

# Education

KwaZulu-Natal Department of Education  
REPUBLIC OF SOUTH AFRICA

## NATIONAL SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES

COMMON TEST

JUNE 2018

MARKS: 300

TIME: 3 hours

N.B. This question paper consists of 13 pages including this page.

**INSTRUCTIONS AND INFORMATION**

Read the following instructions carefully before answering the questions.

1. This question paper consists of **THREE** sections and covers all broad topics.

**SECTION A: COMPULSORY**

**SECTION B:** Consists of **FOUR** questions.

Answer any **THREE** of the **FOUR** questions in this section.

**SECTION C:** Consists of **THREE** questions.

Answer any **TWO** of the three questions in this section.

2. Read the instructions for each question carefully and take particular note of what is required.
3. Number the answers correctly according to the numbering system used in this question paper.
4. Except where other instructions are given, answers must be written in full sentences.
5. Use the mark allocation and the nature of each question to determine the length of an answer.
6. Use the table below as a guide for marks and time allocation when answering each question.

SECTION	QUESTION	MARKS	TIME
<b>A: Objective type questions COMPULSORY</b>	<b>1</b>	<b>40</b>	<b>30 minutes</b>
<b>B: FOUR direct/indirect type questions (CHOICE: Answer any THREE)</b>	<b>2</b>	<b>60</b>	<b>30 minutes</b>
	<b>3</b>	<b>60</b>	<b>30 minutes</b>
	<b>4</b>	<b>60</b>	<b>30 minutes</b>
	<b>5</b>	<b>60</b>	<b>30 minutes</b>
<b>C: Three essay type questions (CHOICE: Answer any TWO)</b>	<b>6</b>	<b>40</b>	<b>30 minutes</b>
	<b>7</b>	<b>40</b>	<b>30 minutes</b>
	<b>8</b>	<b>40</b>	<b>30 minutes</b>
<b>TOTAL:</b>		<b>300</b>	<b>180 minutes</b>

7. Begin the answer to **EACH** question on a **NEW** page, for example **QUESTION 1** – new page, **QUESTION 2** – new page, et cetera.
8. Non-programmable calculator may be used.
9. Write neatly and legibly.

**SECTION A: (COMPULSORY)****QUESTION 1: MULTIPLE CHOICE**

- 1.1 Each of the following statements / questions is followed by four options, only ONE of which is correct. Choose the correct option and indicate this by placing the letter of the alphabet that corresponds to it next to the number. **For example: 1.11 E.**
- 1.1.1 It is aimed at enhancing the knowledge and the abilities of the individuals to improve productivity in their areas of work.
- A Labour Relations Plan
  - B Skills Development Levy
  - C Human Resources Development Plan
  - D National Skills Development Strategy
- 1.1.2 When Mayfield dairy farm takes over Creamy cheese factory..... integration was applied.
- A horizontal
  - B vertical forward
  - C vertical backward
  - D conglomerate
- 1.1.3 This leadership style can be applied when workers have the necessary experience to execute their tasks.
- A Situational leadership
  - B Laissez-faire leadership
  - C Transformational leadership
  - D Transactional leadership
- 1.1.4 In this team dynamics theory the following three categories gets used; cerebral, action and people.
- A Margerison-McCann profiles
  - B Belbin role
  - C Jungian
  - D Group consensus
- 1.1.5 \_\_\_\_\_ means valuing each other regardless of status, culture or disability.
- A Discrimination
  - B Leadership
  - C Diversity
  - D Inclusivity

1.1.6 \_\_\_\_\_ deal(s) with the evaluation of employees in the workplace with a view to an increase in their wages and salaries.

- A Staff development programmes
- B Counselling
- C Performance appraisal
- D Team-building exercises

1.1.7 An example of unprofessional and unethical behaviour is ...

- A selling second-hand goods as new.
- B employing unskilled workers.
- C increasing prices in line with competitors.
- D finding a substitute for the competitor's product.

1.1.8 Boxer Superstore is not only concerned about their financial position, but also about their social and environmental successes. Therefore they report on their ... performance

- A profitability
- B social
- C Porter's Five Forces
- D triple bottom line

1.1.9 A human resources activity where the knowledge and skills of the employee is matched with his/her position:

- A Interview
- B Induction
- C Placement
- D Screening

1.1.10 Quality circles usually form part of the ... TQM element.

- A continuous improvements of processes and systems.
- B top management involvement.
- C teamwork.
- D monitoring and evaluation of quality processes.

(10 x 2)(20)

- 1.2 Choose the correct word(s) from the list below. Write only the word(s) next to the question number (1.2.1 – 1.2.5) in the ANSWER BOOK.

ethics; professionalism; quality assurance; quality control;  
secondary; tertiary; market development; market penetration;  
autocratic; bureaucratic

1.2.1 Selling existing products in new markets.

1.2.2 Carried out during and after production process to ensure required standards have been met.

1.2.3 Includes guidelines on employees appearance, communication and responsibility.

1.2.4 A leadership style that makes a decision without consultation.

1.2.5 Banks and insurance brokers that provide financial services form part of the ... sector.

(5 x 2) (10)

- 1.3 Choose a description from **COLUMN B** that matches a term/Act in **COLUMN A**. Write only the letter (A-E) next to the question number (1.3.1 – 1.3.5) in the **ANSWER BOOK**.

**For Example: 1.2.6 F**

	COLUMN A	COLUMN B
1.3.1	National Credit Act	A. Applicable to businesses that offer goods/services on credit
1.3.2	Job specification	B. Various alternatives are considered before choosing the best one
1.3.3	Teamwork	C. No interpersonal relationship
1.3.4	Piecemeal	D. Describes the minimum skills and qualification
1.3.5	Decision making	E. Alternative solutions are generated and critically evaluated
		F. Workers are paid according to the items/units produced
		G. Achieves greater output through synergy.
		H. Describes the duties and responsibilities of the job.
		I. Workers are paid according to the time they spend at work.
		J. Applicable to all businesses that sell goods and services.

(5 x 2) (10)

**TOTAL SECTION A: 40**

**SECTION B: (COMPULSORY)**

**Answer ANY THREE questions from this section.**

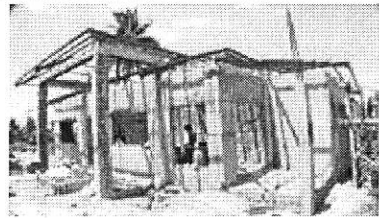
Clearly indicate the QUESTION NUMBER of each chosen question. The answer to EACH question must start on a NEW page, for example QUESTION 2 on a NEW page, QUESTION 3 on a NEW page, et cetera.

**QUESTION 2: BUSINESS ENVIRONMENT**

- 2.1 List THREE types of defensive strategies. (3)
- 2.2 Describe the steps in evaluating a strategy. (10)
- 2.3 Read the scenario below and answer the questions that follow.

**Isidingo Construction (IC)**

Isidingo Construction is a company based in Umlazi. Jabu, an employee fell off the scaffold and injured himself while on duty. IC paid Jabu R2500 and advised him not to report the injury as all its employees were not registered with the Compensation Fund. The business has not reported many accidents.



- 2.3.1 Name the Act that applies to Jabu's injury. Motivate your answer by quoting from the scenario above. (3)
- 2.3.2 Identify FOUR actions that are regarded as non-compliant to the Act identified in QUESTION 2.3.1. (4)
- 2.3.3 Elaborate on the impact of the Act identified in QUESTION 2.3.1 on employees. (8)
- 2.4 Outline FIVE provisions of the Basic of Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997). (5)
- 2.5 Describe the role of SETAs. (10)

- 2.6 Read the scenario and answer the questions that follow.

**Nalini's Interior Design (NID)**

NID specialises in home decorating. Even though she charges high prices for her services, she has many customers from rich suburbs because of her unique designs.

It was easy to register her business as there were no legal requirements. She only needed a trading license and a small amount of capital to commence with her business. NID buys her material from Grace Textiles, who is the only supplier of interior decorating material in the area.

Exquisite Home Décor operates in the same area and offers similar services at reasonable prices.

- 2.6.1 Identify the sector in which NID operates. Motivate your answer by quoting from the scenario. (3)
- 2.6.2 Name TWO other business sectors. (2)
- 2.6.3 Analyse the environment in which NID operates using the Porter's Five Forces model. (12)
- [60]**

**QUESTION 3: BUSINESS ROLES**

- 3.1 Name any THREE stages of team development. (3)
- 3.2 Explain the advantages of creative thinking in the workplace. (6)
- 3.3 Read the scenario below and answer the questions that follow.

**LIVERPOOL SPORTS CLUB (LSC)**

Jurgen Klopp, the owner of Liverpool Sports Club, does not record all the transactions of his business as required by South African Revenue Services. He was criticised for not conducting his business in a professional, responsible and ethical manner.

- 3.3.1 Identify the unethical business practice in the scenario above. Motivate your answer by quoting from the scenario. (3)
- 3.3.2 Name any FOUR other unethical business practices. (4)
- 3.3.3 Recommend THREE ways in which LSC should conduct business professionally, responsibly and ethically. (6)
- 3.4 Describe THREE criteria for successful teams. (9)
- 3.5 Explain the differences between ethics and professionalism. (6)



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

**EMPIRE TRAVEL AND TOURS (ETAT)**

ETAT is a travel agency that offers transport and accommodation bookings for international sporting teams. They noticed that more teams are arranging their own bookings and are concerned that they will be out of business soon. The management of ETAT decided to request a group of business experts to complete questionnaires to help solve their problem.

3.6.1 Identify the problem-solving technique used by ETAT to solve their problem. Motivate your answer. (3)

3.6.2 Explain to ETAT the advantages of the problem-solving technique identified in QUESTION 3.6.1. (6)

3.7 Discuss the benefits of diversity in the workplace. (6)

3.8 Suggest ways in which the businesses can deal with the following diversity issues in the workplace:

3.8.1 Age (4)

3.8.2 Disability (4)

**[60]**

**QUESTION 4: BUSINESS OPERATIONS**

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

**GLEN ENTERPRISE (GE)**

The human resource manager of GE identified that the company lacks qualified employees with the necessary skills to perform their duties. She placed an advert in the local newspaper to find suitable candidates.

