1.1.18 Capital gains tax is the amount that is charged on ...
- A property that is purchased.
  - B a mortgage bond when property is purchased.
  - C the difference between purchase and selling price of property.
  - D the purchase price of the property.
- 1.1.19 A consumer who signed a contract outside the business premises is allowed a 7 days to cancel a contract. This is called a(n) ...
- A exemption clause
  - B cooling off period
  - C guarantee
  - D warranty
- 1.1.20 The following sales and investment business model is illegal in South Africa.
- A parallel imports
  - B Stokvel
  - C Pyramid Scheme
  - D Grey goods

[20]



- 1.2 Choose the term in COLUMN B that matches the description in COLUMN A. Choose the answer and write only the letter (A-H) next to the question number (1.2.1-1.2.5) on your answer paper

COLUMN A		COLUMN B	
1.2.1	The money you borrow from a bank to buy a home	A	Collateral security
1.2.2	Repayments are not influenced when the interest rate goes up or down	B	Conveyance fees
1.2.3	Interest paid if there is a delay in the registration of the bond.	C	Fixed interest rate
1.2.4	An extra source used as security when the loan does not cover the entire purchase price	D	Flexible interest rate
1.2.5	Money paid to the attorney who oversees the transfer process of the property	E	Interim rates
		F	Occupational rent
		G	Property rates
		H	Mortgage bond

(5 x 1)

- 1.3 From the list below select FOUR responsibilities of tenants. Choose the answer and write only the letter (A-H) next to the question number (1.3) on your answer paper

- A Must improve the property
- B Must inform the landlord in writing when he/she plans to leave
- C Must keep the property clean
- D Must maintain the property
- E Must repair any damage
- F Pay monthly mortgage bond instalments
- G Pay monthly rent
- H Should plant new trees in the garden

(4)

- 1.4 From the list below, select THREE ingredients that can be used to make an oral rehydration mixture at home. Choose the answer and write only the letter (A-G) next to the question number (1.4) on your answer paper

- A 1 litre boiled water
- B 1 litre water
- C 1 litre boiled milk
- D 8 level teaspoons of sugar
- E ½ teaspoon sugar
- F ½ teaspoon salt
- G 2 level teaspoons salt

(3)



- 1.5 Select the correct term from the word between brackets. Write only the term next to the relevant question number (1.5.1-1.5.8) on your answer paper:
  - 1.5.1 The interest rate as set by the Reserve Bank is called the (repo/inflation)
  - 1.5.2 When interest (rises/falls) it becomes more expensive to borrow money.
  - 1.5.3 (Simple/compound) interest is usually charged on store accounts that are overdue.
  - 1.5.4 (Simple/Compound) interest is usually charged on a mortgage bond when purchasing a home.
  - 1.5.5 The (National Credit Act/Consumer Protection Act) stipulates the maximum interest rate that can be charged by banks on amounts owing on credit cards.
  - 1.5.6 People asking for a high increase in salary is a cause of (inflation/unfair business practice).
  - 1.5.7 The (CPI/repo) rate is used to check the real value of wages, salaries and pensions.
  - 1.5.8 A (dividend/profit) is the reward a shareholder receives for investing in a public company.

[40]

**QUESTION 2: THE CONSUMER**

- 2.1 Explain the following terms:
  - 2.1.1 cooling off period (3)
  - 2.1.2 exemption clause (2)
  - 2.1.3 Warranty (2)
- 2.2 Study the following extracts from the SARS monthly deduction tables effect from 1 March 2011 and answer the questions below:

**Monthly deduction table**

Remuneration	Annual Equivalent	Tax		
		Under 65	65-75	Over 75
R4 980 - R4 985	R59 790	0	0	0
R10 022 - R10 037	R120 354	R909	R408	R241
R34 223 - R34 273	R410 976	R7 882	R7 381	R7 215

Exemptions: Unemployment insurance benefits and Road Accident Fund payouts from 1 March 2012

Deductions: Bad debts allowances, deductions in respect of contributions to a pension fund or retirement annuity fund, legal expenses, medical aid contributions

- 2.2.1. Jemima earns R10 030 per month and is 60 years old. How much tax would she have to pay at the end of the year? (3)
- 2.2.2 If she was 76 years old, how much tax would she pay at the end of the year (3)



- 2.2.3 Do you think it is fair for a younger person to pay more income tax than an elderly person earning the same income? Give reasons for your answer. (4)
  - 2.2.4 Who receives income tax and what is it used for? (3)
- [20]**

