



Education

KwaZulu-Natal Department of Education

NATIONAL
SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES

PREPARATORY EXAMINATION

SEPTEMBER 2018

MARKS: 300

TIME: 3 hours

This question paper consists of 16 pages.

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 FIVE questions.

Answer any THREE of the FIVE questions in this section.

SECTION C: Consists of FOUR questions.

Answer any TWO of the FOUR 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
A: Objective type questions COMPULSORY	1	40	30 minutes
B: FIVE direct/indirect type questions (CHOICE: Answer any THREE)	2	60	30 minutes
	3	60	30 minutes
	4	60	30 minutes
	5	60	30 minutes
	6	60	30 minutes
C: FOUR essay type questions (CHOICE: Answer any TWO)	7	40	30 minutes
	8	40	30 minutes
	9	40	30 minutes
	10	40	30 minutes
TOTAL:		300	180 minutes

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 An industrial tool that Take and Pay Store can use to analyse challenges in the market environment.

- A Balanced Scorecard.
- B PESTLE.
- C Porters Five Forces
- D Scamper

- 1.1.2 The Compensation Fund pays benefits to ...

- A a person employed by the state to perform military service.
- B an employee who is disabled..
- C a member of South Africa Police Force.
- D a domestic worker in a private household

- 1.1.3 "Consider all alternatives to solve a problem and choose the best one" refers to...

- A Problem solving
- B Creativity
- C Decision-making
- D Presentation

- 1.1.4 The following business can be listed on the JSE:

- A Kimmy's Boutique (Pty) Ltd.
- B Nalini's Boutique Inc.
- C Kia's Boutique Ltd.
- D Nalini's & Kia's Boutique

1.1.5 ONE of the roles of the health and safety representative:

- A Identify potential dangers in the workplace
- B Report product defects
- C Make a monetary contribution to the central fund
- D Charge workers who do not comply with safety measures

1.1.6 Diversity in business means ...

- A only previously disadvantaged individuals should be employed.
- B businesses should include people from different religions and cultures.
- C employ young people only.
- D include only English-speaking people.

1.1.7 This team dynamic theory focusses on the roles that team members prefer to play in a team.

- A Magerison-McCann
- B Belbin
- C MTR-I approach
- D Jungian

1.1.8 The process whereby new employees' skills are matched to the positions in which they will be appointed:

- A Induction
- B Recruitment
- C Placement
- D Selection

1.1.9 This aspect should be considered when designing a multimedia presentation:

- A Choose relevant images.
- B Cover a large amount of information.
- C Keep eye contact with the audience.
- D Information should include past and present facts.

1.1.10 Comparing the actual performance of a financial manager to his/her expected performance in order to increase his/her salary:

- A Staff development
- B Recruitment
- C Performance appraisal
- D Counselling

(10 x 2) (20)

- 1.2 Complete the following statements by using the word(s) provided in the list below. Write only the word(s) next to the question number (1.2.1 – 1.2.5) in the ANSWER BOOK.

economic; indemnification; Consumer Protection Act; professionalism; monitoring and evaluation; security; continuous improvement to processes and systems; cultural; ethics; National Credit Act

- 1.2.1 The principle of ... is applicable to short term insurance as the insured is compensated for specified harm/loss.
- 1.2.2 The right of the employee to have day offs for religious purposes is an example of a ... right.
- 1.2.3 Act promotes a fair/competitive credit market.
- 1.2.4 ... includes guidelines on employees' appearance, communication, attitude and responsibility.
- 1.2.5 ... is an ongoing effort to improve products, services or processes. (5 x 2)(10)

- 1.3 Choose a description from **COLUMN B** that matches a term from **COLUMN A**. Write only the letter (A - E) next to the question number (1.3.1 – 1.3.5) in the **ANSWER BOOK**, e.g. 1.3.6 K.

	COLUMN A		COLUMN B
1.3.1	Employment Equity Act	A	Right to belong to a trade union.
1.3.2	Reinstatement	B	A complaint from an employee over something believed to be wrong or unfair in the workplace.
1.3.3	Conflict	C	Refers to techniques/tools used to design / improve the quality of the product.
1.3.4	Human right	D	The insurer will only pay the average between the actual value and the insured
1.3.5	Quality performance	E	Differences in opinions, values and attitudes.
		F	Insured is restored to almost the same financial position as before the loss occurred
		G	Inspections is carried out during and after the production process to ensure required standards have been met at every stage of the process
		H	Implement affirmative action to prevent unfair discrimination.
		I	Enhance the economic participation of black people.
		J	Right to healthcare.

(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 Name FIVE provisions of the Basic Conditions of Employment Act, 1997 (Act 75 of 1997). (5)
- 2.2 Read the scenario below and answer the questions that follow.

RELIABLE COMPUTERS (RC)

RC specialises in the manufacturing of quality computers in Mtubatuba. Their suppliers are often unable to deliver parts on time. The unfavourable exchange changes rates increased costs of production. Management feels time spent on improving employee skills is a waste as it decreases profitability.

- 2.2.1 Identify the sector in which RC operates.
Motivate your answer by quoting from the scenario above. (3)
- 2.2.2 Identify RC's challenges according to the scenario and then classify them into the THREE business environments. (6)
- 2.2.3 State the extent of control RC have over each business environment. (3)

Redraw the table below in the ANSWER BOOK to answer question 2.2.2 and 2.2.3

CHALLENGE 2.2.2	BUSINESS ENVIRONMENTS 2.2.2	EXTENT OF CONTROL 2.2.3
(a)		
(b)		
(c)		

- 2.3 Describe the strategic management process. (6)
- 2.4 Discuss any THREE consumer rights as stipulated in the Consumer Protection Act (CPA), 2008 (Act 68 of 2008). (9)
- 2.5 Outline the role of SETAs in supporting the Skills Development Act, 1998 (Act 97 of 1988). (8)
- 2.6 Recommend ways in which businesses may apply the following pillars of the Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003)
- 2.6.1 Management (4)
 - 2.6.2 Enterprise development (4)
 - 2.6.3 Preferential procurement (4)
- 2.7 Suggest practical ways in which businesses may comply with the Employment Equity Act, 1998 (Act 55 of 1998). (8)

[60]

QUESTION 3: BUSINESS VENTURE

- 3.1 Name FOUR factors that should be considered when making investment decisions. (4)
- 3.2 Distinguish between *insurance* and *assurance*. (4)
- 3.3 Read the scenario below and answer the questions that follow.

Azareen won R100 000 in an East Coast Radio competition. She is considering investing directly with the National Treasury or with a financial consultant who will buy a group of shares and securities from a variety of companies.

- 3.3.1 Identify the TWO types of investment described in the scenario above. (2)
- 3.3.2 Explain the differences between the two types of investments identified in QUESTION 3.3.1. (8)
- 3.4 Read the scenario below and answer the questions that follow.

Sisaya CC

Sisay owns a manufacturing business called Sisaya CC. He changed to another form of ownership where he is the only director and has limited liability for the debts of the business. He registered his new form of ownership as Sisaya (Pty) Ltd.

- 3.4.1 Identify the new form of ownership that Sisay registered. Motivate your answer by quoting from the scenario. (3)
- 3.4.2 Describe how the following factors can contribute to the success and/or failure of Sisay new form of ownership as identified in QUESTION 3.4.1.
- (a) Capacity (4)
 - (b) Management (4)
 - (c) Legal requirements (4)
- 3.5 Evaluate the effectiveness of using Electronic slides / PowerPoint / Slide Show when making a presentation. (6)

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

CODING TRADERS (CT)

Mr. Tarrick, a managing director at Coding Traders, ensures that all employees are involved in decision making process. The management values each employee's contribution on how to increase business profits.

