



# basic education

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

## **NATIONAL SENIOR CERTIFICATE**

**GRADE 12**

**CONSUMER STUDIES**

**NOVEMBER 2013**

**MARKS: 200**

**TIME: 3 hours**

**This question paper consists of 15 pages.**

**INSTRUCTIONS AND INFORMATION**

1. This question paper consists of FIVE sections.

<b>SECTION</b>	<b>MARKS</b>	<b>TIME (MINUTES)</b>
A. Short Questions	40	20
B. Food and Nutrition	40	40
C. Clothing	40	40
D. Housing and Soft Furnishings	40	40
E. Theory of Production and Entrepreneurship	40	40

2. ALL the sections are COMPULSORY.
3. Number the answers correctly according to the numbering system used in this question paper.
4. Start EACH question on a NEW page.
5. A calculator may be used.
6. Write with black or blue ink only.
7. Pay attention to spelling and sentence construction.
8. Write neatly and legibly.

**SECTION A: SHORT QUESTIONS****QUESTION 1**

- 1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number (1.1.1–1.1.18) in the ANSWER BOOK.
- 1.1.1 A consumer's complaint was not resolved at a chain store. Indicate what the consumer should do next:
- A Contact the head office of the chain store
  - B Contact the National Consumer Forum
  - C Seek legal assistance
  - D Write to the newspaper (1)
- 1.1.2 The amount of income tax South Africans must pay is determined by the ...
- A head of the Reserve Bank.
  - B minister of finance.
  - C president of South Africa.
  - D South African Revenue Service. (1)
- 1.1.3 A consumer who earns R55 000,00 per year will pay ...
- A capital gains tax.
  - B estate duty.
  - C income tax.
  - D value-added tax. (1)
- 1.1.4 VAT is payable on ...
- A condensed milk.
  - B cultured milk.
  - C fresh milk.
  - D milk powder. (1)
- 1.1.5 The interest rate charged by the South African Reserve Bank:
- A Flexible rate
  - B Fixed rate
  - C Prime rate
  - D Repo rate (1)
- 1.1.6 The onset of Type 2 diabetes in childhood can be caused by ...
- A inactivity and obesity.
  - B a lack of calcium and iron.
  - C a high intake of sugar and fibre.
  - D fitness and a high protein intake. (2)

- 1.1.7 Foods rich in vitamin A that will strengthen the immune system of an HIV/Aids patient:
- A Mealies, peanuts and milk
  - B Potatoes, fish and chicken
  - C Spinach, pumpkin and carrots
  - D Bananas, lemons and tomatoes
- (2)
- 1.1.8 Anaemia may be caused by a nutrient deficiency of ...
- A sodium and fats.
  - B folic acid and zinc.
  - C protein and vitamin A.
  - D vitamin B<sub>12</sub> and folic acid.
- (2)
- 1.1.9 The risk of obesity is increased when one regularly eats ...
- A lentil curry with rice.
  - B oats porridge with low-fat milk.
  - C pasta with a creamy sauce.
  - D grilled fish and baked potatoes.
- (1)
- 1.1.10 Select the belt that would be the best choice for a man's basic working wardrobe:



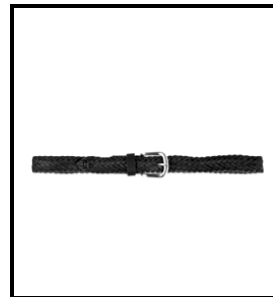
1

Brown leather belt  
with decorative  
gold side strip



2

Reversible  
polyester belt with  
a grey side and a  
bright yellow side



3

Brown plaited  
leather belt



4

Dark brown  
leather belt

- A 1
  - B 2
  - C 3
  - D 4
- (1)

- 1.1.11 The deeds office fee is determined by ...
- A an attorney.
  - B the government.
  - C an estate agent.
  - D a seller.
- (1)