**QUESTION 3: FOOD AND NUTRITION**

3.1 Read the extract below and answer the questions that follow.

South Africa ranked 40 out of 105 on food security index  
 South Africa has ranked 40th out of 105 countries in a Global Food Security Index which has the US in the top spot and the Democratic Republic of Congo at the bottom. The index found that high food prices could be a reason for food insecurity. Low food prices could also cause food insecurity, especially for low income families who are involved in agriculture. Low prices lead to lower income for farmers, disrupt their ability to produce food, and are a disincentive to produce. According to the index, economic activity in rural areas could be tied in some way to farming, and low incomes for farmers meant low incomes for all.  
 According the statistics by the United Nation, cited in the index, global food production must rise by 50 percent by 2030 to meet demand.  
*Source: Adapted from an article that was published on 24 July 2012 on www.timeslive.co.za*

- 3.1.1 When does food security exist? (4)
  - 3.1.2 Explain why high and low food prices could cause food insecurity. (5)
  - 3.1.3 Global food production must rise by 50 percent by 2030 to meet global demand. Explain how genetically modified food can meet this demand. (4)
  - 3.2.1 Explain the difference between Type 1 Diabetes and Type 2 Diabetes. (4)
  - 3.2.2 Select the food from the following list that would be the best choice for a mid-morning snack for a person with diabetes. Explain the reason for your choice. (7)
- The person can choose from:

Cereal product	Topping
Bran muffin	Cheddar cheese
Provita	Low fat cottage cheese
Rye bread	Jam
White bread	Marmite

- 3.3 Parmalat’sEasyGest is a lactose free milk that is available in both Low Fat and Full Cream varieties. Is this milk suitable for a person with a milk allergy or a milk intolerance. Explain your answer. (4)

- 3.4 Suggest FOUR food items for a packed lunch for an overweight person with a high blood cholesterol level. Ensure that the meal is balanced. Motivate your choice of each of the four food items. (12)  
**[40]**

**QUESTION 4: CLOTHING**

- 4.1. Young adults generally conform to the clothing styles of their peers. What do you think? Support your opinion with well-founded reasons. (6)  
 4.2 Study the picture below and answer the questions that follow:



- 4.2.1 Timba bought this suit for the staff Christmas party. He wore black patent leather shoes with it. He would like to get more wear out of it.  
 What can he change for:
- 4.2.2.1 a smart casual corporate event (3)  
 4.2.2.2 his work, a bank clerk (3)  
 4.3. How would brand labels influence Timba’s clothing choices? (4)  
 4.4 How can you contribute to sustainability and can reduce you own carbon footprint? (4)  
**[20]**



## QUESTION 5: HOUSING

5.1 Read the following case study and answer the questions that follow.

**Case study:** *Mrs Scheppers, a hard-hearing pensioner and widow, wants to buy a stove. She only has enough money for a deposit but want to bake cakes and pies to earn more money. She studied the brochures and decided to buy the following stove:*

**180 Five Burner Gas stove**

Stainless steel, electronic ignition, easy clean enamel oven interior, plug-in electric oven, full mirror glass door, multifunction oven with user-friendly knobs, 60 minute ringer timer with a light that switch on, adjustable feet.

- 5.1.1 What are Mrs.Scheppers's rights as a customer when buying a stove? (3)
- 5.1.2 Explain why Mrs.Scheppers should consider the following factors when buying the stove:
- a) Her needs (2)
- b) Her budget (2)
- 5.1.3 Identify and explain THREE examples of Universal Design features of the stove that can assist Mrs Scheppers. (6)
- 5.1.4 Explain why Mrs Scheppers will use an Instalment sale transaction instead of using a lay-buy option to buy the stove. (4)
- 5.1.5 Suggest THREE things that Mrs Scheppers should keep in mind after she bought the stove. (3)
- 5.2 Read the following scenarios and answer the questions that follow.

Family A: Mary works in her father's established business and is earning a good salary. John is a lecturer and often works at home. They have two small children and decided to move from a flat to a house as they needed more space. They are renting the house. They sold the flat recently and made a good profit.

Family B: Bongani earns R2300,00 per month. His wife works two days per week and earns R1000,00 per month. They have one child. They have never owned a house before.