- 3.6.1 Name the leadership style that Mr. Tarrick is applying in the scenario above. Motivate your answer by quoting from the scenario. (3)
- 3.6.2 Evaluate the impact of Mr. Tarrick's leadership style identified in QUESTION 3.6.1 on Coding Traders. (8)
- 3.6.3 Advise Mr. Tarrick on the benefits of using the transformational leadership theory in the workplace. (6)
- 3.7 Recommend ways on how Mr. Tarrick can improve on his next presentation. (4)
- [60]

QUESTION 4: BUSINESS ROLES

- 4.1 List FIVE economic rights of employees in the workplace. (5)
- 4.2 Identify the stage of team development applicable in EACH of the following statements:
- 4.2.1 Team processes and style of work improve and unity is strong.
 - 4.2.2 Individuals are motivated by the desire to be accepted by fellow team members.
 - 4.2.3 Team members open up to each other and confront each other's ideas/perspectives.
 - 4.2.4 Team members find ways to complete tasks without external supervision. (8)
- 4.3 Explain the responsibility of employees in promoting human health and safety in the workplace. (8)
- 4.4 Read the scenario below and answer the questions that follow:

SAUNDERS LTD

Ms Senzeni is the human resources manager at Saunders Ltd. Eight employees are reporting to her. She seldom meets with her employees to give feedback and/or listen to their inputs. Thando, Ms Senzeni's favourite, was promoted as her assistant manager, although he lacks the necessary skills and experience. New computers and office equipment are allocated only to those employees who support Thando's appointment. Employees were informed that there was not enough money to provide new equipment for everybody as the business is involved in CSI projects.

- 4.4.1 Identify THREE causes of conflict from the scenario above. (3)
 - 4.4.2 Advise the employees of Saunders Ltd on the correct procedure to deal with grievances in the workplace. (8)
 - 4.4.3 Explain how Saunders Ltd may promote cultural rights in the workplace. (8)
 - 4.4.4 Discuss the advantages of corporate social investments (CSI) for businesses. (10)
- 4.5 Evaluate the effectiveness of the Delphi technique in solving business challenges. (10)
[60]

QUESTION 5: BUSINESS OPERATIONS

- 5.1 Read the scenario below and answer the questions that follow:

SMART CARS(SC)

Smart Cars specialises in the trading of used cars and renders vehicle repairs services. The business is in need of a specialist in sales and repairs. The applicant must have a degree in marketing, three years' experience in the motor industry. Applicant must be able to forecast the trend in sales. Ability to keep records and do presentation will be an advantage. The vacancy will be advertised in the local newspaper and on the internet.

- 5.1.1 State TWO job analysis components that SC should use when compiling the advertisement. Quote TWO examples of EACH component from the scenario above.

Redraw the table below in the ANSWER BOOK to present your answers.

COMPONENTS	EXAMPLES
A.	1.
	2.
B.	1.
	2.

(8)

- 5.1.2 Identify the type of recruitment that SC will use to find the suitable candidate for the vacancy. Motivate your answer by quoting from the scenario.

(3)

- 5.1.3 Explain the role of the interviewee during the interview. (8)

- 5.2 Distinguish between *piece-meal* and *time-related* as salary determination method. (4)

- 5.3 Discuss THREE reasons for the termination of an employment contract. (6)

- 5.4 Explain the difference between quality control and quality assurance. (8)

- 5.5 Explain the importance of quality circles in Total Quality Management (TQM). (8)

- 5.6 Read the scenario below and answer the questions that follow:

AVANTE COSMETICS (AC)

Avante cosmetics sell beauty products globally. Shanon, the marketing manager regularly requests their buyers to complete a survey on their experience from using their products. Their customers were also requested to give inputs on how to improve the quality of their product and service.

- 5.6.1 Name the TQM element that is applicable to the scenario above.
Motivate your answer by quoting from the scenario above.

Use the following table as a guide to your answer.

TQM ELEMENT	MOTIVATION

(3)

- 5.6.2 Evaluate impact of the TQM element identified in QUESTION 5.6.1 on Avante Cosmetics as a large business.

(6)

- 5.7 Elaborate on the advantages of implementing a good quality management system for businesses.

(6)

[60]

QUESTION 6: MISCELLANEOUS**BUSINESS ENVIRONMENTS**

6.1 List any FIVE components of the PESTLE analysis. (5)

6.2 Read the statement below and answer the questions that follow.

This Act creates a framework for acceptable employment practices and safety regulations.

6.2.1 Identify the Act that is applicable to the scenario above. (2)

6.2.2 Recommend ways in which businesses can comply with the Act identified in 6.2.1. (8)

BUSINESS VENTURES

6.3 Identify the type of visual aids represented by each of the following statements:

6.3.1 It enables two or more people to have a conversation at different places.

6.3.2 Businesses use this visual aid for small groups during a brainstorming session. (4)

6.4 Differentiate between *simple* and *compound interest*. (4)

6.5 Discuss the factors to be considered by a presenter during a presentation. (6)

BUSINESS ROLES

6.6 Name FIVE components of corporate social responsibility. (5)

- 6.7 Read the scenario below and answer the questions that follow:

RAMEEZ CATERING (RC)

Rameez Catering has employed more women than men even though they do not have qualifications. The language to be spoken at the workplace is only English, despite the fact that most employees do not understand the language. The management of RC has also employed the physically challenged people but there are no ramps for wheelchairs.

- 6.7.1 Identify TWO issues of diversity from the scenario above. (2)

- 6.7.2 Recommend a way in which RC should deal with each of the diversity issues identified in QUESTION 6.7.1. (4)

Use the table below to present your answer for 6.7.1 and 6.7.2

DIVERSITY ISSUE IDENTIFIED 6.7.1	RECOMMENDATION 6.7.2
(a)	(a)
(b)	(b)
Max (2)	Max (4)

- 6.8 Suggest ways in which professional, responsible, ethical and effective business practices should be conducted. (4)

BUSINESS OPERATIONS

- 6.9 Identify the business function responsible for the activity in each statement below:

- 6.9.1 Pearlene ensures that business documents are kept in a safe storage. (2)

- 6.9.2 Keown is responsible for releasing positive news about the business in the local media. (2)

- 6.9.3 The management of Anton's Plant and Hire ensures that equipment and machinery are regularly maintained. (2)

- 6.10 Advise businesses on how total quality management (TQM) can reduce the cost of quality. (10)
[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 7 on a NEW page, QUESTION 8 on a NEW page, et cetera.**QUESTION 7****BUSINESS ENVIRONMENT (STRATEGIES)**

Businesses operate within different business environments. Each business environment has its own challenges that can impact negatively on business. Businesses must devise different strategies to address these challenges. The effectiveness of the strategies must be evaluated.

Bearing the above scenario in mind, write detailed notes on the following aspects

- Explain how businesses may use Porter's Five Forces Model to analyse the market environment.
- Describe THREE types of defensive strategies that businesses may use to address challenges in the macro-environment.
- Discuss the effectiveness of diversification strategies in addressing business challenges.
- Suggest steps that businesses may use to evaluate a strategy. [40]

QUESTION 8**BUSINESS VENTURES (INSURANCE)**

Legislation in South Africa makes provisions of compulsory and non-compulsory insurance. Different types of insurance products are available for business. This is to provide for security and indemnity for claims.

- Explain the difference between *insurable* and *non-insurable* risks.
- Discuss the importance of insurance for business.
- Describe THREE principles of insurance
- Evaluate the impact of COIDA as a form of compulsory insurance on businesses. [40]

QUESTION 9: BUSINESS ROLES (ETHICS AND PROFESSIONALISM)

King Code of good corporate governance provides guidelines on how businesses should be conducted ethically. Businesses value the impact of good corporate governance on sustainable business practices. Businesses must adhere to professional, responsible and ethical business practices. They should ensure that the environment in which they operate is not polluted.

Write detailed notes on the following aspects:

- Explain how businesses can apply the following principles:
 - Responsibility
 - Accountability
 - Transparency
- Discuss how the pricing in rural areas, sexual harassment and unauthorised use of funds pose challenges for businesses.
- Recommend ways in which businesses may address any TWO of the above mentioned unethical business practices.
- Advice ways in which businesses could protect the environment and promote human health in the workplace.