- 1.1.12 The money payable to the Receiver of Revenue when purchasing a home:
- A Property rates and taxes
  - B Bond registration costs
  - C Transfer duty
  - D Valuation fee
- (1)
- 1.1.13 The consumer will save more electricity when using the following wash cycle for laundry:
- A Warm water wash and cold rinse
  - B Cold water wash and cold rinse
  - C Hot water wash and hot rinse
  - D Hot water wash and cold rinse
- (1)
- 1.1.14 A type of stove plate which takes long to heat up and therefore wastes electricity:
- A Coil
  - B Ceramic glass
  - C Gas
  - D Solid
- (1)
- 1.1.15 Municipalities get the money they use to deliver services from ...
- A property tax.
  - B income tax.
  - C transfer duty.
  - D levies.
- (1)
- 1.1.16 A human resource that can be used by an entrepreneur:
- A Money to pay staff salaries
  - B Functional equipment that staff can use
  - C Staff that can manage their time well
  - D A well-organised workplace for staff
- (1)
- 1.1.17 ONE of the following is considered ordinary work time per week:
- A 6 hours per day in a 6 day week
  - B 7 hours per day in a 6 day week
  - C 8 hours per day in a 5 day week
  - D 9 hours per day in a 5 day week
- (1)

1.1.18 When designing an informative flyer, the following should be kept in mind:

- A Use an interesting and unusual font
- B The message must be short and simple
- C The more information, the better
- D Use as many colours as possible

(1)

1.2 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–G) next to the question number (1.2.1–1.2.5) in the ANSWER BOOK.

COLUMN A TERM		COLUMN B DESCRIPTION	
1.2.1	Production schedules	A	description of the standards that must be maintained when making a product
1.2.2	Quality control	B	inspections to ensure that a product is of a particular level of excellence
1.2.3	Raw materials	C	plan indicating the order and time needed to prepare products
1.2.4	Specifications	D	process to ensure that all materials are available
1.2.5	Standardisation	E	resources used to produce products
		F	testing new materials
		G	uniform procedures for the production of products

(5 x 1)

(5)

1.3 Choose THREE household waste items from the list below that CANNOT be recycled. Write only the THREE letters (A–F) next to the question number (1.3) in the ANSWER BOOK.

- A Egg boxes
- B Foil packaging
- C Junk mail
- D Light bulbs
- E Mirrors
- F Wax-coated packaging

(3)

1.4 Choose THREE groups of people from the list below who would benefit from food labels such as '0 g trans-fat', 'low sugar', 'fat-free' and 'lightly sweetened'. Write only the THREE letters (A–F) next to the question number (1.4) in the ANSWER BOOK.

- A People who are obese
- B People living with HIV/Aids
- C People suffering from diabetes
- D People suffering from osteoporosis
- E People with coronary heart disease
- F People suffering from lactose intolerance

(3)

1.5 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–H) next to the question number (1.5.1–1.5.5) in the ANSWER BOOK.

COLUMN A TERM		COLUMN B DESCRIPTION
1.5.1	Brand names	A a distinctive form of dress with recognisable qualities
1.5.2	Fashion fad	B the outline of a garment
1.5.3	Style	C simple styles that remain popular
1.5.4	Fashion	D a style that is accepted by a specific group of people at a given time and place
1.5.5	Classic styles	E the general direction that a fashion silhouette takes
		F a style that comes into fashion quickly and is short-lived
		G registered names that are recognised worldwide
		H a set of company clothing rules

(5 x 1)

(5)

1.6 Choose THREE stipulations from the list below that are TRUE regarding the Consumer Protection Act. Write only the THREE letters (A–G) next to the question number (1.6) in the ANSWER BOOK.

A One cannot demand that cellphone companies do not contact you again.

B One has five days to cancel a purchase made through direct marketing.

C Selling articles 'voetstoots' or at face value is acceptable.

D Companies cannot charge you more than their quotation for repair work.

E Life insurance and funeral policies may be sold to any person over the age of 18.

F Consumers must pay standard SMS tariffs to take part in competitions.

G Contracts can be renewed automatically. (3)

**TOTAL SECTION A: 40**



**SECTION B: FOOD AND NUTRITION****QUESTION 2**

- 2.1 Name THREE foods that cause allergies. (3)
- 2.2 Give TWO symptoms of a food allergy in each of the following:
- 2.2.1 The digestive system (2)
- 2.2.2 The skin (2)
- 2.3 Explain the difference between *food allergies* and *food intolerance* by completing the table below in the ANSWER BOOK.

