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education

Department:
Education
REPUBLIC OF SOUTH AFRICA

SENIOR CERTIFICATE EXAMINATION – 2008

BUSINESS ECONOMICS

STANDARD GRADE

MAY/JUNE 2008

MEMORANDUM

MARKS: 300

This memorandum consists of 25 pages.

SECTION A
ANSWER SHEET

QUESTION 1

1.1 MULTIPLE CHOICE QUESTIONS

1.1.1	A	B X	C	D
1.1.2	A	B	C X	D
1.1.3	A	B	C	D X
1.1.4	A X	B	C	D
1.1.5	A	B X	C	D
1.1.6	A	B	C X	D
1.1.7	A	B	C	D X
1.1.8	A X	B	C	D
1.1.9	A	B	C X	D
1.1.10	A X	B	C	D
1.1.11	A	B X	C	D
1.1.12	A	B	C	D X
1.1.13	A	B	C X	D
1.1.14	A X	B	C	D
1.1.15	A	B X	C	D
1.1.16	A	B	C	D X

16 X 3 = 48

1.2 MATCHING ITEMS

1.2.1	C
1.2.2	D
1.2.3	E
1.2.4	H
1.2.5	B
1.2.6	G

6 X 2 = 12

1.3 TRUE OR FALSE

NUMBER	TRUE	FALSE
1.3.1	X	
1.3.2	X	
1.3.3		X
1.3.4		X
1.3.5		X
1.3.6		X
1.3.7	X	
1.3.8	X	
1.3.9		X
1.3.10		X

10 X 2 = 20

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1.4 CHOOSE THE CORRECT TERM

1.4.1	TRADE MARK
1.4.2	KALEIDOSCOPIC
1.4.3	TRADE DISCOUNT
1.4.4	DOUBLE-USE
1.4.5	BUDGET

5 X 2 = 10

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1.5 DATA RESPONSE

1.5.1	C / LOWER / BOTTOM
1.5.2	A / TOP / UPPER
1.5.3	B / MIDDLE
1.5.4	A / TOP / UPPER
1.5.5	C / LOWER / BOTTOM

5 X 2 = 10

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	100 MARKS
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GUIDELINES FOR MARKING SECTION B

* **MARK ONLY THE FIRST FIVE QUESTIONS IN SECTION B**

* **QUESTIONS 2 – 9:**

IF THE CANDIDATE IS ASKED TO MENTION, FOR EXAMPLE FOUR FACTS, ONLY THE FIRST FOUR RESPONSES MUST BE MARKED.

* **ACCEPT PHRASES INSTEAD OF FULL SENTENCES FOR "NAME / LIST" QUESTIONS.**

* **IN QUESTIONS WHERE THREE MARKS ARE ALLOCATED FOR A FACT, IT IS RECOMMENDED THAT CANDIDATES MAKE USE OF HEADINGS AS INDICATED IN THE MEMO. CANDIDATES CAN OBTAIN THE FULL THREE MARKS IN A DETAILED EXPLANATION WITHOUT A HEADING.**

* **THE ANSWERS IN THE MEMORANDUM ARE ONLY A GUIDELINE. CANDIDATES MAY USE WORDS / NAMES / CONCEPTS / PHRASES FROM OTHER SOURCES WHICH MAY HAVE THE SAME MEANING AS THOSE GIVEN IN THE MEMORANDUM.
READ VERY CAREFULLY THROUGH THE RESPONSE OF EACH CANDIDATE.**

QUESTION 2: MARKETING FUNCTION

2.1

2.1.1 Informal sector ✓✓ (2)

2.1.2 **TWO ADVANTAGES OF INFORMAL SECTOR**

- It provides Ethney with her own income opportunities ✓✓
- Creates work for the entrepreneur
- Supplies goods and services to the consumers
- Little capital is necessary to start
- Equipment is usually cheap
- Income is not very high – therefore no need to register as a VAT-vendor

ANY 2 X 2 (4)

2.1.3 **TWO OTHER EXAMPLES OF INFORMAL SECTOR**

- Flea markets ✓✓
- Mobile shops
- Hawkers
- Shebeens
- Home industries
- Vending machines

ANY 2 X 2 (4)

2.2

2.2.1 Franchise agreement ✓✓ (2)

2.2.2 **TWO WAYS IN WHICH PETROS WILL BENEFIT FROM THIS AGREEMENT**

- Administrative support from the owners of SPAR.
- Help with the layout of shop.
- SPAR clients will support his shop.
- Any other suitable answer.