[40]

QUESTION 10**BUSINESS OPERATIONS (HUMAN RESOURCE FUNCTION AND QUALITY OF PERFORMANCE)****PRECISION ENGINEERING LTD (PEL)**

PEL is a large mechanical engineering business. The management has decided to recruit and appoint a quality controller to monitor and evaluate quality processes. An induction plan is on the cards for new candidate to be appointed. The successful candidate will be required to sign an employment contract.

Provide a detailed report on the following aspects:

- Outline the legal requirements of the employment contract that the employee and employer should sign.
- Elaborate on the advantages of monitoring and evaluating PEL's quality processes as a TQM element.
- Advise PEL on the advantages of inducting the new candidate.
- Discuss the implications of the Labour Relations Act on businesses.

[40]

TOTAL SECTION C: 80

GRAND TOTAL: 300

NOTES TO MARKERS**Education**

**KwaZulu-Natal Department of Education
REPUBLIC OF SOUTH AFRICA**

**NATIONAL
SENIOR CERTIFICATE****GRADE 12****BUSINESS STUDIES****MARKING GUIDELINE****PREPARATORY EXAMINATION****SEPTEMBER 2018****Time: 3 hours****This marking guideline consists of 51 pages.****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.

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.

14. Mark only the first answer where the candidates offer more than one answer for SECTION B and C questions that require one answer.	15. 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:																					
	<ul style="list-style-type: none"> • 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:																					
	<table border="1"> <thead> <tr> <th>Introduction</th> <th>Content</th> <th>Conclusion</th> <th>Insight</th> <th>Maximum:</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td>32</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>8</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>TOTAL 40</td> </tr> </tbody> </table>	Introduction	Content	Conclusion	Insight	Maximum:					32					8					TOTAL 40
Introduction	Content	Conclusion	Insight	Maximum:																	
				32																	
				8																	
				TOTAL 40																	

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?	2	
Synthesis	Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A') 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 TOTAL MARKS FOR FACTS	8 32

- NOTE.**

 1. 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
 2. 3.

116.3 Indicate insight in the left hand margin with a symbol \wedge or '!' \wedge S and/or O'.

16.4 The breakdown of marks is indicated at the end of the suggested answer/marking guidelines to each question.

16.5 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

16.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows:

Analytic Synthesis A Criminal Case in the Table

Synthesis	All headings addressed: Interpretation (16 to 32 marks): Are there relevant decisions/facts/responses made	1 (One 'A') 1 (One 'A') 2
-----------	--	---------------------------------

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.

2 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.

Is there evidence of examples, recent information,

TOTAL FOR INSIGHT	8
TOTAL MARKS FOR FACTS	32
TOTAL MARKS FOR ESSAY (8 + 32)	40

.2 With effect from November 2015, the TWO marks will not

adverbs 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.

16.11 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
- 1.1.1 C ✓✓
 - 1.1.2 B ✓✓(Accept A/C/D due to incomplete statement in option B) (statement should have read: " an employee who is disabled due to injury at work ")
 - 1.1.3 A/C ✓✓
 - 1.1.4 C✓✓
 - 1.1.5 A ✓✓
 - 1.1.6 B ✓✓
 - 1.1.7 A ✓✓
 - 1.1.8 C ✓✓
 - 1.1.9 A ✓✓
 - 1.1.10 C ✓✓
- (10 x 2) (20)
- 1.2
- 1.2.1 indemnification ✓✓
 - 1.2.2 cultural ✓✓
 - 1.2.3 National Credit Act ✓✓
 - 1.2.4 professionalism ✓✓
 - 1.2.5 continuous improvement to processes and systems ✓✓
- (5 x 2) (10)
- 1.3
- 1.3.1 H ✓✓
 - 1.3.2 F ✓✓
 - 1.3.3 E ✓✓
 - 1.3.4 J ✓✓
 - 1.3.5 C ✓✓
- (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
Mark ONLY the FIRST THREE answers.
QUESTION 2: BUSINESS ENVIRONMENTS
2.1 Provisions of the Basic Conditions of Employment Act (BCEA)

- Overtime. ✓
- Working hours. ✓
- Meal breaks and rest periods. ✓
- Leave conditions. ✓
- Working on public holidays. ✓
- Legal requirements of the employment contract. ✓
- Termination conditions of the employment contract. ✓
- Remuneration. ✓
- Provision 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 provision.**
- (5 x 1) (5)

2.2**2.2.1 Secondary ✓✓****Motivation:** RC specialises in the manufacturing of computers ✓**Note:** 1. Do not award mark for motivation if the identification of the sector is incorrect

CHALLENGE 2.2.2	BUSINESS ENVIRONMENTS 2.2.2	EXTENT OF CONTROL 2.2.3
(a) Management feels time spent on improving employee skills is a waste as it decreases profitability. ✓	Micro ✓	Full control ✓
(b) Suppliers are often unable to deliver parts on time. ✓	Market ✓	Little/Limited control/influence ✓
(c) The unfavourable exchange rates increased costs of production. ✓ (3)	Macro ✓	No control ✓

- NOTE:** 1. The business environment must be linked to the challenge
 2. Do not award marks for an extent of control if the business environment is not correctly identified.

2.3 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/reinforcement 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)****2.4 Consumer rights****Right to choose ✓✓**

Consumers have the right to:

- Choose suppliers/ goods. ✓
- Shop around for the best prices. ✓
- Return goods that are unsafe/defective for a full refund. ✓
- Reject goods that are not the same as the sample marketed. ✓
- Cancel/renew fixed term agreements. ✓
- Request written quotations / cost estimates. ✓
- Any other relevant answer related to the consumers' right to choose. ✓

Right to privacy and confidentiality ✓✓

- Consumers have the right to stop/restrict unwanted direct marketing. ✓
- They can object to unwanted promotional e-mails/ telesales. ✓
- They have the right to stop/lodge complaints about the sharing of their personal details. ✓
- Any other relevant answer related to the consumers' right to privacy and confidentiality. ✓

Right to fair and honest dealings ✓✓

- Suppliers may not use physical force or harass customers. ✓
- Suppliers may not give misleading or false information. ✓
- Businesses may not promote pyramid schemes and chain-letter schemes. ✓
- Businesses may not overbook/oversell goods/services and then not honour the agreement. ✓
- Any other relevant answer related to the consumers' right to fair and honest dealings. ✓

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

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

Right to information about products and agreements/Right to disclosure and information ✓✓

- Contracts and agreements should be in plain language and easy to understand. ✓
- Businesses should display prices which are fully inclusive disclosing all costs. ✓
- Consumers may request the unit and bulk price of the same product. ✓
- If two prices for the same product are displayed, consumers should pay the lower price. ✓
- Businesses should label products and trade descriptions correctly. ✓
- Any other relevant answer related to the consumers' right to information.

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

Right to fair/responsible marketing/promotion ✓✓

- Businesses should not mislead consumers on pricing/benefits/uses of goods. ✓
- Consumers may cancel purchases made through direct marketing within five working days/cooling off-period. ✓
- All information related to the country of origin/expiry dates/ingredients of the products should be disclosed. ✓
- Any other relevant answer related to the consumers' right to fair marketing/promotion.

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

Right to fair value/good quality and safety ✓✓

- Consumers have the right to demand ✓ quality service or goods. ✓
- They have the right to return faulty items ✓ if the fault occurs within six months after purchasing the item. ✓
- Consumers may receive ✓ an implied warranty or a written warranty. ✓
- Any other relevant answer related to the consumers' right to fair value, good quality and safety.

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

Right to accountability from suppliers ✓✓

- Consumers have the right to be protected in lay-by agreements. ✓
- Businesses should honour credit vouchers and prepaid services. ✓
- Any other relevant answer related to the consumers' right to accountability from suppliers.