Family C: Apiwe earns R25 000,00. Zizipho is writing articles for a magazine from home. They recently moved to another city as a result of Apiwe's promotion. His company warned him that they may need him to go and work in another city within the next 18 months. They own a flat which they are letting.

Family D: Shane is a free-lance photographer and earns on average R15 000,00 per month. His wife is still studying. They are renting a flat and have not owned a house before.



- 5.2.1 Which family may qualify for a Government Housing subsidy? Give reasons for your choice. (4)
- 5.2.2 Which family is in the best position to buy a house in the next few months? Give reasons for your choice. (4)
- 5.2.3 Explain why renting is beneficial for the two families not mentioned in 5.2.1 and 5.2.2. (4)
- 5.3 Study the following newspaper article and answer the questions that follow:

**Prepare for interest-rate rise:**

Media articles have warned consumers of an increase in the interest rate. This is a result of the sharp rise in inflation that has gone above the acceptable 3-6% zone. The increase in food and energy prices has also contributed to this situation. Motorists will have to pay over R11,00 per litre petrol. It seems that The South African Interest Rate fluctuated very much between January 2002 and January 2010. See the following table for the interest rates during these periods:

Date	Interest rate
January 2003	14%
January 2004	8%
January 2006	7%
January 2008	12%
January 2010	7%
January 2012	6%

- 5.3.1 The Jones family bought a house in December 2005. The family could manage the monthly bond repayments, but there were little money for unforeseen expenses in their budget.  
Analyse the possible impact the interest rates could have had on this family’s budget and ability to keep up maintenance to the house between January 2006 – January 2012. (8)  
**[40]**

**QUESTION 6: ENTREPRENEURSHIP**

- 6.1 Explain each of the following terms with regard to product marketing.
  - 6.1.1 Pricing (4)
  - 6.1.2 Promotion (4)
- 6.2 How can the following factors contribute to the efficient production of quality products:
  - 6.2.1 product specification (4)
  - 6.2.2 Continuous training of staff (4)

6.3 Study the cartoon strip below and give THREE reasons for the employee's final answer: (3)



6.4 Explain the importance of market research when starting a new business. (5)

6.5 'The packaging of a product influences a consumer to buy'. Justify this statement. (3 x 2) (6)

6.6 Discuss how costing can impact negatively on the sustainable profitability of an enterprise. (5 x 2) (10)

6.7 Give THREE examples of fixed costs for a business manufacturing clothing. (3) [40]

**Grand total: 200 marks**

## Additional exemplar end-of-year examination memorandum

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### QUESTION 1: SHORT QUESTIONS

- |                           |            |      |
|---------------------------|------------|------|
| 1.1.1 C ✓                 | 1.1.11 C ✓ |      |
| 1.1.2 D ✓                 | 1.1.12 D ✓ |      |
| 1.1.3 C ✓                 | 1.1.13 C ✓ |      |
| 1.1.4 A ✓                 | 1.1.14 C ✓ |      |
| 1.1.5 B ✓                 | 1.1.15 D ✓ |      |
| 1.1.6 A ✓                 | 1.1.16 A ✓ |      |
| 1.1.7 D ✓                 | 1.1.17 D ✓ |      |
| 1.1.8 B ✓                 | 1.1.18 C ✓ |      |
| 1.1.9 B ✓                 | 1.1.19 B ✓ |      |
| 1.1.10 ..B ✓              | 1.1.20 C ✓ | (20) |
| 1.2.1 H ✓                 |            |      |
| 1.2.2 C ✓                 |            |      |
| 1.2.3 E ✓                 |            |      |
| 1.2.4 A ✓                 |            |      |
| 1.2.5 B ✓                 |            | (5)  |
| 1.3 B ✓ C ✓ E ✓ G ✓       |            | (4)  |
| 1.4 A ✓ D ✓ F ✓           |            | (3)  |
| 1.5.1 Repo                |            |      |
| 1.5.2 rises               |            |      |
| 1.5.3 Simple              |            |      |
| 1.5.4 Compound            |            |      |
| 1.5.5 National Credit Act |            |      |
| 1.5.6 Inflation           |            |      |
| 1.5.7 CPI                 |            |      |
| 1.5.8 dividend            |            | (8)  |