ANY 2 X 2 (4)

2.3 FOUR REASONS WHY SPAR IS A GOOD TRADE MARK

- Is approved by the public and does not irritate them ✓✓
- Contains a unique symbol, mark, graphic sign or word which signifies something
- Is such that it can be used unchanged for an extended product range
- Not misleading
- Reflects the utility and value of the product
- Is in suitable language and easy to pronounce
- Was easy to register with the registrar of trade marks
- Promotes the marketing mix and strategy
- Is different from those of competitors, to avoid confusion
- Is adaptable to packaging and labelling requirements

ANY 4 X 2 (8)**2.4 FOUR FACTORS THAT WOULD INFLUENCE THE PRICE OF A PRODUCT**

- Satisfaction of needs ✓✓ - consumer wants maximum satisfaction at the lowest possible price. ✓
- Nature of demand – demand for a product can be elastic or inelastic.
- Competition – consumer will buy from competition if their prices are lower.
- Availability of substitutes – pricing will have to be done with great care if substitute products with same characteristics are available.
- Form of market – does it serve in a perfect or imperfect market?
- Normal trade practices, discount and rebates – must keep this in mind as it will influence profits.
- Fixed prices – laid down by government.
- Production and distribution costs – will influence final selling price.
- Reaction of dealers – can refuse to stock product if price is too high.
- Credit policy – cost of credit transactions should be built into the price.
- Marketing strategy – prices will depend on strategy followed.

**HEADING = 2
EXPLAIN = 1****ANY 4 X 3 (12)**

2.5

2.5.1 DIRECT ✓✓

MOTIVATION – Any suitable answer regarding the urgency, etc of blood that is needed for a specific case. ✓✓

(4)

[40]

2.1	10
2.2	6
2.3	8
2.4	12
2.5	4
TOTAL	40

QUESTION 3: FORMS OF OWNERSHIP

3.1

3.1.1 HORIZONTAL MERGER/AMALGAMATION √√

Both the firms are from the same sector of the economy. √√ (4)

3.1.2 TWO ADVANTAGES OF AMALGAMATION

- Firms are more efficient than before √√
- Firms share their knowledge and experience
- Firms are no longer in competition with one another – no need to fight for market share
- Firms have more capital
- Better management
- Eliminates duplication of costs
- Firms gain status
- Firms are less vulnerable
- Any other suitable answer

ANY 2X 2 (4)

3.2

3.2.1 Partnership articles / agreement √√

(2)

3.2.2 FIVE DETAILS IN THIS AGREEMENT

- The aim and nature of the partnership √√
- Kind of partnership
- Name of the partnership
- The contribution of each partner
- The ratio or proportion in which the profits and losses are to be divided
- The duration of the financial period
- Procedure to be followed when the partnership is terminated
- Insurance to be taken out on assets of the partnership and on partners
- How disputes are to be settled (arbitration clause)
- Who will bear the expenses of an audit
- The rate of interest payable on capital and drawings
- Salaries payable to partners
- The amount of drawings allowed and the interest payable
- The names of the partners
- Duties of each partner
- Arrangements for leave

ANY 5 X 2 (10)

3.3 **FIVE DIFFERENCES BETWEEN PRIVATE COMPANY AND PUBLIC COMPANY**

PRIVATE COMPANY	PUBLIC COMPANY
Does not sell shares to the public √√	Sells shares to the public √√
Cannot list shares on the JSE Ltd	Can list shares on the JSE Ltd.
Name ends with (Pty) Ltd	Name ends with Ltd.
Minimum members: 1	Minimum members: 7
Maximum members: 50	Maximum members: determined by the number of shares issued
At least 1 director	At least 2 directors
Does not issue a prospectus	Issues a prospectus
Shares are not freely transferable	Shares are freely transferable
Not forced to hold statutory meetings	Forced to hold statutory meetings
Need not have financial books audited	Must have financial books audited
Minimum subscription not subscribed	Minimum subscription subscribed.
Starts business on receipt of Certificate of Incorporation	Starts business on receipt of Certificate to Commence Business
Only able to raise a limited amount of capital	Able to raise a very large amount of capital

ANY 5 X 4 (20)

[40]

3.1	8
3.2	12
3.3	20
TOTAL	40

QUESTION 4: FINANCIAL FUNCTION**4.1 TWO STEPS TO RECTIFY OVERCAPITALISATION**

- Expand the business – making more productive use of unused capital. ✓✓
- Reduce the capital – refund or invest.

