This memorandum consists of 24 pages.
# SECTION A

## QUESTION 1.1

<table>
<thead>
<tr>
<th>1.1.1</th>
<th>A</th>
<th>Remembering LO 12.1.1 (easy) [Focus: 2 - 25; OBE for FET: 3-28; Doing: 7 -34; Successful: 2-48] (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1.2</td>
<td>B/D</td>
<td>Remembering LO 12.1.2 (easy) [Focus: 2 - 25; OBE for FET: 3-28; Doing: 7 -34; Successful: 2-48] (1)</td>
</tr>
<tr>
<td>1.1.3</td>
<td>C/D</td>
<td>Remembering LO 12.1.2 (easy) [Focus: 2 - 25; OBE for FET: 3-28; Doing: 7 -34; Successful: 2-48] (1)</td>
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<tr>
<td>1.1.4</td>
<td>A</td>
<td>Remembering LO 12.1.2 (easy) [Focus: 2 - 25; OBE for FET: 3-28; Doing: 7 -34; Successful: 2-48] (1)</td>
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<td>1.1.5</td>
<td>D</td>
<td>Remembering LO 12.1.2 (easy) [Focus: 2 - 25; OBE for FET: 3-28; Doing: 7 -34; Successful: 2-48] (1)</td>
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<td>1.1.6</td>
<td>A</td>
<td>Understanding LO 12.2.1 (moderate) [Focus: 54; OBE for FET: 50; Doing: 55; Successful: 27] (2)</td>
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<td>1.1.7</td>
<td>C</td>
<td>Understanding LO 12.2.1 (moderate) [Focus: 35; OBE for FET: 59; Doing: 64; Successful: 20] (2)</td>
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<td>1.1.8</td>
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<td>Remembering LO 12.2.1 (moderate) [Focus: 34; OBE for FET: 77; Doing: 45; Successful: 22] (2)</td>
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<td>1.1.9</td>
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<td>Understanding LO 12.2.1 (moderate) [Focus: 42; OBE for FET: 34; Doing: 50; Successful: 32] (1)</td>
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<td>1.1.10</td>
<td>D</td>
<td>Understanding LO 12.2.3 (moderate) [Focus: 87; OBE for FET: 110; Doing: 83; Successful: 70] (1)</td>
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<td>1.1.11</td>
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<td>Remembering LO 12.2.5 (easy) [Focus: 111; OBE for FET: 160; Doing: 114; Successful: 107] (1)</td>
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<td>1.1.12</td>
<td>C</td>
<td>Remembering LO 12.2.5 (easy) [Focus: 111; OBE for FET: 160; Doing: 114; Successful: 107] (1)</td>
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<td>1.1.13</td>
<td>B</td>
<td>Understanding LO 12.2.6 (easy) [Focus: 129; OBE for FET: 180; Doing: 140; Successful: 113] (1)</td>
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<td>1.1.14</td>
<td>D</td>
<td>Remembering LO 12.2.6 (easy) [Focus: 123; OBE for FET: 177; Doing: 146; Successful: 111] (1)</td>
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<tr>
<td>1.1.15</td>
<td>A</td>
<td>Remembering LO 12.2.5 (easy) [Focus: 174; OBE for FET: 207; Doing: 226] (1)</td>
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<tr>
<td>1.1.16</td>
<td>C</td>
<td>Remembering LO 12.4.1 (moderate) [OBE for FET: 226; Successful: 160] (1)</td>
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<td>1.1.17</td>
<td>D</td>
<td>Remembering LO 12.4.2 (easy) [Focus: 199; OBE for FET: 247; Doing: 242; Successful: 160] (1)</td>
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<tr>
<td>1.1.18</td>
<td>B</td>
<td>Understanding LO 12.4.2 (easy) [Focus: 185; OBE for FET: 239; Doing: 253; Successful: 169] (1)</td>
</tr>
</tbody>
</table>

(21)
QUESTION 1.2

1.2.1 C (1)
1.2.2 B (1)
1.2.3 E (1)
1.2.4 A (1)
1.2.5 G (1)

(5) Remembering LO 12.4.1 (easy) [Focus: 187; OBE for FET: 229; Doing: 249; Successful: 144]

QUESTION 1.3

A, D, E, F (Any order, only three) (3)

Remembering LO 12.2.7 (easy) [Focus: 171; OBE for FET: 205; Doing: 218; Successful: 132]

QUESTION 1.4

A, C, E (Any order) (3)

Understanding LO 12.2.1 (difficult) [Focus: 29; OBE for FET: 32; Doing: 37; Successful: 20]

QUESTION 1.5

1.5.1 G (1)
1.5.2 F (1)
1.5.3 A (1)
1.5.4 D (1)
1.5.5 C (1)

(5) Remembering LO 12.2.4 (moderate) [Focus: 61; OBE for FET: 94; Doing: 79; Successful: 79]