- 4.1.1 Identify TWO human resource activities referred to in the scenario above. (2)
- 4.1.2 Explain the selection procedure to be followed by GE to find the most suitable candidate. (8)
- 4.1.3 Outline the advantages of external recruitment. (8)

- 4.2 Read the scenario below and answer the questions that follow.

**LUCKY'S PLUMBING SERVICES (LPS)**

Lucky has five employees working at Lucky's Plumbing Services. The plumbers earn a salary with medical aid and cellphone allowances.

- 4.2.1 Identify TWO types of fringe benefits mentioned in the scenario above. (2)
- 4.2.2 Discuss the impact of fringe benefits on the business. (8)
- 4.3 Explain the impact of the Employment Equity Act on the human resources function when making new appointments. (6)
- 4.4 Read the statement below and answer the questions that follow.

*Quality is a very important part of any business, whether it is in the trading, manufacturing or services sector.*

Suggest quality indicators in the following business functions:

- 4.4.1 Administration (6)
- 4.4.2 Marketing (6)
- 4.5 Analyse the importance of quality circles in total quality management system (TQM). (8)
- 4.6 Advise businesses on how continuous improvement to processes and systems cycle (PDCA) can improve the quality of products and services. (6)

**[60]**

**QUESTION 5: MISCELLANEOUS****BUSINESS ENVIRONMENT**

- 5.1 Outline how the strategic management process can be applied by businesses. (6)
- 5.2 Distinguish between BEE and BBBEEE. (8)

**BUSINESS VENTURES**

- 5.3 Distinguish between management and leadership. (6)
- 5.4 Explain the situational leadership theory (8)

**BUSINESS ROLES**

- 5.5 Describe the correct procedure to deal with grievances in the workplace. (8)
- 5.6 Suggest ways in which a business can create an environment that promotes creative thinking. (8)

**BUSINESS OPERATIONS**

- 5.7 Mention TWO details of an employment contract. (4)
- 5.8 Explain the benefits of an induction programme on businesses (6)
- 5.9 Discuss the impact of Total Quality Management if it is poorly implemented by businesses. (6)
- [60]**

**TOTAL SECTION B: 180**

**SECTION C**

**Answer ANY TWO questions.**

**NOTE:** Clearly indicate the QUESTION NUMBER of the chosen question.  
The answer to EACH question must start on a NEW page, for example  
QUESTION 6 on a NEW page, QUESTION 7 on a NEW page, et cetera.

**QUESTION 6: BUSINESS ENVIRONMENT (LEGISLATION)**

The Labour Relations Act (LRA) (No. 66 of 1995) is a South African legislation that aims to promote economic development, social justice, labour peace and democracy in the workplace.

With reference to the above statement:

- Name the rights of employees and employers as specified in the Labour Relations Act.
- Discuss the purpose of the Labour Relations Act.
- Explain actions which may be regarded as discriminatory by this Act.
- Analyse the impact of this Act on businesses.

**[40]**

**QUESTION 7: BUSINESS ROLES****FAST AND FURIOUS SPORTS CARS (FFSC)**

FFSC is a well-established car sales business. FFSC wants to improve their image, and contribute towards the well-being of the community and the environment by focussing on social responsibility.

FFSC contacted you as a business advisor to assist them with their corporate social responsibility (CSR) and corporate social investment (CSI) challenges. Your advice must include the following:

- Elaborate on the meaning of CSR and CSI.
- Explain the relationship between CSR and triple bottom line.
- Evaluate the impact of CSR on businesses.
- Suggest FIVE practical ways in which FFSC's Corporate Social Investment (CSI) projects can contribute to the community.

**[40]**

**QUESTION 8 BUSINESS OPERATIONS**

Quality management is a systematic way of guaranteeing that all activities within an organisation happen the way they are planned. It is about efficiency, productivity and long term success.

With reference to the above statement:

- State the benefits that a business may enjoy when implementing a good quality management system
- Describe the advantages of monitoring and evaluating quality processes as a TQM element.
- Evaluate the impact of the following elements of Total Quality Management on large business:
  - Adequate financing and capacity
  - Total client satisfaction/Total customer satisfaction
  - Continuous improvement to systems and processes
- Suggest ways in which businesses can reduce the cost of quality through TQM.

**[40]**

**TOTAL SECTION C: 80**

**GRAND TOTAL: 300**





## Education

KwaZulu-Natal Department of Education  
REPUBLIC OF SOUTH AFRICA

### BUSINESS STUDIES

### MEMORANDUM

### COMMON TEST

JUNE 2018

### NATIONAL SENIOR CERTIFICATE

GRADE 12

Marks: 300

This memorandum consists of 42 pages.

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Business Studies

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NSC – Memorandum

June 2018 Common Test

7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in memo. Only the total for each answer should appear in the left-hand margin next to the appropriate question number.
8. In an indirect question, the theory as well as the response must be relevant and related to the question.
9. Incorrect numbering of answers to questions or sub questions in Sections A and B will be severely penalised. Therefore, correct numbering is strongly recommended in all sections.
10. No additional credit must be given for repetition of facts. Indicate with an 'R'.
11. Note that no marks will be awarded for indicating Yes/No in evaluation type questions requiring substantiation or motivation. (Applicable to SECTIONS B and C.)
12. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
  - 12.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. *Positive: 'COIDA eliminates time and costs spent' on lengthy civil court proceedings.* ✓
  - 12.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. *'COIDA eliminates time and costs spent' on lengthy civil court proceedings, ✓ because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.* ✓

NOTE: The above could apply to 'analyse' as well.

13. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the memorandum and the context of each question.

Cognitive verbs, such as:

- 13.1 Advise, devise, name, state, mention, recommend, suggest, (*list not exhaustive*) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.
- 13.2 Describe, explain, discuss, elaborate, justify, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.

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Business Studies

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NSC – Memorandum

June 2018 Common Test

### NOTES TO MARKERS

#### PREAMBLE

The notes to markers are provided for quality assurance purposes to ensure the following:

- (a) Fairness, consistency and reliability in the standard of marking
- (b) Facilitate the moderation of candidates' scripts at the different levels
- (c) Streamline the marking process considering the broad spectrum of markers across the country
- (d) Implement appropriate measures in the teaching, learning and assessment of the subject at schools/institutions of learning

1. For marking and moderation purposes, the following colours are recommended:

Marker	Red
Senior Marker	Green
Deputy Chief Marker	Brown
Chief Marker	Pink
Internal Moderator	Orange
DBE Moderator	Turquoise

2. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
3. A comprehensive memorandum has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:
  - Uses a different expression from that which appears in the memorandum
  - Comes from another source
  - Original
  - A different approach is used.

NOTE: There is only one correct answer in SECTION A.

4. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
5. The word 'Sub max' is used to facilitate the allocation of marks within a question or sub question.
6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation purposes.

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NSC – Memorandum

June 2018 Common Test

14. Mark only the first answer where the candidates offer more than one answer for SECTION B and C questions that require one answer.

### SECTION B

- 15.1 If, for example, FIVE facts are required, mark the candidate's FIRST FIVE responses and ignore the rest of the responses. Indicate by drawing a line across the unmarked portion or use the word 'CANCEL'.

NOTE: This applies only to questions where the number of facts is specified.

- 15.2 If two facts are written in one sentence, award the candidate FULL credit. Point above still applies.
- 15.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers.

### 15.4 Use of cognitive verbs and allocation of marks:

- 15.4.1 If the number of facts is specified, questions that require candidates to 'describe/discuss/explain' may be marked as follows:

- Fact 2 marks (or as indicated in the memorandum)
  - Explanation 1 mark
- The 'fact' and 'explanation' are given separately to facilitate mark allocation.

- 15.4.2 If the number of facts required is not specified, the allocation of marks must be informed by the nature of the question and the maximum mark allocated in the memorandum.

- 15.5 ONE mark may be awarded for answers that are easy to recall, requires one-word answers or is quoted directly from a scenario/case study. This applies to SECTION B and C in particular (where applicable).

### 16. SECTION C

- 16.1 The breakdown of the mark allocation for the essays is as follows:

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

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## 16.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body, and a conclusion?	2
Analysis and interpretation	Is the candidate able to break down the question into headings/ sub-headings/ interpret it correctly to show understanding of what is being asked?  Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	2
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Marks to be allocated using this guide: No relevant facts: 0 (Two '-S') Some relevant facts: 1 (One '-S') Only relevant facts: 2 (No '-S')  Option 1: Where the candidate answers 50% or more of the question with only relevant facts; no '-S' appears in the left margin. Award a maximum of TWO (2) marks for synthesis.  Option 2: Where the candidate answers less than 50% of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.  Option 3: Where the candidate answers less than 50% of the question with no relevant facts; two '-S' appears in the left margin. Award a ZERO mark for synthesis.	2
Originality	Is there evidence of examples, recent information, current trends and developments?	2
TOTAL FOR INSIGHT		8
TOTAL MARKS FOR FACTS		32
TOTAL MARKS FOR ESSAY (8 + 32)		40

## NOTE:

- No marks will be awarded for contents repeated from the introduction and conclusion.
- The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.
- No marks will be allocated for layout, if the headings INTRODUCTION and CONCLUSION are not supported by an explanation.

- Indicate insight in the left-hand margin with a symbol, e.g. ('L, A, S and/or O')
- The breakdown of marks is indicated at the end of the suggested answer/ marking guidelines to each question.
- Mark all relevant facts until the SUB MAX/MAX mark in a subsection has been attained. Write 'SUB MAX/MAX' after maximum marks have been obtained.
- At the end of each essay indicate the allocation of marks for facts and marks for insight as follows:  
  
L – Layout, A – Analysis, S – Synthesis, O – Originality as in the table below.

CONTENT	MARKS
Facts	32 (max.)
L	2
A	2
S	2
O	2
TOTAL	40

- When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not use the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)
- If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the memorandum.
- 16.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 16.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (✓) will be separated and indicated next to each fact, e.g.:  
'Product development is a growth strategy, ✓ where businesses aim to introduce new products into existing markets.' ✓  
This will be informed by the nature and context of the question, as well as the cognitive verb used.
- With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guidelines, will not necessarily apply to each question. This will depend on the nature of the question.