ANY 2 X 2**(4)****4.2 THREE DIFFERENCES BETWEEN SHAREHOLDERS AND DEBENTURE HOLDERS**

SHAREHOLDERS	DEBENTURE HOLDERS
Owners of the business ✓✓	Creditors of the business ✓✓
Make contributions to own capital	Make contributions to borrowed/foreign capital
Usually have a say in the management of the business	Usually have no say in the management of the business
Share in the profits of the business in the form of dividends	Do not share in the profits of the business. Receive interest
A register (list of names) of shareholders is kept	A register is not always kept for all kinds of debenture holders
Receive dividends only when they are declared	Receive interest irrespective of whether the business shows a profit

ANY 3 X 4**(12)**

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4.3 FIVE OTHER FUNCTIONS/ DUTIES OF THE CREDIT DEPARTMENT

The credit department must:

- be conversant with the credit policy of the business and how it should be applied ✓✓
- determine, on the basis of the calculated credit risks, to whom credit may be allocated
- determine the terms of credit for each client
- keep a close check that customers do not exceed their terms of credit
- send out regular statements of accounts to customers
- check that complete records are kept of credit sales and the payment of accounts
- follow up accounts in arrears according to the predetermined credit policy
- determine when credit may no longer be granted to a customer
- keep up to date with those changes in the commercial world which may have an effect on the credit policy of the business

DO NOT ACCEPT: TO DETERMINE CREDIT RISK OF CUSTOMER

ANY 5 X 2 (10)

4.4 YES ✓✓

(2)

THREE ADVANTAGES OF HAVING INSURANCE

- Insurance protects the businessperson against financial losses arising from specified undesirable events. ✓✓
 - Insurance gives peace of mind to the businessperson because he has transferred specific risks to the insurer.
 - The businessperson may give his full attention to running the business.
 - Long-term insurance policies may be transferred (ceded) to other persons or institutions as security for loans.
 - The insured may obtain a loan from the insurer against certain policies, for example a life policy.
 - Insurance enables the employee to make provision for:
 - A pensioner for his retirement (retirement annuities)
 - The risk of losing his job and being without a source of income
 - Medical expenses if he is injured at work (workmen's compensation)
 - His dependants when he dies (life assurance).
- (MAX 1 X 2)**
- Insurance enables the employer to make provision for:
 - Claims laid against him owing to irresponsible actions of employees
 - Claims laid against him by employees for injuries sustained during work
 - Damage and losses caused by employees, for example theft of money
 - Expenses which may result owing to the death of a senior member
- (MAX 1 X 2)**
- Life insurance offers the opportunity to the businessperson to make provision for himself and his dependants for the future.
 - Insurance may be used as a form of compulsory saving.

ANY 3 X 2 (6)

OR

NO

THREE DISADVANTAGES OF HAVING INSURANCE

- Premiums are very expensive
- Fraud can take place
- Under insurance is possible
- Misunderstanding of provisions
- Money lost when you don't claim
- Any other suitable disadvantage

4.5

$$4.5.1 \quad \frac{120\,000 \checkmark \times 30\,000 \checkmark}{150\,000 \checkmark}$$

$$= \text{R } 24\,000 - 00 \checkmark \quad (4)$$

4.5.2 Average Clause $\checkmark\checkmark$ (2)

[40]

4.1	4
4.2	12
4.3	10
4.4	8
4.5	6
TOTAL	40

QUESTION 5: PRODUCTION FUNCTION

5.1

5.1.1 Batch Production **OR** Interrupted Production ✓✓ (2)5.1.2 **FOUR ADVANTAGES/REASONS OF MASS PRODUCTION**

- Lower cost per unit. ✓✓
- Lower stock holding costs per unit.
- Workers become skilled in their work more quickly.
- The equipment/labour can be fully utilised.
- There is better production/quality control.
- Product quality improves.
- Reduced production costs.
- Limited handling of stock.

ANY 4 X 2 (8)

5.1.3 **BENEFIT OF PRODUCTION SYSTEM TO CONSUMER**

- Cheaper products
- Any other applicable answer

ANY 1 X 2 (2)

5.2 **TWO REQUIREMENTS FOR EFFECTIVE QUALITY CONTROL**

- An updated information system, which keeps record of deviations from standards. ✓✓
- A tolerance limit for deviations should be determined.
- A balance should be found between inspection points.
- Evaluation criteria should be justifiable.
- The number of inspections per point should be determined.