CRITERIA	FOOD ALLERGIES	FOOD INTOLERANCE
Type of response in the body	(1)	(1)
The immune system's involvement	(1)	(1)

- 2.4 2.4.1 Give a brief description of the food-related health condition *high cholesterol*. (4)
- 2.4.2 Explain how regular checking of blood cholesterol levels can benefit a person suffering from high cholesterol. (2)
- 2.4.3 State FIVE dietary guidelines to manage high cholesterol. (5)
- 2.5 Study the meal plan below and answer the questions that follow.

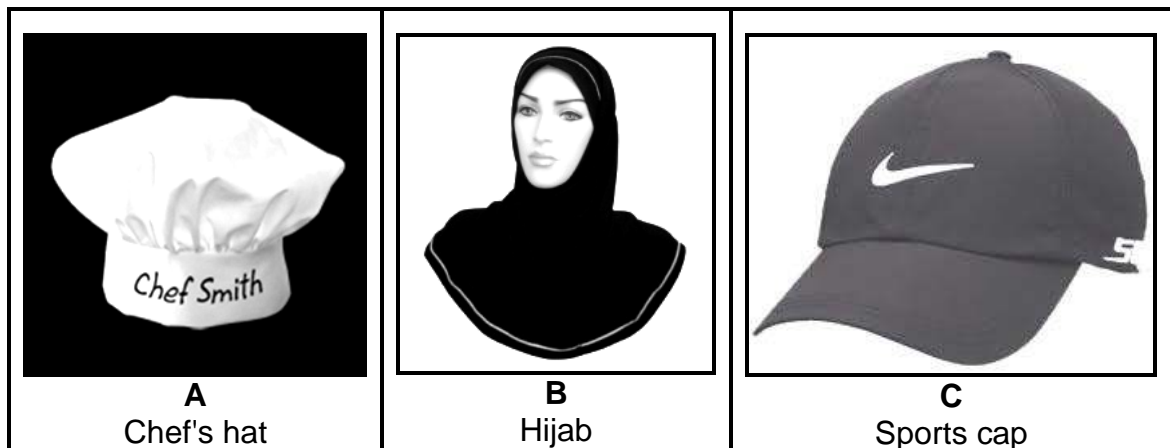
<b>BREAKFAST</b>
125 ml muesli 250 ml low-fat, unsweetened, plain yoghurt 50 ml fresh blueberries 1 banana 1 cup of coffee with full-cream milk 1 slice buttered whole-wheat bread with cheddar cheese

- 2.5.1 Explain what is meant by *glycaemic index* (GI). (2)
- 2.5.2 Identify THREE foods from the meal plan above that will be most beneficial for diabetics when they apply the glycaemic index (GI) concept. (3)
- 2.5.3 Explain why this meal plan is suitable for someone suffering from osteoporosis. (5)
- 2.5.4 Evaluate the suitability of the meal plan for a person suffering from anaemia. (8)

**TOTAL SECTION B: 40**

**SECTION C: CLOTHING****QUESTION 3**

- 3.1 Name FOUR steps in planning a basic wardrobe for the world of work. (4)
- 3.2 Study the pictures below and answer the questions that follow.



- 3.2.1 Explain the message (non-verbal communication) that is conveyed by each of the head gear (A–C) above. (3 x 3) (9)
- 3.2.2 Identify the brand label illustrated in the pictures. (1)
- 3.2.3 Explain why young adults prefer to wear branded clothing. (4)
- 3.3 Read the extract below and answer the questions that follow.

**HAUTE COUTURE FASHION WEEK**

Some of the exotic and glamorous clothes produced by South African designers were showcased at the Haute Couture Fashion Week in Cape Town.

More than 20 000 visitors attended the week's shows, which brought orders from major retail chain stores, as well as wealthy individual customers. The designers revealed that they were delighted by all the orders from the retail companies and private customers.