## SECTION A (COMPULSORY)

## QUESTION 1

- 1.1.1 D ✓✓  
1.1.2 B ✓✓  
1.1.3 B ✓✓  
1.1.4 B ✓✓  
1.1.5 C ✓✓  
1.1.6 C ✓✓  
1.1.7 A ✓✓  
1.1.8 D ✓✓  
1.1.9 C ✓✓  
1.1.10 C ✓✓ (10 x 2) (20)
- 1.2.1 Market development ✓✓  
1.2.2 Quality assurance ✓✓  
1.2.3 Professionalism ✓✓  
1.2.4 Autocratic ✓✓  
1.2.5 Tertiary ✓✓ (5 x 2) (10)
- 1.3.1 A ✓✓  
1.3.2 D ✓✓  
1.3.3 G ✓✓  
1.3.4 F ✓✓  
1.3.5 B ✓✓ (5 x 2) (10)

TOTAL SECTION A: 40

## BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	20
1.2	10
1.3	10
TOTAL	40

## SECTION B

## QUESTION 2: BUSINESS ENVIRONMENTS

- 2.1 Defensive strategies  
Retrenchment ✓  
Divestiture ✓  
Liquidation ✓ (3 x 1) (3)
- 2.2 Steps in evaluating strategies
  - Examine the underlying basis ✓ of a business strategy. ✓
  - Formulate strategies ✓ to meet objectives favourably. ✓
  - Implement strategies ✓ using action plans, etc. ✓
  - Look forward and backwards ✓ into the implementation process. ✓
  - Compare the expected performance ✓ with the actual performance. ✓
  - Measure business performance ✓ in order to determine the reasons for deviations/ analyse these reasons. ✓
  - Take corrective action ✓ so that deviations may be corrected. ✓
  - Set specific dates ✓ for control and follow up. ✓
  - Draw up a table ✓ of the advantages and disadvantages of a strategy. ✓
  - Decide on the desired outcome ✓ to determine the effectiveness of the strategy. ✓
  - Consider the impact of the strategic implementation ✓ in the internal and external environments of the business. ✓
 Any other relevant answer related to the steps in strategy evaluation.  
NOTE: Steps can be in any order Max (10)
- 2.3 2.3.1 Compensation for Injuries and Diseases Act (COIDA). ✓✓ Sub max (2)  
Motivation  
Jabu got injured at work. ✓  
Not registered with the Compensation Fund ✓ Sub max (1)  
Max (3)
- 2.3.2 Discriminatory actions /non-compliant with the Act.
  - IC paid Jabu with R2500 ✓
  - IC advised him not to report the injury ✓
  - IC did not register all employees with the Compensation Fund. ✓
  - Not reporting accidents to the Compensation Commissioner. ✓ (4 x 1) (4)
 NOTE: Mark only discriminatory actions/non-compliance from the scenario



## 2.3.3 The impact of COIDA on employees

## Positives/Advantages

- Promotes safety ✓ in the workplace. ✓
- Creates a framework ✓ for acceptable employment practices/safety regulations. ✓
- Supply administrative guidelines/mechanisms ✓ for dealing with/processing claims. ✓
- Eliminates time and costs spent ✓ on lengthy civil court proceedings. ✓
- Covers all employees at the workplace ✓ if both parties meet all the necessary safety provisions in the Act. ✓
- Employees are compensated financially for any injury/disability ✓ resulting from performing their duties at their workplace. ✓
- In the event of the death of an employee as a result of a work-related accident/disease, ✓ his/her dependant(s) will receive financial support. ✓
- Employers are protected from financial burden should an accident occur in the workplace ✓ provided that the employer was not negligent. ✓
- Employees do not have to contribute ✓ towards this fund. ✓
- Employees receive medical assistance ✓ provided there is no other party involved. ✓
- Any compensation to an employee/the family ✓ is exempt from income tax. ✓
- The processes ✓ are relatively simple. ✓
- Makes businesses more socially responsible ✓ as they cannot just employ workers at random in dangerous working conditions. ✓
- Workers are treated with dignity/respect ✓ as businesses view them as valuable assets and not just as workers. ✓
- Any other relevant answer related to the advantages/positives of COIDA.

AND/OR

## Negatives/Disadvantages

- Workers who are temporarily/permanently employed in foreign countries. ✓ are not covered. ✓
- Domestic/Military workers ✓ are not covered. ✓
- Workers who are negligent ✓ are not covered. ✓
- Any other relevant answer related to the disadvantages/negatives of COIDA.

Max (8)

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## 2.4 Provisions of BCEA

- Overtime. ✓
- Working hours. ✓
- Meal Breaks and rest periods. ✓
- Leave conditions. ✓
- Working on public holiday. ✓
- Legal requirements of the employment contract. ✓
- Termination conditions of the employment contract. ✓
- Remuneration. ✓
- Provisions for compliance. ✓
- Any other relevant answer related to the provisions of the BCEA.

NOTE: 1. Mark the first FIVE (5) only  
2. Allocate a maximum of ONE (1) mark for an example of a specific provisions. (5 x 1)(5)

## 2.5 Roles/Functions of SETAs

- Manage the learnership and training ✓ in each SETA/sector. ✓
- Ensure that the skill requirements of different sectors are identified ✓ to establish training needs. ✓
- Ensure that training is of appropriate quality ✓ to improve employability. ✓
- Responsible for skills programmes to improve skills of current workers to increase productivity. ✓
- Assist unemployed people to enter the job market ✓ by providing skills programmes. ✓
- Provide accreditation to facilitators and service providers ✓ who meet the training requirements. ✓
- Collect funds for various sectors ✓ for implementing skills development programmes. ✓
- Distribute funds to various SETAs ✓ for the successful implementation of the Skills Development Act. ✓
- Implement learnerships and skills programmes/replaces the tradition of apprenticeships ✓ to gain practical experience. ✓
- Develop a sector skills plan ✓ to determine the training needs of each sector Report to the Director General ✓ on all matters concerning the administration and progress of learnerships. ✓
- Support the development of training material ✓ that is relevant to the needs of different sectors. ✓
- Register learnership agreements ✓ so that workers may receive a qualification that is recognised by the industry. ✓
- Any other relevant answer related to the roles/functions of SETAs.

Max (10)

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Please Turn Over

2.6

2.6.1 Tertiary sector. ✓✓

Submax (2)

## Motivation

MID specialises in home designing. ✓

Submax (1)  
Max (3)

2.6.2 Business sector

- Secondary sector ✓
- Primary sector ✓

(2 x 1)(2)

NOTE: Do not mark tertiary sector

2.6.3 Analysis of market environment by MID using Porter's Five Forces model.

## Power of buyers ✓

- Nalini needs to consider how ✓ her buyers/customers can influence prices. ✓
- If Nalini's customers have a wider choice of services, ✓ they have more power to influence prices and terms of sale. ✓
- Despite Nalini's high prices, she has many customers ✓ because of her unique designs and stylish decor. ✓
- Any other relevant answer related to the power of buyers.

Force (1)  
Explanation (2)  
Sub max (3)

## Threats of new entrants to the market / Barriers to entry ✓

- The power that Nalini's business has in the market will depend on how easy it is ✓ for new competitors to enter the market. ✓
- It was easy for Nalini to start her business ✓ because there were no legal requirements. Only a small amount of capital/and a trading licence required. ✓
- Nalini's market can attract potential competitors, ✓ because of low barriers to entry. ✓
- It may be difficult for small businesses to enter the market ✓ as Nalini has a large market share/many customers. ✓
- Any other relevant answer related to the threats of new entrants/barriers to entry.

Force (1)  
Explanation (2)  
Sub max (3)

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## Competitive rivalry ✓

- Businesses rendering the same/similar services ✓ may have an impact on Nalini's market. ✓
- Nalini may be stronger than Exquisite Home Decor, ✓ as she renders excellent services. ✓
- Despite Nalini's high prices ✓ she has more customers than her competitors. ✓
- It is easy for Nalini to withstand competitive rivalry ✓ as there is only one competitor. ✓
- Any other relevant answer related to competitive rivalry

Force (1)  
Explanation (2)  
Sub max (3)

## Power of suppliers ✓

- Nalini must assess the power of the suppliers ✓ in influencing the market. ✓
- Grace Textiles has more power over NID, ✓ since Grace Textiles is the only supplier in the market. ✓
- Nalini will have to accept Grace's Textiles terms and conditions, ✓ e.g. Grace Textiles can determine the quantities and the prices of the inputs supplied. ✓
- Grace Textiles can easily increase ✓ the prices of her services. ✓
- Any other relevant answer related to the power of suppliers

Force (1)  
Explanation (2)  
Sub max (3)

## Threat of substitutes/Alternatives ✓

- Substitute services are different services that at least partly satisfy the same needs of the customers ✓ and can be used to replace one another. ✓
- Combine service packages/deals on various functions ✓ may be available at more affordable prices. ✓
- Some customers may prefer to design their homes on their own, ✓ which may not require the services of NID. ✓
- Any other relevant answer related to threat of substitute

Force (1)  
Explanation (2)  
Sub max (3)  
Max (12)  
[60]

## BREAKDOWN OF MARKS

QUESTION	MARKS
2.1	3
2.2	10
2.3.1	3
2.3.2	4
2.3.3	8
2.4	5
2.5	10
2.6.1	3
2.6.2	2
2.6.3	12
TOTAL	60

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## QUESTION 3: BUSINESS ROLES

## 3.1 Stages of team development

- Forming ✓
- Storming ✓
- Norming ✓
- Performing ✓
- Adjourning/Mourning ✓
- Any other relevant answer related to the stages of team development.

NOTE: Mark the first THREE (3) only.