ANY 2 X 2 (4)

5.3

5.3.1 **TWO FIXED OVERHEAD COSTS**

Depreciation on machinery ✓✓
Insurance against fire
Rent

ANY 2 X 2 (4)

5.3.2 **TWO VARIABLE OVERHEAD COSTS**

Electricity ✓✓
 Petrol and oil
 Casual labour
 Indirect material

ANY 2 X 2 (4)

5.3.3 **PRIMARY COST**

Raw Material	R	180 000	✓	
Direct Labour Cost		<u>+ 155 000</u>	✓	
Primary Cost		<u>R 335 000</u>	✓	(3)

5.3.4 **TOTAL COST OF PRODUCTION**

Primary Cost	R	335 000	(✓)
Rent		12 000	✓
Insurance		5 000	
Depreciation		6 500	
Electricity		7 000	
Petrol and oil		4 500	
Casual Labour		3 000	
Indirect Material		<u>2 000</u>	
TOTAL COST	R	<u>375 000</u>	✓ ✓✓

IF TOTAL COST IS INCORRECT, THEN AWARD 1 MARK FOR EVERY COST IDENTIFIED ABOVE. (5)

5.3.5 **UNIT COST**

<u>375 000</u>	(✓)
250	✓
= R 1 500 ✓✓ (4)	

5.3.6 **TWO BENEFITS OF CALCULATIONS TO CATHY MANUFACTURERS**

- They can use these calculations to work out their selling price. ✓✓

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- They can use it to insure their stock.
- They can have control over the different cost components and thereby reduce costs.
- They can decide if it is cost effective to continue with the production of the desk.
- Any other suitable answer.

ANY 2 X 2

(4)
[40]

5.1	12
5.2	4
5.3	24
TOTAL	40

QUESTION 6: ADMINISTRATION FUNCTION/FINANCIAL FUNCTION

6.1

6.1.1 Centralised ✓✓ (2)

6.1.2 YES ✓✓ (2)

FOUR ADVANTAGES OF CENTRALISATION

- Specialisation is possible. ✓✓
- Division of labour is possible.
- Standardisation of work procedures and activities is possible.
- Expertise is increased because staff specialise in certain tasks.
- Duplication of activities is eliminated.
- Decisions are more authoritative.

ANY 4 X 2**(8)****OR**

NO

FOUR DISADVANTAGES OF CENTRALISATION

- Difficult to handle confidential information.
- Less work satisfaction.
- Contributes to delays.
- Impersonal behaviour.
- Control is difficult.
- Makes demands on expertise.
- Suppresses individuality and originality.

6.1.3 **FIVE SOURCES OF INFORMATION ON THE CREDITWORTHINESS OF PROSPECTIVE CUSTOMERS**

- Application form for credit ✓✓
- Interview
- Business reference
- Credit agencies
- Bank reference
- Employers
- Business Chambers

ANY 5 X 2 (10)

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6.1.4 **HOW CAN BUSINESS SAFEGUARD THE TRANSFER OF MONEY FROM THEIR BRANCHES TO THE HEAD OFFICE?**

- Make use of cash in transit companies.
- Employee transferring the money must take different route.
- Take out insurance for it.
- Any other applicable answer.

ANY 1 X 2 (2)

6.2 **FOUR ADVANTAGES OF CREDIT TRADING**

- The dealer has more customers, $\sqrt{\sqrt{}}$ - owing to the fact that credit trade has become a general buying habit. $\sqrt{}$
- The dealer has more regular customers - as the person who buys on credit usually purchases from the same dealer.
- Granting of credit may be used as a means of advertising - granting of credit may be used to encourage customers to buy from a specific dealer.
- The dealer may charge more for his products and services - to compensate for the risk he runs and for increased administrative costs.
- Address lists of debtors may be used to advertise special offers.
- Obtain goodwill from customers - when customers need articles they may get them immediately and pay at a later stage.
- Granting of credit stimulates trade - Increased sales lead to an increase in production.

HEADING = 2

EXPLAIN = 1

ANY 4 X 3 (12)

6.3 **TRANSACTION MOTIVE $\sqrt{\sqrt{}}$**

Availability of cash to pay current expenses. $\sqrt{\sqrt{}}$

SPECULATIVE MOTIVE

To take advantage of any profitable opportunities that may arise.