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

Right to fair, just and reasonable terms and conditions ✓✓

- Businesses should provide consumers with written notices of clauses that may limit consumer rights. ✓
- Businesses may not market or sell goods at unfair prices. ✓
- Any other relevant answer related to the consumers' right to fair, just and reasonable terms and conditions.

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

Right to equality in the consumer market place ✓✓

- Businesses should not limit access to goods and services. ✓
- Businesses may not vary the quality of their goods to different consumers. ✓
- Businesses may not charge different prices for the same goods/services. ✓
- Businesses should not discriminate when marketing their products and services in different areas/places. ✓
- Any other relevant answer related to the consumers' right to equality in the consumer market place.

Right (2)
Explanation (1)
Sub max (3)
Max (9)

Note: Mark the first THREE responses as they may include incorrect consumer rights.

2.5 Role of SETAs

- Develop skills plans in line with the National Skills Development Strategy. ✓✓
- Draw up skills development plans for their specific economic sectors. ✓✓
- Approve workplace skills plans and annual training reports. ✓✓
- Allocate grants to employers, education and training providers. ✓✓
- Pay out grants to companies that are complying with the requirements of the Skills Development Act. ✓✓
- Monitor/Evaluate the actual training by service providers. ✓✓
- Promote and establishes learnerships. ✓✓
- Register learnership agreements/learning programmes. ✓✓
- Provide training material/programmes for skills development facilitators. ✓✓
- Provide accreditation for skills development facilitators. ✓✓
- Oversee training in different sectors of the South African economy. ✓✓
- Promote learnerships and learning programmes by identifying suitable workplaces for practical work experience. ✓✓
- Collect levies and pays out grants as required. ✓✓
- Report to the Director General. \\\
- Any other relevant answer related to the role of SETAs.

Max (8)

2.6 Ways in which to apply BBBEE pillars

2.6.1 Management

- Appoint black people in senior executive positions/management. ✓✓
- Ensure black female representation in management. ✓✓
- Implement transformation at all levels of management. ✓✓
- Ensure that black people are involved in decision making processes. ✓✓
- Any other relevant recommendations related to ways in which businesses may apply management as a BBBEE pillar.

Max (4)

2.6.2 Enterprise development

- Businesses should invest in/support black owned SMME's. ✓✓
- Contributions may be monetary/non-monetary. ✓✓
- Monetary contributions could include offering SMME's interest-free loans/investments/donations, ✓✓ etc.
- Non-monetary contributions could include consulting services/advice/entrepreneurial programmes/science competencies/skills/expertise, ✓✓ etc.
- Encourage SMME's to use their own business initiatives and make it sustainable. ✓✓
- Any other relevant recommendations related to ways in which businesses may apply enterprise development as a BBBEE pillar.

Max (4)

2.6.3 Preferential procurement

- Outsource services to suppliers that are BBBEE compliant. ✓✓
- Support suppliers with diversity in their ownership. ✓✓
- Use suppliers who have a high BBBEE rating. ✓✓
- Identify black owned suppliers that are able to supply goods and services. ✓✓
- Develop business skills of small/black owned suppliers, e.g. sales, legal advice, ✓✓ etc.
- Support the cash flow of small suppliers by offering them preferential terms of payment. ✓✓
- Develop and implement a supplier development plan/supply chain. ✓✓
- Any other relevant recommendations related to ways in which businesses may apply preferential procurement as a BBBEE pillar.

Max (4)

Note: 1. Learners must know the five pillars.

2. If a learner discusses enterprise development and preferential procurement in 2.6.2 award a maximum of 8 marks.

2.7 Practical ways on how businesses can comply with EEA

- Promote/Provide equal opportunities in the workplace. ✓✓
- Compile employment equity plans that indicate how they will implement affirmative action. ✓✓
- Ensure that affirmative action measures promote diversity in the workplace. ✓✓
- Assign a manager to ensure that the employment equity plan will be implemented/regularly monitored. ✓✓
- Display a summary of the Act where employees can clearly see it/have access to it. ✓✓
- Report to the Department of Labour on the progress in the implementation of the equity plan. ✓✓
- Conduct medical/psychological tests fairly to employees/when deemed necessary. ✓✓
- Equal pay for work of equal value. ✓✓
- Ensure that the workplace represents the demographics of the country at all levels. ✓✓
- Appointment process should be clearly defined to inform all parties. ✓✓
- Restructure/Analyse current employment policies/practices/procedures to accommodate designated groups. ✓✓
- Retrain/Develop/Train designated groups through skills development programmes. ✓✓

Any other relevant answer related to practical ways on how businesses can comply with the EEA.

Max (8)

BREAKDOWN OF MARKS	
QUESTION	MARKS
2.1	5
2.2.1	3
2.2.2	6
2.2.3.	3
2.3.	6
2.4	9
2.5.	8
2.6.1	4
2.6.2	4
2.6.3	4
2.7	8
TOTAL	60

QUESTION 3**3.1 Factors to consider when making investment decisions**

- Return on investment (ROI) ✓
- Risk ✓
- Investment term/period ✓
- Tax implications/Taxation ✓
- Inflation rate ✓
- Fluctuations/Volatility of investment markets ✓
- Liquidity ✓
- Personal budget ✓
- Track record/History/Performance of the business ✓
- Any other relevant answer related to factors that must be considered when making investment decisions.

NOTE: **Mark the first FOUR (4) only.****3.2 Distinction between insurance and assurance**

INSURANCE	ASSURANCE
• Based on the principle of indemnity. ✓✓	• Based on the principle of security / certainty. ✓✓
• Is a form of risk management in which the insured transfers the cost of potential loss to another entity for monetary compensation known as a premium. ✓✓	• It is a contract where the insurer undertakes to pay an agreed sum of money after a certain period has expired/on the death of the person, whichever occurs first. ✓✓
• It covers a specified event that may occur. ✓✓	• Specified event is certain, although the time of even is uncertain. ✓✓
• Applicable to short term insurance. ✓✓	• Usually applicable to long term insurance. ✓✓
• Example: property insurance/money in transit/theft/burglary/fire. ✓✓	• Example: life insurance/endowment policies/retirement annuities. ✓✓
• Any other relevant answer related to the definition of insurance.	• Any other relevant answer related to the definition of assurance.

Sub-max. (4)**Sub-max. (4)**

- NOTE:**
1. The answer does not have to be in a tabular format but the distinction must be clear.
 2. Award a maximum of TWO (2) marks if the distinction is not clear./Mark either insurance or assurance only.
 3. **Mark the first example only.**

Max (4)**3.3****3.3.1 Types of investment**

- RSA Retail Savings Bonds ✓
- Unit trusts ✓

3.3.2 Differences between RSA Retail Savings Bonds and Unit trusts

RSA Retail Savings Bonds	Unit Trusts
• Two different types of bonds are available, ✓ i.e. fixed rate savings bonds and inflation-linked retail savings bond. ✓	• It consists of a number of different shares/securities/other types of investments ✓ put together by a fund manager. ✓
• It is easily obtainable ✓ on the RSA Retail Savings Bond website/directly from the National Treasury/from any branch of the post office/Pick n' Pay. ✓	• Funds are pooled by fund/portfolio managers ✓ to buy shares on the JSE in a variety of sectors. ✓
• Minimum of R1 000 ✓ can be invested. ✓	• Minimum amounts ✓ is not always specified. ✓
• Early withdrawals may be made after 12 months. ✓ subject to a penalty. ✓	• It can easily be converted into cash ✓ without penalties. ✓
• Interest is earned half yearly ✓ on 31 March and 30 September. ✓	• Interest and/or dividends are re-invested
• Interest earned is paid out ✓ into the bond holder's bank account ✓ / investors can choose to re-invest interest ✓ in a new investment. ✓	• Dividends and/or interest earned are reinvested ✓ to ensure higher growth. ✓
• Any other relevant answer related to RSA Retail Savings Bonds.	• Any other relevant answer related to unit trusts.