(3 x 1)(3)

## 3.2 Advantages of creative thinking in the workplace

- Starts/Ignites business's process of problem solving, ✓ as there are usually more problems and not enough solutions. ✓
- Better/Unique/Unconventional ideas/solutions ✓ is generated. ✓
- May give a business a competitive advantage ✓ if unusual/unique solutions/ideas/strategies are implemented. ✓
- Complex business problems ✓ may be solved. ✓
- Productivity increases ✓ as business's management/employees may quickly generate multiple ideas to utilise time and money more effectively. ✓
- Managers/Employees have more confidence ✓ as they can live up to their full potential. ✓
- Managers will be better leaders ✓ as they will be able to handle/manage change(s) positively and creatively. ✓
- Managers/Employees can develop a completely new outlook, ✓ which may be applied to any task(s) they may do. ✓
- Leads to more positive attitudes ✓ as managers/employees feel that they have contributed towards problem solving. ✓
- Improves motivation ✓ amongst staff members. ✓
- Managers/Employees have a feeling of great accomplishment ✓ and they will not resist/obstruct once they solved a problem/contributed towards the success of the business. ✓
- Business's management/employees may keep up ✓ with fast changing technology. ✓
- Stimulates brain function of employees/managers, ✓ as they are continuously pushed out of their comfort zone. ✓
- Creativity may lead to new inventions ✓ which improves the general standard of living. ✓
- Any other relevant answer related to the advantages of creative thinking in the workplace.

Max (6)

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Please Turn Over

3.3  
3.3.1 Unethical business practice

- Tax evasion ✓✓

(2)

## Motivation

- Jurgen Klopp, the owner of LSC, does not record all the transactions of his business as required by South African Revenue Services. ✓

(1)

Max (3)

## 3.3.2 Unethical business practices

- Sexual harassment ✓
- Unauthorised use of workplace funds and resources ✓
- Unfair advertising ✓
- Pricing of goods in rural areas ✓
- Abuse of work time ✓
- Any other relevant answer related to unethical business practices.

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

## 3.3.3 Professional, responsible, ethical and effective business practice

- True Blue Sports should not start other business ventures at the expense of others. ✓✓
- They should pay fair wages. ✓✓
- All employees should be treated equally. ✓✓
- Appoint honest/trustworthy accountants with a good reputation. ✓✓
- Staffing and other processes should be open and transparent. ✓✓
- Draw up a code of ethics. ✓✓
- Managers must set the tone for professional/responsible/ethical behaviour. ✓✓
- There must be adequate internal control systems in place. ✓✓
- There should be honesty in all relationships/transactions in the business. ✓✓
- Employees should understand ethical business practices through effective communication/training. ✓✓
- Seminars on business ethics should be held for managers and the employees to help them understand the importance of the ethical work culture of the business. ✓✓
- Management must consider the impact of their decisions/actions on all stakeholders. ✓✓
- Regulations applicable to environmental protection should be taken seriously. ✓✓
- They should charge fair prices in rural areas. ✓✓
- Any other relevant recommendation related to ways in which TBS should conduct business professionally, responsibly and ethically.

NOTE: Mark the first THREE (3) only.

(3 x 2)(6)

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Please Turn Over

## 3.4 Criteria for successful teams

## Interpersonal attitudes and behaviour ✓✓

- Members have a positive attitude of support and motivation ✓ towards each other. ✓
- Good/Sound interpersonal relationships ✓ will ensure job satisfaction/ increase productivity of the team. ✓
- Members are committed/passionate ✓ towards achieving a common goal/objectives ✓
- Team leader acknowledges/gives credit to members ✓ for positive contributions. ✓
- Any other relevant answer related to interpersonal attitudes and behaviour of successful teams.

Criteria (2)  
Explanation (1)  
Sub max. (3)

## Shared values/Mutual trust and support ✓✓

- Shows loyalty/respect/trust towards team members ✓ despite differences. ✓
- Shows respect ✓ to the knowledge/skills of other members. ✓
- Perform team tasks with integrity/pursuing responsibility/meeting team deadlines ✓ with necessary commitment to team goals. ✓
- Any other relevant answer related to shared values/mutual trust and support of members in successful teams.

Criteria (2)  
Explanation (1)  
Sub max. (3)

## Communication ✓✓

- A clear set of processes/procedures for teamwork ✓ ensures that every team member understands his/her role. ✓
- Ability to communicate well ✓ and make quick decisions. ✓
- Communicates with team members ✓ and allows for feedback. ✓
- Encourages discussion about the problem ✓ so that solutions can be found. ✓
- Continuous review of team progress ✓ ensures that team members can rectify mistakes/act pro-actively to ensure that goals/targets are reached. ✓
- Any other relevant answer related to communication in successful teams.

Criteria (2)  
Explanation (1)  
Sub max. (3)

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## Co-operation/Collaboration ✓✓

- Clearly defined realistic goals are set, ✓ so that all members know exactly what is to be accomplished. ✓
- Willingness to co-operate as a unit ✓ to achieve team objectives. ✓
- Co-operate with management ✓ to achieve team/business objectives. ✓
- Agree on methods/ways to get the job done effectively ✓ without wasting time on conflict resolution. ✓
- All members ✓ take part in decision-making. ✓
- A balanced composition of skills/knowledge/experience/expertise ✓ ensures that teams achieve their objectives. ✓
- Any other relevant answer related to co-operation/collaboration in successful teams.

Criteria (2)  
Explanation (1)  
Sub max. (3)

NOTE: Mark the first THREE (3) only.

Max (9)

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Please Turn Over

## 3.5 Difference between ethics and professionalism

ETHICS	PROFESSIONALISM
Set of standards ✓ of expected behaviour. ✓	Set of values ✓ that are morally acceptable. ✓
Knowledge and skills ✓ of a profession. ✓	Acceptable ✓ to society/group/community. ✓
Used for the good ✓ of the employees / individuals. ✓	Forms part of the employees' ✓ code of conduct. ✓
Apply a code of conduct ✓ set by the profession or business. ✓	Focus is on developing a moral compass ✓ to use in decision-making. ✓
Focus is on upholding the reputation ✓ of the business/profession. ✓	Seeks to avoid harm ✓ while promoting benefit to others. ✓
Conforms to a specific standard in terms of quality and competence ✓ while also being legal and ethical. ✓	Any other relevant answer related to ethics.
Any other relevant answer related to ethics.	
Sub max (4)	Sub max (4)

- NOTE:
- The differences must be clear.
  - Answer does not have to be in tabular format.
  - Award a maximum of FOUR (4) marks if the differences is not clear/Mark either ethics or professionalism only.
- Max (6)

## 3.6

## 3.6.1 Problem-solving technique

- Delphi technique ✓✓ (2)

## Motivation

- To request a group of business experts to complete questionnaires. ✓ (1)
- Max (3)

## 3.6.2 Advantages of the Delphi technique

- A group of experts will be used ✓ without bringing them together. ✓
  - Experts will give clear ideas/solutions ✓ on how to improve on low productivity/profitability. ✓
  - Panel members/Experts can give new information ✓ on problems. ✓
  - Information received from experts ✓ can be kept confidential. ✓
  - It reduces noise levels in an office environment ✓ since there is no group discussion. ✓
  - Panel members/Experts need to reach consensus, ✓ so that the best solution is found. ✓
  - All experts are given an equal opportunity to give their opinions, ✓ so no-one dominates the process. ✓
  - Any other relevant advantages related to the use of the Delphi technique in solving business problems.
- Max (6)

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Please Turn Over

## 3.8.2 Disability

- Provide employment opportunities for people with disabilities. ✓✓
  - Accommodate people with disabilities by providing facilities/ramps for wheelchairs, etc. ✓✓
  - Ensure that workers with special needs are not marginalised/feel excluded from workplace activities. ✓✓
  - Business should be well informed with how to deal with disabled employees. ✓✓
  - Policies and programs should accommodate the needs of people with disabilities. ✓✓
  - Create an organisational culture and climate that is conducive for people with disabilities. ✓✓
  - Employees should be trained to deal with colleagues with disabilities. ✓✓
  - Bringing in external experts to help with disability and accommodation issues. ✓✓
  - Ensure that employees with disabilities are treated fairly. ✓✓
  - Focus on job skills/work performance of the disabled, rather than their disability/possible problems they may pose in the future. ✓✓
  - Any other relevant answer related to the way in which businesses can deal with disability as a diversity issue in the workplace.
- Max (4)

[60]

BREAKDOWN OF MARKS	
4.1	3
4.2	6
4.3.1	3
4.3.2	4
4.3.3	6
4.4	9
4.5	6
4.6.1	3
4.6.2	6
4.7	6
4.8.1	4
4.8.2	4
TOTAL	60

## 3.7 Benefits of diversity in the workplace

- Workforce diversity improves the ability of a business ✓ to solve problems/innovate/ cultivate diverse markets. ✓
  - Employees value each other's diversity ✓ and learn to connect/ communicate across lines of difference. ✓
  - Diversity in the workforce improves ✓ morale/motivation. ✓
  - Employees demonstrate greater loyalty to the business ✓ because they feel respected/accepted/understood. ✓
  - A diversified workforce can give businesses a competitive advantage ✓ as they can render better services. ✓
  - Being respectful of differences/demonstrating diversity ✓ makes good business sense/improves profitability. ✓
  - Diverse businesses ensure that its policies/practices ✓ empower every employee to perform at his/her full potential. ✓
  - Customers increasingly evaluate businesses ✓ on how they manage diversity in the workplace. ✓
  - Employees from different backgrounds ✓ can bring different perspectives to the business. ✓
  - A diversified workforce stimulates debate ✓ on new and improved ways of getting things done. ✓
  - Employees represent various groups ✓ and are therefore better able to recognise customer needs and satisfy consumers. ✓
  - Businesses with a diverse workforce are more likely to have a good public image ✓ and attract more customers. ✓
  - Any other relevant answer related to the benefits of diversity in the workplace.
- Max (6)

## 3.8 Ways in which the businesses can deal with diversity issues in the workplace

## 3.8.1 Age

- Promotions should not be linked to age, but rather to specific skills set. ✓✓
  - A business must not employ children aged 15 or younger. ✓✓
  - The ages of permanent workers should vary from 18 to 65 to include all age groups. ✓✓
  - A business may employ a person who is older than the normal retirement age provided that person is the most suitable candidate. ✓✓
  - Businesses must encourage older employees to help young employees to develop their potential. ✓✓
  - Young employees must be advised to respect and learn from older employees. ✓✓
  - The business should encourage employees to be sensitive to different perspectives of various age groups. ✓✓
  - Any other relevant answer related to the way in which businesses can deal with age as a diversity issue in the workplace.
- Max (4)