[Adapted from an article by Audrey D'Angelo in *Business Report*, 12 August 2012]

- 3.3.1 Explain the term *haute couture*. (3)
- 3.3.2 There are five stages in the fashion cycle. Explain the following stages as evident in the extract:
- (a) Innovation/Introduction/Launch/Emerging (2)
- (b) Rise/Growth (2)

3.4 Study the cartoon below and answer the questions that follow.



[Source: <http://www.joy-of-cartoon-pictures.com/tokyo-street-fashion.html>]

3.4.1 Explain how the mass media influences consumer buying behaviour. (5)

3.4.2 The consumer in the cartoon is showing conformity. Give reasons why. (3)

3.5 Study the picture below and answer the question that follows.



The man in the picture is wearing a black linen jacket with set-in pockets, a cream-coloured T-shirt, light blue pants (hems rolled up) and dark grey leather shoes with cream-coloured soles and secret socks.

Evaluate the suitability of this outfit for an interview for a professional job. (7)

**TOTAL SECTION C: 40**

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

4.1 Read the scenario below and answer the questions that follow.

Lloyd and Grace Andrews are both 60 years old. They own a spacious home with a large garden and swimming pool. Garden services maintain the garden and Lloyd maintains the swimming pool. They will be retiring within a year and want to move to a townhouse in a retirement village.

Their son, Keith, is 25 years old and earns a monthly salary of R10 000,00. He is renting a furnished flat. He is saving to buy his own property. There is a possibility of Keith working overseas.

4.1.1 Identify the:

- (a) Present type of housing ownership for Lloyd and Grace (1)
- (b) Future type of housing ownership for Lloyd and Grace (1)

4.1.2 Give THREE advantages of Lloyd and Grace owning their own home. (3)

4.1.3 After retirement, their home maintenance responsibilities will change. Indicate these changes. (4)

4.1.4 Briefly explain why renting accommodation is a good option for Keith. (5)

4.1.5 State FIVE stipulations that should be included in the lease agreement which will protect Keith. (5)

4.2 Read the advertisement for washing machines below and answer the questions that follow.

<b>WASHING MACHINE A</b>	<b>WASHING MACHINE B</b>
Top loader	Front loader
13 litre capacity	6 litre capacity
Price: R2 899,00	Price: R3 699,00
OR	OR
Deposit: R290,00 R173,00 x 36 months	Deposit: R370,00 R210,00 x 36 months

- 4.2.1 Give reasons why washing machine A is more suitable for the retired couple. (3)
- 4.2.2 (a) Calculate the total cost of washing machine A if it is bought on instalment sale. Show ALL calculations. (4)
- (b) Calculate the difference between the cash price and instalment sale price of washing machine B. Show ALL calculations. (3)

4.3 Read the advertisement below and answer the question that follows.

**DECREASE THE COST OF HEATING WATER BY UP TO 67%**

Before you run your bath, think about the electricity that you waste. Heating water may cost up to 40% of your electricity bill.

Here is the good news: Installing a heat pump can cut the cost of heating water by up to 67%. The heat pump is an energy-efficient way of heating water.

Eskom will pay you a rebate when you install the heat pump in your home or small business.

[Translated from an Eskom advertisement in *Rooi Rose*, November 2012]

State THREE benefits of installing an Eskom heat pump. (3)

4.4 Read the information below and answer the question that follows.

**TO BUY OR NOT TO BUY**

Many homeowners have to sell their houses as a result of the recession. Interest rates have been low for a while but may rise in future. Food inflation is high in South Africa.

Give good reasons why Keith should invest in property during a recession. (8)  
(4 x 2)

**TOTAL SECTION D: 40**

**SECTION E: THEORY OF PRODUCTION AND ENTREPRENEURSHIP****QUESTION 5**

5.1 Read the scenario below and answer the questions that follow.

Pete runs his own business from home. He converted his double garage into a workplace to produce curios (souvenirs). When this conversion was done, he had to install more electrical power points to supply enough electricity for the production process. His business has grown and he currently employs three people. They travel to work every day with public transport. Pete gets most of his raw materials from local suppliers. His products are good value for money and uniquely South African. He sells most of his products in tourist shops. He also markets his products on the Internet and charges an additional fee when he has to post products that are ordered on the Internet.