Sub-max. (4)

- NOTE:**
1. The differentiation must be clear.
 2. Answer does not have to be in tabular format.
 3. Award a maximum of 4 marks if the distinction is not clear.

Max (8)

3.4.1 Private Company ✓✓
He registered his new form of ownership as Sisaya (Pty) ✓ (3)

3.4.2 Impact of factors on private company's success/failure

a) Capacity

Success	<ul style="list-style-type: none"> Private companies have a greater capacity ✓ to raise capital than sole traders or close corporations. ✓ There are no longer limitations on the number of shareholders, ✓ therefore it can be increased to raise more capital to expand. ✓ The company has good long term opportunities ✓ for growth. ✓ The continuity of private companies are unlimited ✓ and it will be favourable for the growth of a company. ✓
Failure	<ul style="list-style-type: none"> Small private companies with a few shareholders have a limited capacity ✓ to raise capital and to produce on a large scale. ✓ The capacity of private companies is more limited ✓ than big public companies. ✓

Sub max (4)

c) Legal requirements

Success	<ul style="list-style-type: none"> The registration procedure is simpler ✓ according to the new act no 71 of 2008. ✓ Limited liability allows for greater risk taking opportunities✓ which may lead to growth of business ✓ Auditing of financial statements (when necessary) ✓ will add to the financial credibility of the company. ✓ If the company adheres to all the requirements of the government ✓ it can benefit from government tenders. ✓
Failure	<ul style="list-style-type: none"> Formation procedure are time consuming/ complicated✓ as many legal documents needs to be prepared/ submitted. ✓ Auditing (when required) ✓ is an expensive procedure. ✓ If a company does not adhere to the legal requirement ✓ CIPC can cancel their license. ✓ Any other relevant answer relating to the failure of legal requirements as a factor. ✓

Sub max (4)
Max (12)

3.5 Positives/Advantages

Success	<ul style="list-style-type: none"> They can employ or elect ✓ own management or directors. ✓ There is more creativity ✓ because there are more people involved. ✓ They can make better decisions ✓ because there are more people involved. ✓
Failure	<ul style="list-style-type: none"> Directors do not always have the required ✓ management skills. ✓ Directors do not always have personal interest ✓ in the company. ✓

Sub max (4)

b) Management

Success	<ul style="list-style-type: none"> The registration procedure is simpler ✓ according to the new act no 71 of 2008. ✓ Limited liability allows for greater risk taking opportunities✓ which may lead to growth of business ✓ Auditing of financial statements (when necessary) ✓ will add to the financial credibility of the company. ✓ If the company adheres to all the requirements of the government ✓ it can benefit from government tenders. ✓
Failure	<ul style="list-style-type: none"> Formation procedure are time consuming/ complicated✓ as many legal documents needs to be prepared/ submitted. ✓ Auditing (when required) ✓ is an expensive procedure. ✓ If a company does not adhere to the legal requirement ✓ CIPC can cancel their license. ✓ Any other relevant answer relating to the failure of legal requirements as a factor. ✓

Sub max (4)
Max (12)

Negatives/Disadvantages

Success	<ul style="list-style-type: none"> Has the capacity to convey ideas and support ✓ what the presenter says. ✓ Video clips can provide variety ✓ and capture the attention of the audience. ✓ It can also include sounds ✓ to capture the interest of the audience. ✓ Most suitable for illustrations ✓ and demonstrations during presentations. ✓ Variation of colour and background immediately capture the attention of the audience ✓ and retain their interest throughout the presentation. ✓ Presentations can be e-mailed ✓ and stored on a computer. ✓ Any other relevant answer related to positive impact/advantages of PowerPoint presentation.
Failure	<ul style="list-style-type: none"> Unprofessional handling of PowerPoint presentation material ✓ may result in the audience losing interest. ✓ Less effective to some people ✓ e.g. those with audio visual impairments. ✓ Cannot be used ✓ when there is no power/electricity. ✓ Presentation can be lost ✓ if the computer breaks down. ✓ Any other relevant answer related to negative impact/disadvantages of PowerPoint presentation.

Sub max (4)

3.6.1 Democratic ✓✓

Motivation: All employees are involved in decision making process / management values each employee's contribution on how to increase business profits ✓ (1)

3.6.2 Positives

- Staff gives a variety of ideas/inputs/feedback/view points✓, before final decisions are made by leaders/managers. ✓
 - Variety of ideas can lead to innovation ✓ resulting in an increased productivity. ✓
 - Clear/Two way communication ensures group commitment✓ to final decision(s). ✓
 - Authority is delegated which can motivate/inspire workers✓ to be more productive. ✓
 - Complex decisions can be made✓ with inputs from specialists/skilled workers. ✓
 - Workers feel empowered✓ as they are involved in the decision-making process. ✓
 - Any other relevant answer related to a positive evaluation of a democratic leadership style.
- AND/OR**

3.6.3 Transformational theory

- The passion/vision/personality of leaders inspire followers to change their expectations/perceptions/motivations to work towards a common goal. ✓✓
- Strategic thinking leaders develop a long term vision for the organisation and sell it to subordinates/employees. ✓✓
- Leaders have the trust/respect/admiration of their followers/subordinates. ✓✓
- Leaders promote intellectual stimulation/creative thinking/problem solving which result in the growth/development/success of the business. ✓✓
- Followers are coached/mentored/emotionally supported so that they can share their ideas freely. ✓✓
- Leaders will encourage followers to explore/try new things/opportunities. ✓✓
- Leaders lead by example and make workers interested in their work. ✓✓
- Leaders have strong, charismatic personalities and are very good at motivating staff to achieve results. ✓✓
- Enable employees to take greater ownership for their work and to know their strengths and weaknesses. ✓✓
- Any other relevant answer related to the benefits/advantages of the transformational theory.

3.7 Areas for improvement of the next/ future presentation

- Revise objectives that were not achieved. ✓✓
- Use humour appropriately. ✓✓
- Always be prepared to update/keep information relevant. ✓✓
- Reflect on any problem/criticism and avoid it in future presentations✓✓
- Any information received as feedback from a presentation should be analysed and where relevant, used to update/amend the presentation. ✓✓
- Reflect on the time/length of the presentation to add/remove content. ✓✓
- Increase/Decrease the use of visual aids or replace/remove aids that did not work well. ✓✓
- Reflect on the logical flow of the format/slides/application of visual aids. ✓✓
- Any other relevant answer related to areas for improvement of the next future presentation

Max (8)

Max (4)
[60]

BREAKDOWN OF MARKS	
QUESTION	MARKS
3.1	4
3.2	4
3.3.1	2
3.3.2	8
3.4.1	3
3.4.2	12
3.5	6
3.6.1	3
3.6.2	8
3.6.3	6
3.7	4
TOTAL	60

QUESTION 4: BUSINESS ROLES**4.1 Economic rights of employees in the workplace**

- Freedom from forced labour. ✓
- Freedom to choose/accept work. ✓
- Fair wages/Equal pay. ✓
- Reasonable/Legal limitation of working hours. ✓
- Safe and healthy working conditions. ✓
- Right to join/form a trade union. ✓
- Right to participate in a legal strike. ✓
- Right to training/improvement of skills for career advancement. ✓
- Any other relevant answer related to the economic rights of employees in the workplace.