## QUESTION 4: BUSINESS OPERATIONS

## Human resource function

## 4.1

## 4.1.1 Human resource activities

- Recruitment ✓
  - Selection ✓
- Max (2)

## 4.1.2 Procedure of Selection

- Determine fair assessment criteria ✓ on which selection will be based. ✓
  - Use the assessment criteria to assess all CV's/application forms ✓ received during recruitment. ✓
  - Screening: ✓ determine which applications meet the minimum job requirements and separate these from the rest. ✓
  - Compile a shortlist ✓ of potential candidates identified. ✓
  - Inform unsuccessful applicants ✓ about the outcome of their application. ✓
  - Reference checks should be made to verify the contents of CV's, ✓ e.g. contact previous employers to check work experience. ✓
  - Invite shortlisted candidates ✓ for an interview. ✓
  - Shortlisted candidates may be subjected to various types of selection tests ✓ e.g. skills tests. ✓
  - Any other relevant answer related to the procedures of selection.
- Max (8)

## 4.1.3 Advantages of external recruitment

- The business recruits from other businesses/educational institutions/advertisements ✓ in the media/recruitment agencies/ headhunting, etc. ✓
  - New candidates' bring ✓ new talents/ideas/experiences/skills into the business. ✓
  - It may help the business to meet ✓ affirmative action and BBBEE plans. ✓
  - There is a larger pool of candidates ✓ to choose from. ✓
  - There is a better chance ✓ of getting suitable candidates with the required skills/qualifications/competencies ✓ who do not need much training/development ✓ which reduce costs. ✓
  - Minimises unhappiness/conflict ✓ amongst current employees who may have applied for the post. ✓
  - Any other relevant answer related to advantages of external recruitment.
- Max (8)

## 4.2

## 4.2.1 Types of fringe benefits

- Medical allowance ✓
- Cellphone allowance ✓

NOTE: Mark the first TWO only.

Max (2)

## 4.2.2 Benefits of fringe benefits

## Positives/Advantages

- Attractive fringe benefit packages ✓ may result in higher employee retention/ reduces employee turnover. ✓
  - It increases employee satisfaction/loyalty, ✓ as they may be willing to work under pressure/improve personal performance. ✓
  - Leads to higher productivity, ✓ as workers work for longer hours/ more days. ✓
  - Attracts good/qualified employees ✓ who do not always need fringe benefits. ✓
- Any other relevant answer related to the positives/advantages of fringe benefits.

AND/OR

## Negatives/Disadvantages

- Fringe benefits are additional costs for businesses, ✓ which may
  - Administrative costs increase ✓ as payments need to be correctly
  - Decreases business profits, ✓ as remuneration costs are
  - It may create conflict/lead to corruption ✓ if allocated unfairly. ✓
  - Workers only stay with the business because of fringe benefits. ✓
- Any other relevant answer related to the negatives/disadvantages of fringe benefits.

Max (8)

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## 4.3 Impact of Employment Equity Act (EEA) on businesses

## Positives

- Discriminatory appointments ✓ are discouraged. ✓
  - Equal opportunities and fair treatment ✓ are promoted. ✓
  - Appointment process is clearly defined, ✓ so all parties are well informed. ✓
  - Certified psychometric tests may be used to assess ✓ applicants/employees to ensure that the most suitable candidates are appointed. ✓
  - Outlines affirmative action measures ✓ to redress past injustices. ✓
  - Diversify/Inclusivity ✓ in the workplace can be achieved. ✓
  - Consultation between employer and employees ✓ are encouraged. ✓
  - Businesses are in a better position ✓ to negotiate contracts ✓ with the government.
  - Impacts positively ✓ on BBBEE ratings ✓ for businesses.
- Any other relevant positive impact of EEA on making new appointments.

AND/OR

## Negatives

- Applying the employment equity quota may not always allow ✓ employers to make the most suitable appointment. ✓
  - Productivity may decrease, ✓ as inexperienced employees may be appointed into positions where they may not be able to cope. ✓
  - Other groups may not respect ✓ the knowledge, skills and experiences of the EEA appointee. ✓ They think the position was awarded ✓ based on race and not on skills. ✓
  - Skilled people from designated groups are in strong demand ✓ and may demand higher salaries ✓ /do job hopping, ✓ which may result in high staff turnover. ✓
  - Additional and costly administrative duties ✓ are required for implementing/monitoring the Employment Equity Plan. ✓
  - The implementation of employment equity can be costly ✓ to businesses as it requires investment in training. ✓
  - Additional resources should be made available ✓ to execute the Employment Equity Plan, ✓ resulting in sufficient funds not being made available ✓ for profit opportunities. ✓
  - Diversity in the workplace ✓ may lead to conflict/unhappiness. ✓
  - Employers who want to apply for government tenders ✓ must apply for a compliance certificate ✓ with the Minister of Labour, resulting ✓ in increased expenses. ✓
  - Non-compliance with the administrative requirements ✓ of the EEA may result in the payment of heavy penalties. ✓
  - Positions may remain unfilled, ✓ because there are no suitable EEA candidates. ✓
- Any other relevant negative impact of EEA on making new appointments available.

Max (6)

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## 4.4 Quality of performance

## 4.4.1 Administration

- Processing of data and information. ✓✓
  - Ensuring the captured data or information is accurate. ✓✓
  - Making information available so that management can react timeously to opportunities and threats. ✓✓
  - Effective administration improves the liquidity, cash flow and profitability position. ✓✓
  - Regular control of outstanding payments, timeous payment of creditors and salaries. ✓✓
  - Quick handling of complaints in an effective manner. ✓✓
  - Utilising technology efficiently/effectively. ✓✓
- Any other relevant answer related to the relationship between quality and the administration function.

Max (6)

## 4.4.2 Marketing

- Increasing their market share. ✓✓
  - Winning customers by satisfying their needs/wants and building positive relationships. ✓✓
  - Adhering to ethical advertising practices when promoting products/ services. ✓✓
  - Identifying a competitive advantage to focus/improve on marketing strengths. ✓✓
  - Differentiating products in order to attract more customers. ✓✓
  - Constantly reviewing value issues. ✓✓
  - Communicating effectively with customers to get feedback about their experience of products/services sold. ✓✓
  - Co-ordinating distribution with production and advertising strategies. ✓✓
  - Using pricing techniques to ensure a competitive advantage. ✓✓
  - Measuring gaps between customer expectations and actual experiences, so that problems/unhappiness may be diagnosed and addressed. ✓✓
  - Making adjustments and changes to products/services based on feedback from customers/results of market research. ✓✓
  - Using aggressive advertising campaigns to sustain/increase the market share. ✓✓
- Any other relevant answer related to the relationship between quality and the marketing function.

Max (6)

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## 4.5 Importance of quality circles in total quality management (TQM)

- They solve problems related to quality ✓ and implement improvements. ✓
  - Investigate problems ✓ and suggest solutions to management. ✓
  - Ensures that there is no duplication ✓ of activities/tasks in the workplace. ✓
  - Make suggestions ✓ for improving systems and processes in the workplace. ✓
  - Improve the quality of products/services/productivity ✓ through regular reviews of quality processes. ✓
  - Monitor/Reinforce strategies ✓ to improve the smooth running of business operations. ✓
  - Reduce costs of redundancy ✓ in the long run. ✓
- Any other relevant answer related to the importance of quality circles in TQM.

(8)

## 4.6 Continuous Improvement to processes and system cycle

- Identify the problem. ✓
  - Develop a plan for improvement to processes and systems. ✓
  - Answer questions such as 'what to do' and 'how to do it.' ✓
  - Plan the method and approach. ✓
  - Implement the change on a small scale. ✓
  - Implement the processes and systems. ✓
  - Use data to analyse the results of change. ✓
  - Determine whether it made a difference. ✓
  - Check whether the processes are working effectively. ✓
  - Assess, plan and establish if it is working/if things are going according to plan. ✓
- Any other relevant answer related to continuous improvement to processes and system cycle.

(6)  
[60]

BREAKDOWN OF MARKS	
5.1.1	2
5.1.2	8
5.1.3	8
5.2.1	2
5.2.2	8
5.3	6
5.4.1	6
5.4.2	6
5.5	6
5.6	8
TOTAL	60

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## QUESTION 5: MISCELLANEOUS TOPICS

## BUSINESS ENVIRONMENT

## 5.1 Strategic management process

## OPTION 1

- Have a clear vision, a mission statement ✓ and measurable/realistic objectives in place. ✓
- Identify opportunities/weaknesses/strengths/threats ✓ by conducting environmental scanning/situational analysis. ✓
- Tools available for environmental scanning ✓ may include a SWOT/PESTLE/ Porter's Five Forces model (industrial analysis tools). ✓
- Formulate alternative strategies ✓ to respond to the challenges. ✓
- Develop (an) action plan(s), ✓ including the tasks to be done/deadlines to be met/resources to be procured ✓, etc.
- Implement selected strategies ✓ by communicating it to all stakeholders/ organising the business's resources/motivating staff. ✓
- Continuously evaluate, ✓ monitor, ✓ measure strategies ✓ in order to take corrective action. ✓
- Any other relevant answer related to a description of the strategic management process

OR

## OPTION 2

- Review ✓ vision statement. ✓
- Analyse/Re-examine ✓ mission statement. ✓
- Conduct an analysis ✓ using models such as PESTLE/PORTER'S/SWOT. ✓
- Formulate a strategy, ✓ such as a defensive/retraining strategy. ✓
- Implement a strategy, ✓ using a template such as an action plan. ✓
- Control/Evaluate/Monitor the implemented strategy ✓ to identify gaps/ deviations in implementation. ✓
- Take corrective action ✓ to ensure goals/objectives are met. ✓
- Any other relevant answer related to a description of the strategic management process

NOTE: The steps may be in any order

Max (6)

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## 5.2 Distinction between BEE and BBEE

BLACK ECONOMIC EMPOWERMENT (BEE)	BROAD BASED BLACK ECONOMIC EMPOWERMENT (BBEE)
- It is a government policy ✓ which may not be enforced ✓	- It is an Act ✓ that is enforced ✓ must be complied by businesses ✓
- Benefits only a few previously disadvantaged people ✓ in the economy ✓	- Encourages a wider group of previously disadvantaged people/ black women/ people who are physically challenged/youth/people in the rural areas ✓ participate in the economy ✓
- Few previously disadvantaged individuals share in the wealth ✓ of the economy ✓	- Aims at distributing the country's wealth ✓ across a broader spectrum of society ✓
- Focuses on the three pillars ✓ that did not include all previously disadvantaged people ✓	- Focuses five/seven pillars ✓ which includes all sectors of the society, especially the previously disadvantaged ✓
Any other relevant answer related to BEE	Any other relevant answer related to BBEE
Sub max (4)	Sub max (4)

NOTE: 1. The answer does not have to be in tabular format, but the distinction must be clear.