**ANY 1 X 4 (4)
[40]**

6.1	24
6.2	12
6.3	4
TOTAL	40

QUESTION 7: THE ENTERPRISE AND ITS ENVIRONMENT

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- Promote standardisation in industry and commerce. √√
- Prepare specifications and codes of practice.
- Provide facilities for the testing of commodities and any material that may be manufactured.
- Provide facilities for the testing and examination of commodities and raw materials.
- Control the use of standardisation and distinctive marks.
- Undertake education work in connection with standardization.
- Assist in the preparation of specifications and codes of practice.
- Co-operate with the view to bring about standardisation in connection with commodities.

ANY 5 x 2**(10)****7.2 THREE FUNCTIONS OF THE CHAMBER OF COMMERCE**

- Furthers the interests of members through close contact with government bodies. √√
- Brings members into contact with organisations and institutions that may be able to assist them in their business.
- Renders a service by collecting information, analysing it and giving advice to the business chamber/members.
- Renders a specific service at the request of a member, for example to negotiate group medical insurance and pension schemes for members
- Makes important sources of information and documents available to members.
- Presents courses and seminars to members and their employees in order to develop their potential.
- Settles differences, disputes and problems between members through arbitration.
- Eliminates unfair competition.
- Study new laws and regulations and bring it to the attention of members.
- Get uniformity regarding wage and business hours.

(6)**DO NOT ACCEPT: TO PROMOTE TRADE AND TO ELIMINATE COMPETITION****ANY 3 X 2**

7.3 FOUR SERVICES OF THE JOHANNESBURG SECURITIES EXCHANGE

- Protects investors √√ - because companies must comply with strict requirements before their shares can be listed. √
- Encourages small investors - to purchase shares and therefore to participate directly or indirectly in the economic development of South Africa
- Serves as an important link between investors and entrepreneurs - the JSE provides a market for negotiable stocks.
- Offers facilities for financial institutions to invest their funds in shares. - such shares can, when needed, be converted to cash relatively easily.
- Provides the opportunity for company shares to be assessed by a large number of professionals.
- Publishes share prices daily - to keep investors and potential investors informed and to provide them with information.
- Is a sensitive barometer of economic conditions and price tendencies - it serves as a guide to management personnel who have to make decisions.
- Offers the opportunity to convert an investment into cash relatively easily at the JSE.
- Makes an important contribution to the economic stability and growth of South Africa - providing a market for negotiable securities.

HEADING = 2
EXPLAIN = 1

ANY 4 X 3

(12)

7.4**7.4.1 BANK OF ISSUE**

- Issue of notes – the SARB has the sole right to issue banknotes. √√
- Issuing of coins – the SARB has the sole right to issue coins. √√

(4)

7.4.2 CUSTODIAN OF CASH RESERVES

- The SARB holds compulsory cash reserves of financial institutions. √√
- These cash reserves requirements are adjusted by the SARB from time to time. √√

(4)

7.4.3 BANKER TO THE GOVERNMENT

- The Reserve Bank administers the main accounts of government.√√
- The Bank gives the government financial aid and acts as adviser, agent and representative of government in different ways.√√

(4)
[40]

7.1	10
7.2	6
7.3	12
7.4	12
TOTAL	40

QUESTION 8: GENERAL MANAGEMENT FUNCTION**8.1 FOUR ADVANTAGES OF THE LINE ORGANISATION STRUCTURE**

- The line authority is easy and simple to understand. ✓✓
- Instructions are given by only one supervisor.
- Each person knows exactly what his responsibilities and authority are because they are clearly defined.
- Management is easy because supervisors' span of control is limited.
- Decisions and actions are given quickly because the number of departments is limited.
- Changes in circumstances and accompanying decisions are simplified.

ANY 4 X 2 (8)**8.2****8.2.1 NO ✓✓ (2)****TWO REASONS FOR YOUR ANSWER**

- No written warning ✓✓
- No procedure was followed
- Any other suitable answer

ANY 2 X 2 (4)**8.2.2 FOUR PRINCIPLES WITH DISCIPLINARY ACTION**

- Rules and regulations must be compiled
- Trespasser must be given the opportunity to defend himself
- Corrective behaviour must be suggested
- Same offences must be punished in same way
- Offence must be followed up immediately
- Don't confront a guilty person in front of colleagues

