**Topic 18: Business & Technology**

**Formative Assessment 18**

**Principles of business and the role of information technology (114050)**

*Hello and welcome to the assessment. Here you’ll prove to the world just how much you know and understand about what you’ve just learnt in the learner guides. This is an important part of your time at Umuzi because once this is done, you’ll be certified! So please, take this time to learn everything you can! Take a look at some pointers below with regard to answering the questions…*

* *Be specific*
* *Write professionally - no shorthand!*
* *Your answers must be original and come from your brain and your brain only.*
* *No copy/p.*
* *Remember, sloppy or poor work will be sent back to you to do again, so do it properly the first time and you’ll be done in no time.*
* *Ask for help at any time. Ask your friends, a manager, anybody!!*
* *Don’t skip any questions! You must do them all!*
* *You’ll see two boxes after each question - one for your answer and one for the marker’s comments. DO NOT delete the marker’s comments if you are required to resubmit your work after the first attempt. Should you have to do it again you will see a new box* ***under*** *the marker’s comments, so fill that one out in* ***BLUE****. Remember!! It’s not the end of the world if you have to resubmit. You’re here to learn, so don’t beat yourself up if you don’t get it right on the first go. Obviously, try your best to get it right on the first attempt, but if not, you have another chance to do it properly!*

*Ok, and that’s that! Time to get to it! Good luck, have fun and enjoy! :)*

**Enter your name and surname below**

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| --- |
| Luvo Spofana |

**1.** **Compare three advantages and disadvantages between Partnerships and Corporations. [6 Marks](6 SO:1 AC:1-2)**

**Your answer below**

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| Corporations have limited liability: the business is a separate legal entity, and the owners of a corporation are not accountable for the business. Partners have unlimited liability and are fully accountable of the business.  Ownership of a corporation can easily be transferred to another new owners, therefore corporations have continuity. Partnerships do not have continuity because the business is attached to owners.  Partnerships have low start-up costs. Corporations are expensive to set up. |

**Marker’s Comments**

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**2.** **Describe the difference between internal and external business environments [4 Marks](4 SO:1 AC:3)**

**Your answer below**

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| The external environment includes factors which exists outside of the business are out of the business’ direct control. These factors include suppliers, the public, its customers, and trends.  The internal environment includes factors which exist inside of the business and are within direct control of the business/organizations. These factors include organizational structure, policies, objectives etc. |

**Marker’s Comments**

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**3. List the three main components that comprise an organizational system [3 Marks](3 SO:2 AC:1-2)**

**Your answer below**

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| Inputs  Processes  Outputs. |

**Marker’s Comments**

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**4. List three information systems used in business and describe the importance of these systems for making informed business decisions. [6 Marks](6 SO:2 AC:1-3)**

**Your answer below**

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| Transaction processing systems – TPS is responsible for serving people at the operational level of an organization, serving them, for example, task management systems, sending invoices to customers and systems to calculate the weekly/monthly payroll along with tax payments.  Knowledge management systems – The main existence reason of KMS is to help businesses to efficiently create and share information.  Executive support systems – These systems are built and designed to analyze and summarize the key internal and external information and the overview of the entire organization’s performance, and help senior management make strategic decisions. help and assist senior management. |

**Marker’s Comments**

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**5. Explain three ways IT can be used in business [6 Marks] (6 SO:3 AC:1-3)**

**Your answer below**

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| Productivity/ Data management – It has greatly reduced the need for the processing of raw data in a manual and time-consuming method, which has resulted in a huge increase in productivity for the businesses who have adopted IT in their business.  Monitoring – IT can be used for monitoring certain areas and departments of a company that aren’t making much use of available resources.  Communication – A large number of communication tools have evolved, and businesses have already adopted them and started making use of the various communication tools to efficiently communicate business related content. |

**Marker’s Comments**

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**6. Distinguish between data and information [3 Marks](3 SO:4 AC:1)**

**Your answer below**

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| Data is raw unstructured and unprocessed facts, while information is data that has been processed, structured, and has resulted in useful insight and knowledge. |

**Marker’s Comments**

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**7. Describe the importance of data security [4 Marks](4 SO:4 AC:2-4)**

**Your answer below**

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| Data integrity can easily be compromised if the data is not secured against physical theft or internal/employee sabotage or political espionage.  Data security helps prevent third partied from misusing the data from fraud and other malicious reasons.  The organization responses for collecting and security the data could suffer heavy fines if they’d be under a cyber-attack and the organization’s reputation, reliability and trust can be damaged.  Recovering from a data breach is costly and data security helps avoid unnecessary expenditure. |

**Marker’s Comments**

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