2. Award a maximum of FOUR (4) marks if the distinction is not clear/ Mark either BEE or BBEE only.

Max (8)

## 5.3 Compare management and leadership

MANAGEMENT	LEADERSHIP
Demands respect, authority and wants to control. ✓✓	Invites and motivates freedom of speech and inspires trust. ✓✓
Gives orders/instructions. ✓✓	Seeks to empower/facilitates employees. ✓✓
Thinks that they know all the answers. ✓✓	Asks the right questions to get to the right answers. ✓✓
Focuses on the task. ✓✓	Focuses on individuals/groups. ✓✓
Focuses on the implementation of policies. ✓✓	Focuses on motivating workers to help with the implementation processes. ✓✓
Follows/Implements the vision of the enterprise. ✓✓	Provides a vision for the enterprise. ✓✓
Minimises and controls risk. ✓✓	Always on the lookout for business opportunities. ✓✓
Ensures that profit targets are met. ✓✓	Strategises to increase profitability. ✓✓
Administer ✓✓	Innovate ✓✓
Have a short-term view ✓✓	Have a long-term view ✓✓
Monitor people ✓✓	Inspire people ✓✓
Implement plans ✓✓	Develop goals ✓✓
Maintain and monitor ✓✓	Challenge staff and managers ✓✓
Ask when, how, where and who ✓✓	Ask why ✓✓
Sub max (4)	Sub max (4)

Any other relevant distinction between management and leadership.

Max (6)

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## 5.4 Situational theory

- Different leadership characteristics ✓ are needed for different situations. ✓
- The task/situation dictates the leadership style that should be applied, ✓ so leaders are adaptable/flexible/self-assured. ✓
- Relationships between leaders and employees ✓ are based on mutual trust/respect/loyalty/ integrity/honesty. ✓
- Leaders have the ability to 'read' the situation ✓ and get the most suitable people in the right positions to complete tasks successfully. ✓
- It enables leaders to use different leadership styles ✓ to accomplish their goals. ✓
- Leaders analyse group members/objectives/time constraints, ✓ then adopt a suitable/relevant leadership style. ✓
- May lead to conflict ✓ when leaders use different leadership styles when managing employees in different situations. ✓
- Its success depends on the kind of relationship that exist ✓ between the leader and followers/subordinates/employees. ✓
- Any other relevant answer related to an explanation of the situational leadership theory.

Max (8)

## 5.5 Grievance procedure

- An aggrieved employee must verbally report the incident/grievance to 5 working days. ✓
- Should the employee and supervisor not be able to resolve the management, ✓ grievance must be lodge in writing/completes a business grievance form. ✓
- He/she must receive a written reply ✓ in response to the written
- A grievance hearing/meeting ✓ must be held with all relevant parties
- Minutes of the meeting must be recorded ✓ and any resolution passed
- Should the employee not be satisfied, ✓ then he/she could refer the
- Top management should arrange a meeting ✓ with all relevant parties
- Outcome/decision must be recorded on the formal grievance form. ✓
- Should the employee still not be satisfied, he/she may refer the matter. ✓
- Any other relevant answer related to the correct procedure to deal with grievance procedure.

NOTE: The procedure may be in any order.

Max (8)

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Please Turn Over

## 5.6 Creative thinking

- Emphasise the importance of creative thinking ✓ to ensure that all staff
- Encourage staff to come up ✓ with new ideas/opinions/solutions. ✓
- regular workshops/generate more ideas/build on one another's ideas. ✓
- Place suggestion boxes around the workplace ✓ and keep
- Train staff ✓ in innovative techniques/creative problem solving
- Encourage job swaps ✓ within the organisation ✓/studying how other
- Encourage ✓ alternative ways of working ✓/doing things. ✓
- Respond enthusiastically ✓ to all ideas and never let anyone feel less
- Reward creativity ✓ by introducing reward schemes for
- Provide a conducive working environment ✓ free from distractions. ✓
- Any other relevant recommendations related to ways in which

NOTE: The emphasis is on 'ways', not necessarily advantages.

Max (8)

## 5.7 Details of employment contract

- Key performance areas/Duties and responsibilities ✓✓
- Code of conduct ✓✓
- Job description ✓✓
- Name and address of the business/employer ✓✓
- Name and address and other personal information of the employee ✓✓
- Job title ✓✓
- Probation period ✓✓
- Bonus and salary/employee wages/salary and method of calculating ✓✓
- Remuneration package/other payments the employee is entitled to ✓✓
- The date of commencement of employment ✓✓
- Details of termination of a contract/notice period ✓✓
- Rate of overtime payment ✓✓
- All deductions that will be made from the employee salary/wage must
- Leave ✓✓
- Working hours ✓✓
- Any other relevant answer related to the aspects included in an

NOTE: Mark the first TWO (2) only.

Max (4)

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## 5.8 Benefits of induction

- Increases quality of performance/productivity ✓✓
- Allows new employees to settle in quickly and work effectively. ✓✓
- Ensures that new employees understand rules and restrictions in the business. ✓✓
- The results obtained during the induction process provide a base for focussed training. ✓✓
- Minimises the need for on-going training and development. ✓✓
- New employees may establish relationships with fellow employees at different levels. ✓✓
- Employees will be familiar with organisational structures, e.g. who are their supervisors/low level managers. ✓✓
- Opportunities are created for new employees to experience/explore different departments. ✓✓
- New employees will understand their role/responsibilities concerning safety regulations and rules. ✓✓
- New employees will know the layout of the building/factory/offices/where everything is, which saves production time. ✓✓
- Learn more about the business so that new employees understand their roles/ responsibilities in order to be more efficient. ✓✓
- Make new employees feel at ease in the workplace, which reduces anxiety/ insecurity/fear. ✓✓
- Company policies are communicated, regarding conduct and procedures/ safety and security/employment contract/conditions of employment/ working hours/ leave. ✓✓
- Realistic expectations for new employees as well as the business are created. ✓✓
- New employees may feel part of the team resulting in positive morale and motivation. ✓✓
- Employees may have a better understanding of business policies regarding ethical/professional conduct/procedures/CSR. ✓✓ etc.

Max (6)

## 5.9 Impact of TQM if poorly implemented

- Setting unrealistic deadlines ✓ that may not be achieved. ✓
- Employees may not be adequately trained ✓ resulting in poor quality
- Decline in productivity, ✓ because of stoppages. ✓
- Businesses may not be able to make necessary changes ✓ to satisfy
- The reputation of the business ✓ may suffer because of faulty goods. ✓
- Customers will have many alternatives to choose from ✓ and the
- Investors might withdraw investment, ✓ if there is a decline in profits. ✓
- Bad publicity ✓ due to poor quality products supplied. ✓
- Decline in sales, ✓ as returns from unhappy customers' increase. ✓
- High staff turnover, ✓ because of poor skills development. ✓
- Undocumented quality control systems/processes ✓ could result in

Max (6)

[60]

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## SECTION C

## QUESTION 6: BUSINESS ENVIRONMENT

## 6.1 Introduction

- The Labour Relations Act provides a detailed and comprehensive outline of the rights of employers and employees. ✓
- The Labour Relations Act was passed to redress the inequalities of the past and to repeal laws that were discriminatory. ✓
- The Labour Relations Act is guided by the Constitution which protects the rights of employees and employers. ✓
- Any other relevant introduction relating the Labour Relations Act. (2 x 1)(2)

## 6.2 Rights of employees and employers as specified in the Labour Relations Act

## Rights of employees

- Right to fair ✓ labour practices. ✓
- Right to organise ✓ and bargain collectively. ✓
- Right to correct ✓ and fair dismissal procedures. ✓
- Right to form ✓ and belong to trade union/freedom of association. ✓
- Right to take part in legal strike ✓ or embark on other forms of legal
- Right to take part in a picket ✓ to support a protected strike or oppose a
- Right to participate ✓ in the election of office bearers or trade union
- Right to stand for election ✓ and eligible for appointment as an office
- Right to not be discriminated against in the work place, ✓ as all employees
- Right to a fair representation ✓ during disciplinary hearings/grievance and
- Right to form workplace forums ✓ to resolve workplace issues. ✓
- Right to take reasonable time off, ✓ to perform their trade union duties. ✓
- Any other relevant answer related to the rights of employees specified in the Labour Relations Act.

Sub-max. (6)

## Rights of employer

- Right to participate in forming an employers' organisation, ✓ join the organisation. ✓
- Right to a lawful lock-outs ✓ when employees embark on a strike/industrial
- Right to participate ✓ in the election of office bearers or employers'
- Right to stand for election ✓ and eligible for appointment as an office bearer
- Right not to pay an employee ✓ who has taken part in a protected strike for
- Right to dismiss ✓ employees who engage in unprotected strikes. ✓
- Right to claim compensation ✓ via the Labour Court for losses suffered as a
- Right to protection ✓ of business interests in labour related issues. ✓
- Any other relevant answer related to the rights of business/ employer.