5.1.1 Define the term *target market*. (1)

5.1.2 Identify Pete's main target market. (1)

5.2 Due to the success of his business Pete has employed three people.

5.2.1 How much must Pete pay his workers if they have to occasionally work on a Sunday? (1)

5.2.2 In terms of labour law, Pete has responsibilities towards his employees. How much leave are Pete's employees entitled to? (2)

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

(a) A safe working environment (2)

(b) A comfortable working environment (2)

5.3 Pete's products are good value for money and uniquely South African.

5.3.1 Give FOUR reasons why Pete needs to do stock control of raw materials. (4)

5.3.2 Explain why Pete's products are successful. (3)

5.3.3 Name TWO important criteria for the packaging of the products which will be posted. (2)

5.3.4 Suggest TWO ways in which Pete can use labelling to promote the sale of his products to tourists. (2)

- 5.4 Pete's business produces 1 100 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).
- 5.4.1 Calculate the total cost of production per product. Show ALL calculations. (5)
- 5.4.2 Calculate the selling price per product. Round off the selling price to the nearest rand. Show ALL calculations. (5)
- 5.4.3 Explain when the break-even point will be reached. (Calculations are NOT required.) (2)
- 5.5 Briefly discuss the possible impact of a transport strike on the production of the products. (3)
- 5.6 Explain, with reasons, how the rising electricity tariffs may affect the sustainable profitability of Pete's business. (5)
- TOTAL SECTION E: 40**  
**GRAND TOTAL: 200**



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**GRADE 12**

**CONSUMER STUDIES**

**NOVEMBER 2013**

**MEMORANDUM**

**MARKS: 200**

**This memorandum consists of 24 pages.**



**SECTION A**

<b>QUESTION 1.1</b>		
1.1.1	A	Remembering LO 12.1.1 (easy) [Focus: 2 - 25; OBE for FET: 3-28; Doing: 7 -34; Successful: 2-48] (1)
1.1.2	B/ D	Remembering LO 12.1.2 (easy) [Focus: 2 - 25; OBE for FET: 3-28; Doing: 7 -34; Successful: 2-48] (1)
1.1.3	C/ D	Remembering LO 12.1.2 (easy) [Focus: 2 - 25; OBE for FET: 3-28; Doing: 7 -34; Successful: 2-48] (1)
1.1.4	A	Remembering LO 12.1.2 (easy) [Focus: 2 - 25; OBE for FET: 3-28; Doing: 7 -34; Successful: 2-48] (1)
1.1.5	D	Remembering LO 12.1.2 (easy) [Focus: 2 - 25; OBE for FET: 3-28; Doing: 7 -34; Successful: 2-48] (1)
1.1.6	A	Understanding LO 12.2.1 (moderate [Focus:54; OBE for FET:50; Doing:55; Successful: 27] (2)
1.1.7	C	Understanding LO 12.2.1 (moderate) [Focus:35; OBE for FET: 59; Doing: 64; Successful: 20]; (2)
1.1.8	D	Remembering LO 12.2.1 (moderate) [Focus: 34; OBE for FET: 77; Doing: 45 ; Successful:: 22] (2)
1.1.9	C	Understanding LO 12.2.1 (moderate) [Focus: 42; OBE for FET: 34 ; Doing 50 ; Successful: 32 ] (1)
1.1.10	D	Understanding LO 12.2.3 (moderate) [Focus: 87 ; OBE for FET: 110 ; Doing: 83 ; Successful: 70] (1)
1.1.11	B	Remembering LO 12.2.5 (easy) [Focus: 111 ; OBE for FET: 160 ; Doing: 114 ; Successful: 107 ] (1)
1.1.12	C	Remembering LO 12.2.5 (easy) [Focus: 111 ; OBE for FET: 160 ; Doing: 114 ; Successful: 107 ] (1)
1.1.13	B	Understanding LO 12.2.6 (easy) [Focus: 129 ; OBE for FET: 180 ; Doing: 140 ; Successful: 113 ] (1)
1.1.14	D	Remembering LO 12.2.6 (easy) [Focus: 123; OBE for FET: 177; Doing: 146; Successful: 111] (1)
1.1.15	A	Remembering LO 12.2.5 (easy) [Focus: 174 ; OBE for FET: 207 ; Doing: 226 ] (1)
1.1.16	C	Remembering LO 12.4.1 (moderate) { OBE for FET: 226 ; Successful: 160] (1)
1.1.17	D	Remembering LO 12.4.2 (easy) [Focus: 199 ; OBE for FET: 247; Doing: 242; Successful: 160 ] (1)
1.1.18	B	Understanding LO 12.4.2 (easy) [Focus: 185; OBE for FET: 239; Doing: 253; Successful: 169] (1)
<b>(21)</b>		