NOTE: Mark the first FIVE (5) only.**4.2****(5 x 1)(5)**

- 4.2.1 Norming ✓✓
 4.2.2 Forming ✓✓
 4.2.3 Storming ✓✓
 4.2.4 Performing ✓✓

4.3 Responsibilities of employees in promoting human health and safety in the workplace

- Workers should take care of their own health/safety✓ in the workplace. ✓
- They should co-operate and comply ✓ with the rules and procedures/
wear prescribed safety clothing, etc. ✓
- Report unsafe/unhealthy conditions✓ to relevant authorities/management / Health and safety representatives. ✓
- Report accidents✓ to the employer as soon as possible. ✓
- Any other relevant answer related to responsibilities of employees in promoting human health and safety in the workplace

Max (8)**4.4****4.4.1 Procedure for dealing with grievances in the workplace**

- She seldom meets with her employees to give feedback and/or listen to their inputs. ✓
 - Thando, Ms Senzeni's favourite, was promoted as her assistant manager, although he lacks the necessary skills and experience. ✓
 - New computers and office equipment are allocated only to those employees who supports Thando's appointment. ✓ (3)
- 4.4.2 Procedure for dealing with grievances in the workplace**
- An aggrieved employee must verbally report the incident/grievance to his/her supervisor/manager, who needs to resolve the issue within 3 to 5 working days. ✓
 - Should the employee and supervisor not be able to resolve the grievance, the employee may take it to the next level of management. ✓
 - The employee may move to a more formal process where the grievance must be lodged in writing/completes a business grievance form. ✓
 - He/She must receive a written reply in response to the written grievance. ✓
 - A grievance hearing/meeting must be held with all relevant parties present. ✓
 - Minutes of the meeting must be recorded and any resolution passed must be recorded on the formal grievance form. ✓
 - Should the employee not be satisfied, then he/she could refer the matter to the highest level of management. ✓
 - Top management should arrange a meeting with all relevant parties concerned. ✓
 - Minutes of this meeting should be filed/recorded and the outcome/decision must be recorded on the formal grievance form. ✓
 - Should the employee still not be satisfied, he/she may refer the matter to the CCMA who will make a final decision on the matter. ✓
 - Any other relevant answer related to the correct procedure to deal with grievances in the workplace.

NOTE: The procedure may be in any order.**4.4.3 How to promote cultural rights in the workplace**

- Provide the environment in which employees are free✓ to use their own language when interacting with others during their free time. ✓
- Encourage employees✓ to participate in cultural activities. ✓
- Allow employees to provide solutions to challenges✓ from their own cultural perspective. ✓
- Regular cultural information sessions✓ will help employees to respect each other's culture in the workplace. ✓
- Make provision for different cultures, ✓ such as food served in the canteen/entertainment at staff functions. ✓
- Employ people✓ from various cultural backgrounds. ✓
- Employees should be trained✓ on cultural tolerance. ✓
- Any other relevant answer related to ways on how to promote cultural rights in the workplace.

Max (8)

4.4.4 Advantages of CSI for businesses

- May attract experienced employees/increase the pool of skilled labour ✓ which could increase productivity. ✓
- The business may have a good public image/reputation✓ as they look after their employees/conduct themselves in a responsible way.
- The business may have a competitive advantage, ✓ resulting in good publicity and an improved reputation. ✓
- Promotes customer loyalty✓ resulting in increased sales/profit/ more consumers. ✓
- CSI projects may be used as a marketing strategy✓ to promote products/services. ✓
- CSI projects promote teamwork✓ amongst employees. ✓
- CSI helps to attract investors✓ which may lead to expansion/growth. ✓
- Business may enjoy tax advantages. ✓ e.g. tax reduction/rebates. ✓
- Assist in addressing socio-economic issues✓ e.g. poverty. ✓
- If the corporate sector gets voluntarily involved in CSI, ✓ it is less likely that government will enforce the issue through legislation. ✓
- Employees feel like they are making a difference✓ in working for this business. ✓
- It helps to retain staff/lower staff turnover✓ as employees' health/safety is considered. ✓
- Improves the health of its employees✓ through focussed CSI projects. ✓
- The business may become more community-based✓ by working closely with the community to roll out skills development projects. ✓
- Any other relevant answer related to the advantages of CSI on businesses. ✓

Max (10)

Negatives

- It is an expensive technique to use✓ due to high administrative costs. ✓
- May be time consuming and complicated to analyse data✓ received from experts. ✓
- Not all experts are willing/interested✓ to give feedback/complete questionnaires. ✓
- Some experts might not have an in-depth knowledge✓ of certain topics.✓
- Questionnaires may be completed by experts without giving it much thought, ✓ so solutions might not be suitable/applicable. ✓
- This technique may not be suitable to all types of business problems✓ and may not always be reliable. ✓
- Any other relevant negative evaluation related to the use of the Delphi technique in solving business problems. ✓

Max (10)

BREAKDOWN OF MARKS	
QUESTION	MARKS
4.1	5
4.2	8
4.3	8
4.4.1	3
4.4.2	8
4.4.3	8
4.4.4	10
4.5	10
TOTAL	60

4.5 Effectiveness of the Delphi technique in solving business problems

Positives

- 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 positive evaluation related to the use of the Delphi technique in solving business problems. ✓

AND/OR

QUESTION 5: BUSINESS OPERATIONS

5.1

5.1.1

COMPONENTS	EXAMPLES
A. Job description ✓✓	1. Applicant must be able to forecast the trend in sales. ✓ 2. Ability to keep records and do presentation will be an advantage. ✓
B. Job specification ✓✓	3. The applicant must have a degree in marketing. ✓ 4. Three years' experience in the motor industry. ✓

NOTE: Do not allocate marks for examples that are not linked to components.

5.1.2

External recruitment ✓✓

Motivation

The post has been advertised in the local newspaper and on the internet. ✓

Identification (2)
Motivation (1)
Max (3)

Max (8)

5.2 Distinction between the piece-meal and the time-related salary determination methods

Piece-meal	Time related
- Workers are paid according to the number ✓✓ of items/units produced/actions performed. ✓	- Workers are paid for the amount of time ✓ they spend at work/on a task. ✓
- Workers are not remunerated for the number of hours worked. ✓ regardless of how long it takes to make the items. ✓	- Workers with the same experience / qualifications are paid on salary scales ✓ regardless of the amount of work done. ✓
- Mostly used in factories ✓ particularly in the textile/technology industries. ✓	- Most private and public sector businesses✓ use this method. ✓
- Any other relevant answer related to a piecemeal salary determination method. ✓	- Any other relevant answer related to a time related salary determination method. ✓
Sub max (2)	Sub max (2)

NOTE: 1. The answer does not have to be in tabular format, but the distinction must be clear.
2. Award a maximum of TWO (2) marks, if the distinction is not clear.

Max (4)

5.3 Reasons for terminating an employment contract

Retirement ✓
An employee reaches pre-determined aged. ✓
Resignation ✓
Employees may decide to leave employment voluntarily. ✓
Retrenchment ✓
The business may experience financial problems and may not be able to pay the employees. ✓
Restructuring ✓
The employer may no longer have work for the redundant employees. ✓
Dismissal ✓
When the employee is asked to leave the organisation due to bad conduct, breach of contract or illegal behaviour✓

5.1.3 Role of the interviewee/applicant during the interview

- Greet the interviewer by name✓ with a solid handshake and a friendly smile. ✓
- Listen carefully to the questions✓ before responding. ✓
- Make eye contact✓ and have good posture/body language. ✓
- Show confidence✓ and have a positive attitude/and be assertive. ✓
- Be inquisitive✓ and show interest in the business. ✓
- Ask clarity seeking✓ questions. ✓
- Show respect✓ and treat the interview with its due importance. ✓
- Be honest about mistakes✓ and explain how you dealt with it. ✓
- Know your strengths and weaknesses✓ and be prepared to discuss them. ✓
- Any other relevant answer related to the role of the interviewee /applicant during the interview. ✓

Max (8)

NOTE: Mark the first THREE (3) only.

(3 x 2)(6)

5.4 Distinction between quality control and quality assurance

QUALITY CONTROL	QUALITY ASSURANCE
- Inspection of the final product ✓ to ensure that it meets the required standards. ✓	- Carried out during and after the production process ✓ to ensure required standards have been met at every stage of the process. ✓
- Includes setting targets/measuring performance✓ and taking corrective measures. ✓	- Ensure that every process is aimed at getting the product right first time✓ and prevent mistakes from happening again. ✓
- Any other relevant answer related to quality control.	- Any other relevant answer related to quality assurance.