ANY 4 X 2 (8)**8.3 FIVE PRINCIPLES OF PLANNING**

- Planning must be realistic and feasible. ✓✓
- Planning must be done scientifically
- Planning must be adjustable / flexible
- Misunderstandings must be avoided by planning clearly and simply
- The plan must be in writing
- The type of planning is important and must be clearly defined
- Effective communication is necessary
- The duration of planning is important
- Planning is time-related
- Planning is a means to an end and not an end in itself

ANY 5 X 2 (10)

8.4 FOUR WAYS IN WHICH MANAGEMENT CAN MOTIVATE WORKERS

- Assurance that they may continue to work ✓✓
- Participation in the decision-making process
- Pleasant working conditions
- Promotion opportunities
- Recognition for good performance
- Increase in wage / salary
- Purposeful leadership or management
- Humane treatment
- Any other suitable answer

**ANY 4 X 2 (8)
[40]**

8.1	8
8.2	14
8.3	10
8.4	8
TOTAL	40

QUESTION 9: MISCELLANEOUS**9.1 FIVE ADVANTAGES OF ADVERTISING**

- Increases the standard of living and level of education of the consumer.√√
- Emphasises the satisfaction of needs and induces the consumer to buy the product.
- Ensures the distribution of the product and in this way helps to increase production.
- Facilitates the work of the sales staff.
- Serves to encourage product improvement and development.
- Is used to remind dealers and consumers of the product and to create support.
- Protects consumer in that there are several institutions that ensure the information in advertisement are acceptable to the public.
- Better service rendering.
- Recruiting of suitable personnel.

(10)**ANY 5 X 2****9.2 FIVE CHARACTERISTICS OF A CLOSE CORPORATION**

- One to ten members.√√
- Separate legal entity.
- Business has unlimited continuity.
- Members have limited liability.
- Business pays income tax.
- Its owners manage the CC.
- Members have an interest expressed as a percentage.
- The name ends with CC.
- Only natural persons may form a CC.
- Relatively simple to form.

(10)**ANY 5 X 2****9.3 FIVE UNETHICAL PRACTICES**

- Misleading / deceptive advertising.√√
- Encouraging false needs.
- Disregard of race, language, religion, customs and religious convictions.
- Providing false information / 2nd hand products as new.
- Criticism of competitors.
- Advertisements in poor taste.
- Emotional influencing of a consumer.
- Abuse of children.

(10)**ANY 5 X 2**

9.4 FIVE ADVANTAGES OF A SOLE TRADER

- The sole trader can adapt easily to changing conditions. ✓✓
- Self-interest encourages the owner to work to the best of his abilities.
- The sole trader is involved in all areas of the business. He soon develops good, general, all-round business experience.
- A small one-man business may encourage a good relationship between the owner, his employees and his customers.
- Many sole traders providing similar goods and services may encourage healthy competition.
- Quick decisions can be taken

DO NOT ACCEPT: EASY TO START AND END**ANY 5 X 2 (10)****9.5 FIVE DOCUMENTS TO BE SUBMITTED BY A PRIVATE COMPANY FOR REGISTRATION**

- The original memorandum of association ✓✓
- The original articles of association
- Reservation of the proposed name of the company
- Translated or shortened form of name
- Company's registered office and postal addresses
- The names of the directors
- An agreement from the directors stating that they are willing to be the directors of the company
- An agreement from the auditors stating that they are willing to act as the auditors for the company
- Proof of payment of the prescribed fees
- A power of attorney given by the promoters of the company to the person lodging the documents

ANY 5 X 2 (10)

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9.6 FIVE SAFETY MEASURES

- Offer special training of workers in respect of unsafe activities.√√
- Supply, and promote the wearing of, protective clothing, safety devices and protective accessories.
- Draw up safety prescriptions for the setting up and layout of the factory.
- Take measures to encourage tidiness, cleanliness, safety, and health-care - including sanitation, ventilation and lighting of the factory.
- Keep all tools and equipment in predetermined places.
- Supply suitable facilities for employees.
- Provide for emergency situations by having first aid equipment available.
- Take fire prevention measures, for example:
 - Each room should have two exits
 - Fire escapes should be positioned where necessary (stairs)
 - Fire-fighting equipment must be readily available and within reach
 - Store inflammable, explosive and dangerous materials underground
 - Erect firewalls where necessary.

(MAX 2 X 2)

ANY 5 X 2 (10)

[40]

9.1	10
9.2	10
9.3	10
9.4	10
9.5	10
9.6	10
TOTAL	40