## QUESTION 2: THE CONSUMER

- 2.1.1 A cooling off period is the amount of time a ✓ consumer is given to cancel a contract ✓ without any financial implications ✓ if the contract was signed outside the premises of the business. ✓ (3)
- 2.1.2 An exemption clause is a specific clause in a contract that means a person will not be held responsible ✓ if a specific act takes place. ✓ (2)
- 2.1.3 A warrant is a written promise ✓ that the product will perform according to specifications for a specified period of time. ✓ (2)
- 2.2.1  $R909 \checkmark \times 12 \checkmark = R10\ 908 \checkmark$  (3)
- 2.2.2  $R241 \checkmark \times 12 \checkmark = R2\ 892 \checkmark$  (3)
- 2.2.3 Use discretion with learners answer. They must support their opinion with valid, logical answers.  
Sample answer:  
Yes I do ✓ because a young person has a long working life ahead with many salary increases. ✓ An older person is at the end of their life with no salary increase. ✓ If the government charges less tax the elderly person will have more income to pay expenses ✓ and depend less on government funding. ✓ (4)
- 2.2.4 The government ✓ receives the income tax and they use it to provide infrastructure ✓ and services for citizens. ✓ (3)
- [20]**

## QUESTION 3: FOOD AND NUTRITION

- 3.1.1 When all people ✓ have access ✓ at all times to sufficient safe, nutritious food ✓ to maintain a healthy and active life ✓.
- 3.1.2 When food prices are high, many families may not be able to afford the food ✓ and thus will not have access to food.  
When food prices are low, families may be able to afford food ✓ but low food prices may lead to a lower income ✓ for families who are farmers or who are involved in agricultural activities ✓. This means that these families may not have enough money to buy enough food ✓  
A lower income may also disrupt farmers' ability to produce food /farmers may not be able to plant ✓ or famers may have less of an incentive to produce / not be motivated to produce / plant ✓. As a result of this, less food may be available in the country ✓. (any 5)
- 3.1.3 Genetically modified crops may have an increased resistance to disease ✓, drought ✓ and fluctuations in temperature ✓, which makes it possible for crops to be grown in regions with low agricultural productivity ✓. The crop yield is greater ✓ and more people can be fed ✓. (any 4)
- 3.2.1 Type 1 Diabetes:

The pancreas is unable to produce insulin ✓, which has to be replaced through insulin injections ✓. The onset is usually sudden ✓ and occurs in people younger than 30 years old ✓. (any 2)

Type 2 Diabetes:

The pancreas produces insulin, but it is either not enough or does not work properly ✓.

Can be treated with medication ✓. The onset is usually gradual ✓ and it is more likely to occur in older people ✓ (2)

3.2.2 Provita ✓ with low-fat cheese ✓ (2)

Reasons: Provita has a low GI ✓ and will release glucose slowly into the bloodstream. ✓ (2)

Low fat cottage cheese contains less fat than cheddar cheese ✓ and diabetic people must watch their fat intake as they are at risk for developing heart disease ✓

Jam is high in sugar which rises blood glucose levels quickly ✓

Marmite does not provide many nutrients ✓ and is high in salt ✓ (any 3)

3.3 Milk intolerance ✓. A person suffering from a milk intolerance usually lack the enzyme lactase ✓ and cannot digest the milk sugar, lactose ✓. A lactose free milk would be tolerated by someone suffering from a lactose intolerance ✓. Someone suffering from a milk allergy is allergic to milk protein and won't be able to drink "EasyGest" as it still contains milk protein ✓. (4)

3.4 Soluble fibre ✓ lowers high blood cholesterol levels ✓.

These include oats, legumes and apples. Examples of possible food choices are oats meal biscuits, salad that included pulses, e.g. chickpeas and/or an apple ✓.

Fibre ✓ promotes a feeling of fullness and prevents overeating ✓ and gaining weight / helps with weight loss ✓. Include wholegrain products, e.g. whole wheat bread / seedbread / provita's and fruit with skins ✓.

Lunch must be low in saturated fat ✓ as saturated fat increase cholesterol levels ✓. Thus, choose lean meat or low fat meat, such as chicken without skin / ham ✓ and low-fat dairy products, such as low-fat yoghurt ✓.

Include unsaturated fat ✓ as these lower blood cholesterol levels ✓. Include tub margarine such as canola or flora or oily fish, such as pilchards / anchovies / salmon ✓.

Nuts ✓ can be included as a protein source which is low in saturated fat but high in unsaturated fat ✓.

Fruit and vegetables (e.g. carrot sticks) ✓ contain anti-oxidants (vitamin C and beta-carotene) ✓ that lowers the risk for coronary heart disease/limit fatty deposits in the arteries ✓.