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

Max (8)

5.5 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.

Max (8)

5.6 Impact of Total client/customer satisfaction on AC as a large business

Positives/Advantages

- Market research/Customer surveys✓ measure/monitor customer satisfaction/ analyse customers' needs to keep customers informed. ✓
- Increased competitiveness✓ as AC is aware of market changes. ✓
- Increased profitability✓ as more goods and services are sold/sales increase. ✓
- Continuously promote✓ a positive business image. ✓
- Achieve a state of total customer satisfaction, as AC applies sound business practices✓ that include all stakeholders. ✓
- Align cross-functional teams across critical processes✓ to fulfil customer expectations. ✓
- Higher customer loyalty/retention✓ as AC satisfies more needs. ✓
- Charge higher prices✓ as high quality products/services are rendered. ✓
- Gain access✓ to the global market. ✓
- Any other relevant answer related to the positives/advantages of total client/customer satisfaction on AC as a large business.

Max (6)

AND/OR

Negatives/Disadvantages

- Employees often do not have a clear idea of what will satisfy customers' needs. ✓ as they seldom come into contact with them. ✓
- Monopolistic companies have increased bargaining power, ✓ as they do not necessarily have to please customers. ✓
- Not all employees✓ may be involved in/committed to total client satisfaction. ✓
- Any other relevant answer related to the negatives/disadvantages of total client/customer satisfaction on AC as a large business.

Max (6)

TQM ELEMENT	MOTIVATION
Total client/customer satisfaction ✓	The marketing manager regularly requests their buyers to complete a survey on their experience from using their products to give inputs on how to improve the quality of their product and service. ✓ Their customers were also requested to give inputs on how to improve the quality of their product and service. ✓ Sub-max (1)

5.6.1

Sub max (2)

Max (3)

5.7 Benefits/Advantages of a good quality management system

- Effective customer services are rendered ✓ resulting in increased customer satisfaction. ✓
- Time and resources ✓ are used efficiently. ✓
- Productivity increases through proper time management ✓ using high quality resources. ✓
- Products and services are constantly improved ✓ resulting in increased levels of customer satisfaction. ✓
- Vision/Mission/Business goals ✓ may be achieved. ✓
- Business has a competitive ✓ advantage over its competitors. ✓
- Regular training will continuously improve the quality of employees' skills ✓ and knowledge. ✓
- Employers and employees will have a healthy working relationship ✓ resulting in happy/productive workers. ✓
- Increased market share ✓ and profitability. ✓
- Any other relevant answer related to the advantages of a good quality management system

Max (6)

[60]

QUESTION 6: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

6.1 PESTLE analysis

- Political ✓
- Economical ✓
- Social ✓
- Technological ✓
- Legal ✓
- Environmental ✓

NOTE: Mark the first FIVE (5) only.

6.2

Compensation for Occupational Injuries and Diseases Act, 1993
(Act 130 of 1993)/ Compensation for Occupational Injuries and Diseases Amendment Act, 1997 (Act 61 of 1997) ✓✓
(2)

BREAKDOWN OF MARKS

QUESTION	MARKS
5.1.1	8
5.1.2	3
5.1.3	8
5.2	4
5.3	6
5.4	8
5.5	8
5.6.1	3
5.6.2	6
5.7	6
TOTAL	60

NOTE: Accept COIDA/Compensation for Injuries and Diseases Act

6.2.2 Recommendations on ways to comply with COIDA

- Businesses should provide a healthy/safe working environment. ✓✓
- They should register with the Compensation Commissioner and provide the particulars of the business. ✓✓
- Must keep records of employees' income and details of work for four years. ✓✓
- Obliged to report all incidents causing death/injury/illness of employees. ✓✓
- Businesses should submit returns of earnings by no later than 1 March annually. ✓✓
- Levies must be paid to the Compensation Fund. ✓✓
- Ensure that the premises/equipment/machinery is in good working condition. ✓✓
- Should allow regular assessment of the workplace by inspectors in order to determine the level of risk their employees are exposed to. ✓✓
- Employers may not make deductions for COIDA from employees' remuneration packages. ✓✓
- Businesses must ensure that claims are lodged within twelve months of the date of the accident. ✓✓
- Any other relevant answer related to ways in which businesses have to comply with COIDA.

Max (8)

BUSINESS VENTURE

- | | |
|-----|---|
| 6.3 | <p>6.3.1 Video-conferencing / Skype/Smart board ✓✓</p> <p>6.3.2 Flip charts/White board ✓✓</p> |
| 6.4 | <p>Simple interest</p> <ul style="list-style-type: none"> • Calculated on the original/principal amount invested. ✓ • Accumulated interest from prior periods✓ is not used in calculations for the following period. ✓ • Money charged by the lender✓ on the fixed amount for a certain period of time. ✓ • Interest charged remain fixed✓ for the full period of investment. ✓ • Any other relevant answer related to the definition of simple interest |

NOTE: The answer must show the difference.

66 Common

- Environment/Environmental awareness\
 - Ethical corporate social investment\
 - Health and safety\
 - Corporate governance\
 - Business ethics\
 - Employment equity\
 - Supply chain\
 - Customers\
 - Community\
 - Any other relevant answer related to the components of CSR.

NOTE: Mark the first FIVE (5) only.

6.6 Components of Corporate Social Responsibility

- Environment/Environmental awareness
 - Ethical corporate social investment
 - Health and safety
 - Corporate governance
 - Business ethics
 - Employment equity
 - Supply chain
 - Customers
 - Community

Any other relevant answer related to the

NOTE: Mark the first FIVE (5) only.

3

- QUESTION

Interest charged remain fixed ✓ for the full period of investment. ✓

Any other relevant answer related to the definition of simple interest.

SUB-MAX (2)

ANSWER

Compound interest

 - Calculated each period on the original/principal amount✓ including all interest accumulated during past periods. ✓
 - Based on the concept of adding accumulated interest to the original/principal amount✓ and interest is earned on interest. ✓
 - Any other relevant answer related to the definition of compound interest

NOTE: The answer must show the difference.

DIVERSITY ISSUE IDENTIFIED	RECOMMENDED (6.7.2)
----------------------------	---------------------

DIVERSITY ISSUE IDENTIFIED (6.7.1)	RECOMMENDATION (6.7.2)
(a) Gender✓	<ul style="list-style-type: none"> - Male and female workers should be paid the same salary/wage for equal work performed. ✓✓ - All posts should be accessible to male and female workers. ✓✓ - Targets may be set for gender employment. ✓✓ - Any other relevant answer related to addressing gender in the workplace. <p style="text-align: right;">Sub max (2)</p>
(b) Language✓	<ul style="list-style-type: none"> - RC may specify that all communications should be in one specific language only and could expect employees to have a certain level of fluency in that language. ✓✓ - It may sometimes be necessary to employ an interpreter so that everyone can fully understand what is being said in a meeting. ✓✓ - All business contracts should be in easy-to-understand language and should be available in the language of choice for the parties signing. ✓✓ - Workplace policies should be prepared in more than one language so that it can be understood by all workers. ✓✓ - No worker should feel excluded in meetings by conducting it in more than one language. ✓✓ - Any other relevant answer related to how RC should deal with language as a diversity issue in the workplace. Sub max (2)

(3) NEW

(c) Disability ✓	<ul style="list-style-type: none"> - Accommodate people with disabilities by providing facilities/ramps for wheelchairs. ✓✓ - Ensure that employees with disabilities are treated fairly. ✓✓ - Businesses should be well informed with how to deal with disabled employees. ✓✓
	Sub max (2) Max (4)

6.10 Advice for reducing the cost of quality

- Accommodate people with disabilities by providing facilities/ramps for wheelchairs. ✓✓
 - Ensure that employees with disabilities are treated fairly. ✓✓
 - Businesses should be well informed with how to deal with disabled employees. ✓✓

Note: Mark the first TWO issues only

6.8 Professional, ethical and effective business practices

- Businesses should treat all employees equally. ✓✓
 - Plan properly and put preventative measures in place. ✓✓
 - Pay fair wages/salaries which is in line with the minimum requirements of the BCEA. ✓✓
 - Remunerate employees for working overtime and during public holidays. ✓✓
 - Engage in environmental awareness programmes/Refrain from polluting the environment, e.g. by not disposing or dumping toxic waste illegally. ✓✓
 - Refrain from starting a venture using other businesses' ideas that are protected by law. ✓✓
 - Business decisions and actions must be clear/transparent to all stakeholders. ✓✓
 - Businesses should be accountable/responsible for their decisions and actions. ✓✓
 - Any other relevant answer related to how professional, ethical and effective business practices should be conducted.