QUESTION 1.6

B, D, F (Any order) (3)

Applying LO 12.1.1 (difficult) [Focus: 7; OBE for FET: 2; Doing: 7; Successful: 2; Exam Guidelines]

TOTAL SECTION A: 40
SECTION B: FOOD AND NUTRITION

QUESTION 2

2.1 Name THREE foods that cause allergies.

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

(Any 3) (3)

Note: Trade names of products are not acceptable.
- Gluten/yeast extract should not be accepted, it’s not food
- Tea and coffee are not accepted, they are beverages

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

2.2 Give TWO symptoms of a food allergy in each of the following:

2.2.1 Digestive system:
- Diarrhoea, bloated abdomen/gas/wind, (projectile)vomiting/
- nausea, swelling of lips/tongue/mouth or throat, stomach/(abdominal)cramps/pain/ache

(Any 2) (2)

2.2.2 Skin:
- Itching, skin rashes, skin irritation, hives, eczema/dry
- skin/cracks, swelling of the face/lips/tongue/mouth/eyelids, dark
- circles around the eyes

(Any 2) (2)

Remembering LO 12.2.1 (moderate) [Doing: 62; Focus: 47; OBE for FET: 68; Successful: 26; CLS: 94]
### 2.3 Explain the difference between food allergies and food intolerances by completing the table below.

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

Note: Responses must clearly show the difference between the columns

Understanding LO 12.2.1 (Difficult) [Doing: 61; Focus: 70; OBE for FET 65; Successful:25; CLS: 92]
2.4 2.4.1 **Give a brief description of the food-related condition high cholesterol.**

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

(4)

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

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

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

(2)

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

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

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

(5)

Note: Do NOT accept lifestyle guidelines

Understanding LO 12.2.1 (moderate) [Doing: 48; Focus: 31; Successful: 23; CLS: 84]
2.5 2.5.1 Explain what is meant by Glycaemic Index.

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

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

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

Whole wheat bread, full cream milk, low fat plain yoghurt, muesli, blueberries.

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

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

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

Note: Award one mark for dairy products.
2.5.4 **Evaluate the suitability of the meal plan for a person suffering from anaemia.**

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

**Conclusion:**

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

(8)

**OR**

The meal plan is suitable for people suffering from Vitamin B12/folic acid deficiency anaemia. (Any 8)

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

QUESTION 3

3.1 Name FOUR steps in planning a basic wardrobe for the world of work.
   • Do a needs analysis/stock taking/inventory ✓
   • Evaluate the existing wardrobe ✓
   • Analyse available resources ✓
   • Draw up a list of items/garments that are needed to complete/complement the existing wardrobe ✓

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

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

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

Picture A:
   • Indicates occupation/activity/work in the kitchen ✓ as it is worn by people working in a kitchen/preparing food/a chef ✓.
   • Can also indicate possession/property/to whom it belongs (Chef Smith) ✓
   • The height/shape indicates the chef’s rank/position ✓
   • In this instance the person can be identified ✓ (Any 3)

Note: Hygiene not non-verbal communication

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

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

Understanding LO 12.2.3 (moderate) [Exam guidelines; CLS: 112; Successful: 63; Doing 76; Focus 79]
3.2.2 Identify the brand label illustrated in the pictures.

Nike

(1)

3.2.3 Explain why young adults prefer to wear branded clothing.

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

(Any 4) (4)

3.3 3.3.1 Explain the term haute couture.

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

(Any 3)
3.3.2 There are five stages in the fashion cycle. Explain the following stages as are evident in the extract.

(a) Innovation / introduction / launch / emerging

New exotic/glamorous fashions/clothes were showcased at the fashion week.
At this stage the designs are only available from designers.

(b) Rise / growth

Orders from retail chains and individual customers were placed.
The fashion will be produced in growing numbers; more people will start wearing it; more clothes will be produced and it will be sold to a wider market.

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

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

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

Any (5)
3.4.2 The consumer in the cartoon is showing conformity
Give reasons why.

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

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

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

The outfit is NOT suitable for an interview for a professional job

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

Any 6

Note: Only accept answers referring to the outfit and not body language.
No mark to be awarded for item identification only, it must be supported
SECTION D: HOUSING AND SOFT FURNISHINGS

QUESTION 4

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

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

Note: Not renting

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

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

(Any 4) (4)

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

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

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

(Any 5) (5)

Understanding LO 12.2.5 (moderate) [Successful: 101, Doing: 109, Focus 103, OBE for FET: 156]
4.1.5 **State FIVE stipulations that should be included in the Lease Agreement which will protect Keith.**

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

(Any 5)

(5)

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

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

(3)

Applying LO 12.2.6 (moderate)