Sub max. (6)  
Max (10)

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## 6.3 Purpose of the Labour Relations Act

- Provides a framework where the employees, trade unions and employers work together ✓ to discuss matters relating to employment, e.g. wages, conditions of employment. ✓
- Promotes orderly negotiations and employee participation ✓ in decision making in the workplace. ✓
- Promotes resolution ✓ of labour disputes. ✓
- Promotes fair ✓ employment practices. ✓
- Outlines the relationship ✓ between employees and employers. ✓
- Provides simple procedures ✓ for the registration of trade unions and employers' organisations. ✓
- Regulates the rights of trade unions and facilitates ✓ collective bargaining. ✓
- Regulates the effectiveness of bargaining councils ✓ and statutory councils. ✓
- Allows workplace forums ✓ where employees may participate in decision-making. ✓
- Establishes the Commission for Conciliation, Mediation and Arbitration (CCMA) to resolve labour disputes ✓ through statutory conciliation, mediation and arbitration. ✓
- Endorses the right to strike against retrenchments, ✓ and facilitates labour disputes. ✓
- Clarifies the transfer ✓ of contracts of employment procedures. ✓
- Establishes Labour Courts and Labour Appeal Courts ✓ to deal with labour issues. ✓
- Offers codes ✓ of good practice. ✓
- Deals with ✓ strikes and lockouts and workplace forums. ✓
- Establishes workplace forums to promote ✓ the interest of all employees in the workplace whether they belong to the trade union or not. ✓
- Any other relevant answer related to the purpose of the Labour Relations Act.

Max (12)

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## 6.4 Actions regarded as discriminatory by the LRA

- Unfair/illegal dismissal ✓ of employees. ✓
- Cancellation of employees' contract by a new owner/employer ✓ when a business is sold/ transferred. ✓
- Refusing the formation/recognition ✓ of workplace forums. ✓
- Refusing to give workplace forum members time off ✓ with pay for attending meetings during working hours. ✓
- Forcing employees ✓ to give up trade union membership. ✓
- Preventing employees ✓ from joining trade unions. ✓
- Refusing leave to trade union representatives ✓ to attend trade union activities. ✓
- Breaching of collective agreements/resolution mechanisms ✓ by either employer/employee. ✓
- Not allowing employees ✓ to take part in legal strikes. ✓ / Not adhering to the right ✓ of employees to strike when legalised. ✓
- Any other relevant answer related to actions regarded as discriminatory by the LRA.

Max (10)

## 6.5 Impact on businesses

## Positives

- Protects the rights/interests of businesses ✓ in labour related issues. ✓
- Protects employers who embark on lawful lock-outs ✓ when negotiations between parties fail. ✓
- Ensures participation of all parties in collective bargaining/decision-making ✓ which leads to reducing conflict in the workplace. ✓
- Labour disputes are settled quicker ✓ and are less expensive. ✓
- Workplace forum can be tasked to resolve workplace issues ✓ as they take part in decision making. ✓
- Provides for dispute resolution through consensus ✓ between organised labour, the business and the state. ✓
- Provides mechanisms, ✓ e.g. statutory councils, collective bargaining and CCMA to settle labour disputes. ✓
- Prevents unfair discrimination in the workplace ✓ as all employees should be given the same opportunities. ✓
- The Act gives the employers the right to dismiss ✓ employees who engage in unprotected strikes. ✓
- Employers may claim compensation ✓ via the Labour Court for losses suffered as a result of unprotected strikes. ✓
- Any other relevant answer related to positive impact of the LRA on businesses.

AND/OR

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**Negatives**

- Productivity/Profitability may decrease, ✓ if employees are allowed to participate in the activities of trade unions during work time. ✓
- Quick decision making may be affected ✓ as workplace forum representatives may put the interest of employees above that of the business. ✓
- Disputes resolution through consensus ✓ may be time-consuming. ✓
- When a business is transferred/sold to new owners, the new employer has to take-over/continue with existing employees' contracts. ✓
- Incompetent employees may be inherited. ✓
- Information about workplace issues may be disclosed to trade union representatives, ✓ which may be leaked to competitors. ✓
- Cost of labour increase, ✓ because of legal strikes. ✓
- Labour consultants may be employed to deal with labour related issues, ✓ which may be costly. ✓
- Reduced global competitiveness ✓ due to lower productivity. ✓
- Any other relevant answer related to the negative impact of the LRA on businesses.

Max. (14)

**6.6 Conclusion**

- The main impact of this Act on businesses is to limit their powers in relation to how they treat their employees. ✓✓
- The Labour Relations Act regulates the fundamental rights of employers and employees. ✓✓
- Any other relevant conclusion relating the Labour Relations Act.

Max (2)  
[40]**BREAKDOWN OF MARK ALLOCATION**

Details	Maximum	Total
Introduction	2	Max 32
Rights of employees and employer	10	
Purpose of the Labour Relations Act	12	
Actions regarded as discriminatory	10	
Impact on business operations	14	
Conclusion	2	8
INSIGHT		
Layout	2	
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	40
TOTAL MARKS		

\*LASO – For each component:  
Allocate 2 marks if all requirements are met.  
Allocate 1 mark if only some of the requirements are met.  
Allocate 0 marks where requirements are not met at all.

**Corporate social investment/CSI**

- Refers to the contribution that the company makes ✓ to uplift, develop and solve problems in the community. ✓
- Refer to any project undertaken by an organisation ✓ which is over and above the normal business activities of the company and not directly aimed at increasing profitability. ✓
- Programmes ✓ that will benefit the community and/or the environment, into which time, skills, expertise and money are invested. ✓
- Any other relevant answer related to Corporate Social Investment.

Sub max (4)  
Max (8)**7.3 Relationship between social responsibility and triple bottom line****Profit/Economic ✓✓**

- Triple Bottom line means that businesses should not only focus on profit/
- Businesses should not make a profit ✓ at the expense of its community. ✓
- Any other relevant answer related to the link between profit and social responsibility and triple bottom line.

Heading (2)  
Explanation (2)  
Sub max. (4)**People/Social ✓✓**

- Business operations should not have a negative impact on/exploit people ✓
- Businesses should engage/invest in sustainable community programmes/ ✓
- Improve the life style/quality of life ✓ of their human resources/ employees. ✓
- Any other relevant answer related to the link between people and social.

Heading (2)  
Explanation (2)  
Sub max. (4)**Planet/Environment ✓✓**

- Businesses should not exhaust resources/harm the environment ✓ for
- They may support energy-efficient/eco-friendly ✓ products/programmes. ✓
- Recycle/Re-use waste, ✓ e.g. packaging from recycled material. ✓
- Any other relevant answer related to the link between the relationship, between social responsibility and the triple bottom line.

Heading (2)  
Explanation (2)  
Sub max (4)  
Max (12)

NOTE: The link should be clear in each of the three 'P's (people, planet and profit).

**QUESTION 7: BUSINESS ROLES****7.1 Introduction**

- Businesses and their communities are interdependent and the one cannot do without the other. ✓
- The interdependence can be improved if businesses and communities recognise their social responsibility. ✓
- A responsible business should contribute towards the upliftment of the community. ✓
- CSR improves the lifestyle and quality of life of their human resources and caring for the environment by ensuring that they have the most efficient and sustainable resources. ✓
- Businesses are corporate citizens and therefore have a responsibility towards society. ✓
- CSI is a component of CSR, where social responsibility is the intension and social investment is the action. ✓
- Through their CSR programmes businesses can focus on the triple bottom line, which is making profits, uplifting/supporting the people and their communities, and caring for the environment/planet. ✓
- Any other relevant introduction related to social responsibility, CSR, CSI and triple bottom line.

Max (2)

**7.2 CSR and CSI****Corporate social responsibility/CSR**

- The way a business conducts itself ethically and morally, ✓ regarding the use of human resources, physical resources and their funds. ✓
- An business's obligation ✓ to protect/promote the welfare of all shareholders, who have an interest on or that will be affected by a business. ✓
- An obligation by a business to pursue ✓ sound long term goals for society. ✓
- Refers to any strategy used by a business to take responsibility ✓ for their impact on society and the environment. ✓
- It is not a single action but rather an approach ✓ to doing business that guides all decision making in the firm. ✓
- It is the way in which companies manage their business operations ✓ so that it does not negatively affect all stakeholders. ✓
- Any other relevant answer related to Corporate Social Responsibility.

Sub max (4)

**7.4 Impact of CSR on businesses****Positives/Advantages**

- Can serve as a marketing strategy ✓ and promote the image of the business. ✓
- A company may have a competitive advantage, ✓ as it leads to good publicity and an improved reputation. ✓
- May attract ✓ experienced employees ✓ /increase the pool of skilled labour ✓ that would increase productivity. ✓
- It helps to attract and retain ✓ staff ✓ /Lower ✓ staff turnover ✓ as employees' health and safety ✓ are considered ✓ /Improves ✓ the health of its employees. ✓
- The business enjoys the goodwill ✓ and support of communities. ✓
- CSR helps to attract ✓ investors. ✓
- If the CSR is aligned with company policies/vision/mission statement, ✓ it shows accountability towards all stakeholders. ✓
- Businesses that support CSR through various programmes, ✓ encourages and rewards employees ✓ if they get involved in CSI programmes.
- CSI programmes have better success rate if it is fully supported ✓ by top management. ✓
- Sustained environmental consideration programmes may lead to reducing costs, ✓ which can make funds available for other business operations. ✓
- If the corporate sector gets involved voluntarily in CSR, ✓ it is less likely that Government will enforce the issue through legislation. ✓
- Businesses may enjoy ✓ tax rebates from SARS. ✓
- Any other relevant answer related to positive impact of CSR on businesses.