<b>QUESTION 1.2</b>		
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)
<b>(5)</b>		Remembering LO 12.4.1 (easy) [ Focus: 187 ; OBE for FET: 229 ; Doing: 249 ; Successful: 144 ]

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

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

<b>QUESTION 1.5</b>		
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)
<b>(5)</b>		Remembering LO 12.2.4 (moderate) [Focus: 61; OBE for FET ; Doing: 94; Successful: 79]

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

**TOTAL SECTION A: 40**

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

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

Note: Trade names of products are not acceptable.

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

Tea and coffee are not accepted, they are beverages

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

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

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

**2.2.2 Skin:**

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

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

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

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

(2)

(2)

Note: Responses must clearly show the difference between the columns

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

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

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

(4)

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

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

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

(2)

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

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

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

(5)

Note: Do NOT accept lifestyle guidelines

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

**2.5 2.5.1 Explain what is meant by Glycaemic Index.**

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

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

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

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

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

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

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

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

The meal plan contains:

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

Note: Award one mark for dairy products.

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

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

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

Conclusion:

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

(8)

OR

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

(Any 8)

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

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

**TOTAL SECTION B: 40**

**SECTION C: CLOTHING****QUESTION 3**

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

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

(4)

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

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

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

**Picture A:**

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

**Picture B:**

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

**Picture C:**

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

(9)

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



**3.2.2 Identify the brand label illustrated in the pictures.**

Nike✓

(1)

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

**3.2.3 Explain why young adults prefer to wear branded clothing.**

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

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

**3.3 3.3.1 Explain the term *haute couture*.**

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

(Any 3)

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

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

**(a) Innovation / introduction / launch / emerging**

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

At this stage the designs are only available from designers ✓

(2)

**(b) Rise / growth**

Orders from retail chains and individual customers were placed ✓.

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

(2)

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

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

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

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

(5)

Any (5)

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

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

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

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

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

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

**Reasons:**

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

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

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

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

**TOTAL SECTION C: 40**

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

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

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

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

Note: Not renting

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

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

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

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

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

(Any 4) (4)

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

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

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

(5)  
(Any 5)

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

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

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

(Any 5)

(5)

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

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

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

(3)

Applying LO 12.2.6 (moderate)

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

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

(4)

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

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

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

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

(3)

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

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

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

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

(Any 3)

(3)

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

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

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

(Any 8) (8)

Note: Accept any 8 or (4x2)

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

**TOTAL SECTION D: 40**



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

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

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

**5.1.2 Identify Pete's main target market.**

- Tourists ✓ (1)

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

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

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

Note: do not accept more than normal or over time

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

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

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

**Sick leave:**

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

**Maternity leave:**

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

**Family responsibility leave:**

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

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

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

**(a) A safe working environment :**

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

**(b) A comfortable working environment:**

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

Note: Referring to free standing items not acceptable

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Cost of the materials per product:

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

1 100

Overhead costs:

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

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

**OR**

Total overhead costs:

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

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

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

$$= R21,27 \checkmark \quad (5)$$

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

Mark with mistakes

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

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

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

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

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

OR

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

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

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

$$1\ 100$$

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

OR

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

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

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

(5)

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

Mark with mistakes

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

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

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

OR

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

OR

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

OR

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

OR

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

(2)

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

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

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

(Any 3)

(3)

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

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

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

(1)

**Reasons:**

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

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

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

**TOTAL SECTION E: 40**  
**GRAND TOTAL: 200**