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

R173,00 x 36 months ✓ = R6 228,00 ✓
R6 228,00 + R290,00 ✓ = R 6 518,00 ✓

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

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

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

R210,00 x 36 = R7 560,00 ✓
R7 560,00 + R370,00 = R7 930,00 ✓
R7 930,00 - R3 699,00 = R4 231,00 ✓

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

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

4.3  Suggest THREE benefits of installing an Eskom heat pump.

- The heat pump can cut the cost of heating water up to 67%/save 67% on the cost of heating water/save money/save electricity ✓
- Eskom will give a rebate/refund/pay some money back ✓ and thus making it cheaper/more affordable ✓
- Installing the heat pump will help you to live greener/protecting the environment/more environmentally friendly/saving non-renewable resources/energy efficient. ✓ (Any 3)

(3)

Understanding LO 12.3.4 (easy) [Source: Information from extract]
4.4 Give good reasons why Keith should invest in property during a recession.

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

(Any 8) (8)

Note: Accept any 8 or (4x2)


TOTAL SECTION D: 40
SECTION E: THEORY OF PRODUCTION AND ENTREPRENEURSHIP

QUESTION 5

5.1 5.1.1 Define the term target market.
- A group of consumers/people that are likely to buy a product ✓
- Potential buyers of a product ✓
- Consumers who share the same characteristics ✓

(Any 1)

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

5.1.2 Identify Pete’s main target market.
- Tourists ✓

(1)

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

5.2 5.2.1 How much must Pete pay his workers if they have to occasionally work on a Sunday?
- Double/1,5 times the normal rate/normal hourly rate (for the day) ✓

Note: do not accept more than normal or over time

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

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

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

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

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

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

Any (2)

(2)

Remembering LO 12.4.2 (easy) [Focus: 199; OBE for FET: 247; Doing: 249]
5.2.3 Suggest TWO aspects Pete had to consider when he converted this double garage to ensure the following for his employees:

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

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

Note: Referring to free standing items not acceptable

Applying LO 12.4.1 (moderate) [OBE for FET: 204; Successful: 146; Doing: 256; Focus: 192; CLS: 322]
5.3  Give **FOUR reasons why Pete needs to do stock control of raw materials.**

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

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

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

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

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

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

- Strong/sturdy✓
- Durable ✓
- Protective/able to keep shape✓
- Well sealed/tamperproof ✓
- Waterproof✓
- Safe✓
- Light weight✓
- Indicate fragile/this way up✓ (Any 2)
5.3.4 **Suggest TWO ways in which Pete can use labeling to promote the sale of his products to tourists.**

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

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

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

Cost of the materials per product:

\[
\frac{18 000}{1 100} = R16,36
\]

Overhead costs:

\[
\frac{R16,36 \times 30%}{1 100} = R4,91
\]

Total production cost = cost of materials + overheads

\[
= R16,36 + R4,91
\]

\[
= R21,27
\]

**OR**

Total overhead costs:

\[
\frac{R18 000 \times 30%}{1 100} = R5 400
\]

Total production cost = R18 000 + R5 400 = R23 400

Total production cost per product = \(\frac{R23 400}{1 100}\)

\[
= R21,27
\]

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

Applying LO 12.4.3 (moderate) [OBE for FET: 222; Focus: 192; Successful: 298]
5.4.2 **Calculate the selling price per product. Round the selling price off to the nearest Rand. Show ALL calculations.**

R16.36 × 105% = R17.18
R17.18 + R16.36 = R33.54
Rounding = R34.00

OR

R18 000 × 105% = R18 900
R18 000 + R18 900 = R36 900
R36 900 = R33,5454 (R33,55)
1 100
Rounding = R34.00

OR

R21.27 × 70% = R14.89
R21.27 + R14.89 = R36.16
Round off = R36.00

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

Applying LO 12.4.3 (moderate) [OBE for FET: 222; Focus: 192; Successful: 298]
5.4.3 Explain when the break-even point will be reached. Calculations NOT required.

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

OR

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

OR

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

OR

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

OR

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

(2)

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

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

- Employees may not be able to come to work/may be absent. ✓
- Employees may arrive late. ✓
- Employees may have to leave early. ✓
- Fewer products will be produced ✓ as workers will work for a shorter time ✓
- No/less stock/products can be delivered ✓ therefore lose customers/income. ✓
- Unable to pay employees because products are not sold/no sales/ no income. ✓
- Business might close down due to the impact mentioned ✓ (Any 3) (3)

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

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

- The sustainable profitability of the business may be negatively affected ✓ (1)

Reasons:

- Increase in electricity price will increase overhead costs/production costs ✓ he will make less profit ✓
- Pete may have to increase the selling price ✓ of his products in order to make a reasonable profit ✓
• As a result of a higher selling price, few products may be bought/ fewer products will sell ✔
• An increase in the electricity price will cause local consumers to have less money to buy Pete’s products ✔ (Any 4) (5)

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

TOTAL SECTION E: 40
GRAND TOTAL: 200