**AND/OR****Negatives/Disadvantages**

- The community may not support ✓ the enterprise ✓ / i.e. may not buy ✓ the products of the enterprise. ✓
- Difficulty ✓ in adherence to legislation ✓ governing CSR.
- Small and medium enterprises find it difficult ✓ to implement CSI programmes. ✓
- CSI activities can distract ✓ businesses from their core business functions. ✓
- Social involvement is paid from a company's profit ✓ that could have been used to lower prices to the benefit of customers. ✓
- Detailed reports must be drawn up, ✓ which can be time consuming. ✓
- Social spending reduces ✓ a company's economic efficiency and makes it less competitive. ✓
- It can increase financial risk, ✓ as programmes cost money and may impact negatively on profits. ✓
- Company directors are accountable to shareholders, ✓ not to the communities. ✓

- It is difficult to accurately measure ✓ the effectiveness of social investment ✓
  - It is difficult to determine ✓ the exact needs of the community ✓
  - Most managers are not trained and lack experience ✓ to handle social programmes ✓
  - Some shareholders/stakeholders might withdraw their support from the company ✓ as they feel that social issues should be the government's responsibility ✓
  - Providing goods and services that meet the needs of the consumers is, ✓ according to some stakeholders, already socially responsible ✓
  - Some CSI programmes will be regarded as a public relations stunt, as these programmes improve the business's image ✓ without having a sustainable/long term effect ✓
  - Shareholders, as the only real stakeholders, may suffer ✓ as their profits are spent on CSR ✓
  - Employees may spend more time working ✓ on CSI programmes instead of focusing on their core duties ✓
- Any other relevant answer related to negative impact of CSR on businesses.

Max (16)

## 7.5 Ways in which CSR projects can contribute to the community

- Charitable contribution towards NGOs/Businesses can donate blankets to old age homes/orphanages/running soup kitchens. ✓✓
- Involvement in community education/Build schools in communities/Offer bursaries to needy students/Donate old computers to less privileged schools/Provide/Support adult education and training in the local community. ✓✓
- Teach entrepreneurial skills/Offer support to individuals starting new business ventures. ✓✓
- Conduct skills development/job creation projects/Offering bricklaying courses. ✓✓
- Sponsor art and cultural programmes, such as school choirs. ✓✓
- Support youth programmes, such as sport/recreational activities. ✓✓
- Any other relevant answer related to the contribution of corporate social investment (CSI) projects to the community.

NOTE:

- Mark the first FIVE (5) only.
- Award a maximum of TWO (2) marks if the example demonstrates the same practical way and contribution of CSI projects to the community.
- Award only ONE (1) mark for short/one word responses.

Max (10)

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## 7.6 Conclusion

- Despite challenges, most businesses do take their social responsibility very seriously and contribute positively to communities/society. ✓✓
- Successful CSI programmes will improve the general standard of living of the community. ✓✓
- CSI programmes will contribute positively if they are strategically planned and not just be given hand-outs/contributions randomly. ✓✓
- CSR is an obligation required by law and benefits both business and society. ✓✓
- CSI programmes and CSI projects allow businesses to influence people's lives in many ways. ✓✓
- Businesses use CSR programmes and CSI projects to comply with the laws and ethics. ✓✓
- Triple bottom line allows businesses to consider the impact of their operations on people, profit and the planet. ✓✓
- Any other relevant conclusion related to social responsibility, CSR, CSI and triple bottom line.

Max. (2)

[40]

## BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	Max 32
CSR and CSI	8	
Relationship between social responsibility and triple bottom line	12	
Impact of CSR on businesses	16	
Ways in which CSR project contribute	10	
Conclusion	2	8
INSIGHT		
Layout	2	
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	40
TOTAL MARKS		

\*LASO – For each component:  
Allocate 2 marks if all requirements are met.  
Allocate 1 mark if only some of the requirements are met.  
Allocate 0 marks where requirements are not met at all.

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## BUSINESS OPERATIONS

## 8.1 Introduction

- Total quality relates to products that totally satisfy customers' needs and expectations in every respect on a continuous basis. ✓
  - Quality is to satisfy customers' needs. ✓
  - Business functions and employees' activities must be properly managed to ensure quality goods and services. ✓
  - Quality management should not just be an inspection process, but become part of the culture of the business. ✓
  - TQM is an integrated system and methodology applied throughout the organisation which helps to design, produce and provide quality products and quality service to customers. ✓
- Any other relevant introduction related to total quality management. (TQM)

(2 x 1) (2)

## 8.2 Benefits of a good quality management system

- Effective customer service will be rendered, ✓ resulting in increased
  - Time and resources ✓ are used efficiently. ✓
  - Productivity increase ✓ through proper time management ✓ and using high
  - Products and services are constantly improved, ✓ resulting in greater
  - Vision and mission ✓ may be achieved. ✓
  - The business may achieve a competitive advantage ✓ over its
  - Continuous training ✓ will continuously improve the quality of employees'
  - Employers and employees will have a healthy working relationship. ✓
  - Increased market share ✓ and profitability. ✓
- Any other relevant answer related to the benefits of a good quality control.

Max (6)

## 8.3 Advantages of monitoring and evaluating quality processes

- Monitoring and evaluating quality processes prevent product defects ✓ and minimises customer complaints. ✓
- Good quality control checks/procedure minimises ✓ the replacement/ breakdown of items/equipment/machinery on a regular basis. ✓
- May be better equipped ✓ to get things right the first time. ✓
- Improve performance ✓ and increase productivity/sales/profitability. ✓
- Improve current and future management ✓ of quality outputs/ outcomes/impact. ✓
- Provide a clear indication about quality aspects ✓ that are contributing to the achievement of goals/targets. ✓
- Modify interventions ✓ that may improve the efficient use of resources. ✓
- Support management ✓ to acquire information needed to make informed decisions about processes. ✓
- Any other relevant answer related to the advantages of monitoring and evaluating quality processes as a TQM element of SML as a large business.

Max (8)

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## 8.3 Impact of the elements of TQM on large businesses

## 8.3.1 Adequate financing and capacity

## Positives/Advantages

- Large businesses have sufficient financing ✓ to test everything before implementing. ✓
- They can afford to have systems in place ✓ to prevent errors in processes/ defects in raw materials/products ✓
- Able to afford product research/ market researchers ✓ to gather information ✓
- Can afford to purchase ✓ quality raw materials and equipment ✓

## AND/OR

## Negatives / Disadvantages

- If the demand for the company's product increases, orders begin coming faster than expected, ✓ and the company lacks the capital required to fund the production of the stock to fill the orders ✓
- These rapidly growing companies can consume large amounts of capital ✓ as they try to balance normal operations and expansion. ✓

Sub max (8)

## 8.3.2 Total client/customer satisfaction

## Positives/Advantages

- Large businesses use market research/customer surveys ✓ to measure/ monitor customer satisfaction/analyse customers' needs. ✓
- Continuously promote ✓ a positive company image. ✓
- May achieve a state of total customer satisfaction, if businesses follow sound business practices ✓ that incorporate all stakeholders. ✓
- Strive to understand and fulfil customer expectations ✓ by aligning cross-functional teams across critical processes. ✓
- Ensures that cross-functional teams understand its core competencies ✓ and develop/strengthen it. ✓
- May lead to higher customer retention/loyalty ✓ and businesses may be able to charge higher prices. ✓
- Businesses may be able to gain access ✓ to the global market. ✓
- May lead to increased ✓ competitiveness/profitability. ✓
- Any other relevant answer related to the positives/advantages of total client/customer satisfaction.

## AND/OR

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**Negatives/Disadvantages**

- Employees who seldom come into contact with customers ✓ often do not have a clear idea of what will satisfy their needs. ✓
- Monopolistic companies have an increased bargaining power ✓ so they do not necessarily have to please customers. ✓
- Not all employees ✓ may be involved/committed to total client satisfaction. ✓
- Any other relevant answer related to the negatives/disadvantages of total client/customer satisfaction. ✓

Sub max (10)

**8.3.3 Continuous improvements to systems and processes****Positives/Advantages**

- Large businesses have more resources ✓ to check on quality performance in each unit. ✓
- Enough capital resources are available ✓ for new equipment required for systems and processes. ✓
- Large businesses have a person dedicated ✓ to the improvement of systems and processes. ✓
- Willing to take risk on/try new processes and systems ✓ because they are able to absorb the impact of losing money. ✓
- They can afford to use the services of the quality circles ✓ to stay ahead of their competitors. ✓
- Any other relevant answer related to the positives/advantages of continuous improvement to systems and processes. ✓

AND/OR

**Negatives/Disadvantages**

- Large scale manufacturing ✓ can complicate quality control. ✓
- Systems and processes take time and effort to implement in a large Business ✓ as communication/buy-in may delay the process. ✓
- Risk of changing parts of the business ✓ that are actually working well. ✓
- Not all negative feedback from employees and customers is going to be accurate ✓, which may result in incorrect/unnecessary changes to systems and processes. ✓
- Any other relevant answer related to the negatives/disadvantages of continuous improvement to systems and processes. ✓

Sub max (10)

Max (24)

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**8.4 Recommendations for reducing the cost of quality**

- Introduce quality circles/small teams of five to ten employees, who meet regularly to discuss ways of improving the quality of their work. ✓✓
- Schedule activities to eliminate duplication of tasks/activities. ✓✓
- Share responsibility for quality output amongst management and workers. ✓✓
- Train employees at all levels, so that everyone understands their role in quality management. ✓✓
- Develop work systems that empower employees to find new ways of improving quality. ✓✓
- Work closely with suppliers to improve the quality of raw materials/inputs. ✓✓
- Improve communication about quality challenges/deviations, so that everyone can learn from experiences. ✓✓
- Reduce investment on expensive, but ineffective inspection procedures in the production process. ✓✓
- Implement pro-active maintenance programmes for equipment/machinery to reduce/eliminate breakdowns. ✓✓
- Any other relevant answer related to ways in which business can reduce the cost of quality. ✓✓

Max (8)

**8.5 Conclusion**

- Businesses should always focus on customers' needs to establish total satisfaction. ✓✓
- TQM is a thought revolution in management, where the entire business is operated with customer orientation in all activities all the time by everyone in the organisation. ✓✓
- Any other relevant conclusion related to TQM. ✓✓

(1 x 2) (2)

**BREAKDOWN OF MARK ALLOCATION FOR QUESTION 8**

Details	Maximum	Total
Introduction	2	Max 32
Benefits	6	
Monitoring and evaluating	8	
Impact -Elements	24	
Recommendations	8	
Conclusion	2	2
INSIGHT		
Layout		
Analysis, interpretation		
Synthesis		
Originality, examples		2
<b>TOTAL MARKS</b>		<b>40</b>

LASO - For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all

**TOTAL MARKS: 300**

Please Turn Over