4 food choices (4) + correct motivation for each choice (8)

[40]

**QUESTION 4: CLOTHING**

- 4.1 Yes✓  
 To give them confidence✓ when they dress similarly to their peers ✓  
 Peers like what they wear ✓ creates a feeling of belonging ✓  
 Fits in with the organization/school/college they attend ✓ part of an institution✓  
 OR  
 No✓  
 Confident young people ✓ wear what they like✓  
 Peer opinion not important ✓ dress to their own taste ✓  
 Budget constraints ✓ buy what they can afford ✓ (6)  
 Applying
- 4.2.2.1 Remove the tie ✓ change shoes to more casual style ✓ change jacket for a more casual one ✓ or a cardigan ✓ change pants to black denim (3)
- 4.2.2.2 change shirt to a plain or striped one ✓ change tie to more conservative✓ change shoes to plain black leather ✓ (3)  
 Applying/ analysing
- 4.3. As he works in a corporate environment ✓ he wants to look successful ✓  
 Branded clothes will make him fit in with his friends ✓ young people see brands as a status symbol ✓ (4)  
 remembering/ understanding
- 4.4. Buy garments that have some organic textile content/are made from a sustainable textile source. ✓ For example organic cotton, also textiles like bamboo and flax ✓ .  
 Support local designers ✓ Woolworths, Edgars, Fochini and YDE (Young Designers Emporium) stock clothing ranges by local designers✓  
 Buy locally produced garments. ✓ These have not travelled thousands of kilometers across the continent by transport that emits CO2. ✓  
 By garments made from locally produced textiles✓These textiles have a smaller carbon footprint, support the local economy /do not exploit textile workers✓  
 Don't just discard garment you no longer wear(1) Adapt them/ upcycle/donate them to a needy cause. ✓  
 (any 2 x2) remembering/ understanding

QUESTION 5: HOUSING

- 5.1.1 The consumer has the right to privacy. This right include the right to restrict unwanted direct marketing✓ The consumer has the right to fair and responsible marketing. ✓  
 The consumer has the right to receive information regarding the product, terms and conditions in clear understandable language✓  
 The consumer has the right to fair and honest dealings, it include protection against unethical dealings✓

The consumer has the right to choose products based on their own comparison of quality and price ✓

The consumer has the right to fair value, good quality and safety which include a warranty of quality to all transactions and agreements ✓

The consumer has the right to inspect goods ✓

Consumers has the right to return goods bought as a result of direct marketing within five days of the purchase date ✓

The consumer has the right to return any product with a defect to the seller. ✓ (any 3)

### 5.1.2

a) She should look at the available space ✓, and why she needs the stove ✓.

She can buy a larger stove with an oven ✓ because she wants to bake for an income ✓

If she buy according her needs, she will save on the long run ✓ (any 2)

b) Budget

She should choose a stove that fit her budget ✓ and is value for money ✓

She should not go for the cheapest option but rather compare the prices ✓.

The stove should be energy efficient and lower the electricity cost ✓ and must easy to repair. ✓

She should compare the guarantees ✓ (any 2)

5.1.3 Electronic ignition ✓ Safer for her to use the stove without a flame and matches ✓

Easy to clean oven interior ✓ More comfortable and easy to use if the cleaning is easy to do

✓ Plug-in electric oven ✓ convenient because if she doesn't have gas she can always plug in the electric oven ✓ Multifunctional oven with user-friendly knobs ✓ it will be easier for her to use the oven if she can understand the functions and use the knobs without

problems. ✓ 60 minute ringer timer with light that switch on ✓ it is convenient and easy to use, she can set the alarm and the light will also show that the cakes re done as well as the ringer ✓ Adjustable feet ✓ She can set the stove and oven at a comfortable height for her ✓

(any 6)

5.1.4 She can take the stove home ✓ after signing the contract and paying the deposit ✓ while on lay-buy option she must finish paying for the stove ✓ before she can take it home ✓

Usually Instalment sales are used for expensive household appliances and the extra costs will include insurance ✓ while lay-buys are used for smaller items ✓ (any 4)

5.1.5 Make sure the manufacturer included an instruction manual. ✓

Inspect the appliance carefully at delivery. ✓

Read the instruction manual carefully and follow the instructions on how to use the appliance. ✓

Make sure you keep all the receipts, guarantees and instruction manuals. ✓



Follow the correct complaint procedures if you are not satisfied. ✓

Any 3 relevant answers (3)

5.2.1 Family B / Bongani ✓

- They have a joint income of R3 400,00, which is less than R3 500,00 ✓
- They have a child / dependant ✓
- They have never owned a house before ✓ (4)

5.2.2 Family A ✓

- Mary and John have secure jobs ✓
- Mary and John are earning good salaries, so they are likely to afford bond repayments. ✓
- They made a good profit on their flat and can thus pay a deposit on their next property ✓ (4)

5.2.3

- Family C: Apiwe may have to move within the next 18 months ✓ and renting gives more mobility ✓ (2)
- Family D: Shane does not have a fixed income ✓ and his wife is still studying ✓. To rent is cheaper ✓ for them as they do not have to pay maintenance ✓. (any 2)

5.3.1 Interest rate was about 7% in January 2006 ✓. Family could manage the bond repayments, interest rate the same as when bond was approved ✓. Interest rate increased significantly from the second half of 2006 - 2008 ✓. Interest rate reached a peak in 2008 at 12% ✓. Interest rate was 5% more ✓ than January 2006. Bond repayments were significantly more than in 2006 ✓. This may have put much strain on the family's budget ✓. May not have had money for maintenance ✓. Interest rates started to decrease in 2009 ✓. This means there was more money in the budget for other expenses ✓. Lowest interest rate during last part of 2011 ✓. Likely that family could easily pay bond repayments ✓ and could have paid more money into their bond ✓. Could have afford maintenance ✓

[40]

## QUESTION 6: ENTREPRENEURSHIP

- 6.1.1 Pricing is a strategy to calculate the selling price of a product. ✓  
 - It takes all the costs involved in production ✓ to calculate the total cost price. ✓  
 - the selling price is then calculated allowing a mark up ✓ to cover overheads and profit. ✓  
 (4)
- 6.1.2 Promotion is a part of the marketing plan ✓ that identifies the best way to inform the target market ✓ about the product and where they can purchase it. ✓  
 It strives to persuade the customer to purchase the product. ✓ (4)
- 6.2.1 A product specification is a detailed analysis of the products appearance ✓, quality, size, colour, style or weight ✓ etc. Keeping exactly to the product specification ✓ will ensure that each product is made with consistent quality. ✓ Any deviation will affect the quality and the appearance. ✓ (4)
- 6.2.2 Staff have knowledge and skills need for the job ✓ ✓  
 Wastage and rejects are reduced during and after production ✓ ✓ (4)  
 Reduces accidents and expenses from mishandling of equipment  
 Ensures profitability as products meet quality standards consistently
- 6.3 The packaging would be a better quality than the scarf ✓  
 It would be unethical to create a false impression that the product is more expensive ✓  
 Packaging will not improve the quality of the product ✓  
 Customer may not return if the quality is poor ✓  
 The employee may be following procedures and quality standards of the company ✓ (3)
- 6.4 To identify the potential of the market segment to be targeted ✓
- provide evidence to ensure sustainability of the business ✓
  - identify the target market's needs and preferences and ensure the product or service meets these. ✓
  - identify competitors and make sure the business has a competitive advantage ✓
  - assists to develop a good marketing plan using all 5 P's of marketing ✓
  - identifies the price that the target market would be willing to pay for the product ✓ (5)
- 6.5 An attractive packaging will encourage customer to try a new product ✓ before they know much about it ✓
- it services as a silent salesman ✓ on the self service shelf when there is no salesperson ✓
  - environmentally friendly packaging ✓ will influence customers buying decisions. ✓
  - well packaged products will protect the product ✓ in transport, storage and in the store. ✓
  - Packaging such as easy-to-open, value added packaging (e.g. lunchbox) o ✓ r reusable packaging (bottle) will influence customers purchasing decision. ✓ (3 x 2)

- 6.6 If all the costs involved in the production process are not included ✓ profit will not be made ✓
- - an increase in the price of raw materials or direct labour ✓ will lower profits ✓
  - - rejects, damage to goods, spoilage will increase the costs ✓ and reduce profits ✓
  - - if the selling price is higher than competitors ✓ the product will not sell easily ✓
  - - if the selling price is too low, the product will sell fast ✓ and deplete stock quickly ✓
- 6.7 Insurance ✓, salaries ✓, rent ✓, mortgage bond repayment ✓
- (5 x 2)  
(any 3)  
**[40]**

**Grand total: 200 marks**