Max (4)

Business operations

- 6.9.1 Administration ✓✓
 - 6.9.2 Public relations ✓✓
 - 6.9.3 Production ✓✓

(2) (2)

(2)

BREAKDOWN OF MARKS	
QUESTION 6	MARKS
6.1.	5
6.2.	10
6.3.	4
6.4.	4
6.5	6
6.6.	5
6.7.1	2
6.7.2	4
6.8	4
6.9	6
6.10	10
TOTAL	60

[60]

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SECTION C**QUESTION 7****BUSINESS ENVIRONMENTS (STRATEGIES)****7.1 Introduction**

- Businesses need to identify/develop and implement business strategies to improve performance/respond to challenges presented by business environments. ✓
- Intensive and defensive strategies enable business to solve the challenges that are posed by the market and macro environment. ✓
- Porter's Five Forces model helps the business to understand both the strength of its current competitive position and the advantages of expanding. ✓
- Porter's Five Forces model is based on five important forces that will determine competitive power in the market environment of a business. ✓
- The aim of strategy evaluation is to determine whether the chosen strategy will resolve the identified challenges. ✓

Any other relevant introduction related to the Porter's Five Forces model/implementing defensive and intensive strategies/evaluation of strategies.

7.2 Porter's Five Forces**7.2.1 Power of suppliers** ✓✓

- Suppliers include factories/providers of goods/services ✓ that businesses would obtain/buy from in order to operate their business. ✓
- A business must assess the power of the suppliers✓ to influence prices. ✓
- The more powerful the suppliers, ✓ the less control the business has over them. ✓
- The smaller the number of suppliers, the more powerful they may be✓ as the choice of suppliers may be limited. ✓
- The business should identify the kind of power its suppliers have✓ in terms of the quality of products/services/reliability/ability to make prompt deliveries, ✓ etc.

- Any other relevant answer related to the power of suppliers.

Force (2)
Explanation (2)
Sub max (4)

7.2.2 Power of buyers ✓✓

- Buyers are the final users✓ of the product/services. ✓
- Buyers buying in bulk✓ can bargain for prices in their favour. ✓
- The business must assess how easy it is for buyers/customers✓ to drive prices down. ✓
- This will depend on the number of buyers/the importance of each buyer to the business✓ and the cost of switching to other products. ✓
- If a business is dealing with a few powerful buyers, ✓ they are often able to dictate their terms to the business. ✓
- If buyers can do without the business's products ✓ then they have more power to determine the prices and terms of sale. ✓
- Businesses must conduct market research✓ so that they can get more information about their buyers. ✓
- Any other relevant answer related to the power of buyers.

Force (2)
Explanation (2)
Sub max (4)

7.2.3 Power of competitors/Competitive rivalry ✓✓

- Competitors selling the same/similar products/services✓ may have a greater impact on the market of the business. ✓
- Competitive rivalry refers to the number of competitors ✓ and their ability to influence/control the market. ✓
- If competitors have a unique product/service, ✓ then they will have greater power. ✓
- A business with many competitors in the same market ✓ has very little power in their market. ✓
- Businesses must draw up a competitor's profile ✓ so that they can determine their own strength as well as that of competitors. ✓
- Some competitors have the necessary resources to start price wars ✓ and continue selling at a loss until other competitors leave the market. ✓
- Any other relevant answer related to the power of competitors/competitive rivalry.

Force (2)
Explanation (2)
Sub max (4)

7.2.4 Threat of substitution/ substitutes ✓✓

- Substitute products or services are different products/services that at least partly satisfy the same needs of consumers ✓ and can be used to replace one another. ✓
- Businesses should determine whether the sellers of substitute products have improved their products ✓ or sell lower quality goods at lower prices. ✓
- If the business's product can be easily substituted, ✓ it weakens the power of the business in the market. ✓
- Substitute products may cause the business ✓ to completely lose its market share. ✓
- Unique products ✓ will not be threatened by substitute products. ✓
- Businesses should do market research ✓ to assess if customers using substitute products/services have reasons for using these alternatives. ✓
- It is important that businesses change ✓ or improve their products to remain competitive. ✓
- Any other relevant answer related to the threat of substitution/ substitutes/ alternatives.

7.2.5 Threat/BARRIERS of new entrants to the market ✓✓

- New entrants are other businesses that are selling the same/similar products ✓ in the existing market for the first time. ✓
- The power will depend on how easy it is✓ for new businesses to enter the market. ✓
- If the business is highly profitable, ✓ it will attract potential competitors that want to benefit from high profits. ✓
- If the barriers to enter the market are low, ✓ then it is easy for new businesses to enter the market/industry. ✓
- New competitors can quickly/easily enter the market, ✓ if it takes little time/money to enter the market. ✓
- If there are a few suppliers of a product/service but many buyers, ✓ it may be easy to enter the market. ✓
- Any other relevant answer related to the threats/barriers of new entrants.

7.3 Types of defensive strategies**7.3.1 Diversiture/ Divestment ✓✓**

- The business disposes/sells some assets/divisions ✓ that are no longer profitable/ productive. ✓
- Businesses may sell off divisions/product lines ✓ with slow growth potential. ✓
- The business sells ownership ✓ by decreasing the number of shareholders. ✓
- Unproductive assets are sold ✓ to pay off debts. ✓
- Process used to withdraw its investment ✓ in another business (divesting). ✓
- Any other relevant answer related to divestiture/divestment as a defensive strategy.

7.3.2 Liquidation ✓✓

- All assets are sold to pay creditors ✓ due to a lack of capital. ✓
- Selling the entire business ✓ in order to pay shareholders a fair price for their shares. ✓
- Creditors may apply for forced liquidation ✓ in order to have their claims settled. ✓
- Any other relevant answer related to liquidation as a defensive strategy.

7.3.3 Retrenchment ✓✓

- Terminating the employment contracts of employees ✓ for operational reasons. ✓
- Decreasing the number of product lines/Closing certain departments ✓ may result in some workers becoming redundant. ✓
- Any other relevant answer related to retrenchment as a defensive strategy.

Force (2)
Explanation (2)
Sub max (4)

Strategy (2)
Explanation (2)
Sub max (4)

Max [20]

NOTE: 1. The 'force' must be stated in full to get the maximum of TWO (2) marks.

2. No part marks must be awarded for the naming of the 'force'.

7.4 The effectiveness/advantages of diversification strategies

- Diversifying into new products and service lines can provide an effective path to fast growth, ✓ as you sell more products to existing customers or establish new markets. ✓
 - Diversification into a number of industries or products line✓ can help create a balance for businesses during economic changes. ✓
 - There will always be a risk with a single investment✓ being diversified can help in balancing such risks. ✓
 - Diversification helps to maximise✓ the use of potentially underutilized resources. ✓
 - Diversification enables businesses to move away from activities/ventures which may be declining. ✓
 - The business will be highly competitive by adding the new/existing products✓ which could increase the target market. ✓
 - Any other relevant answer relating to the effectiveness of the diversification strategy

Max (6)

7.6 Conclusion

- Porter's Five Forces is useful for analysing the power of the business in order to effectively manage market environment challenges. ✓✓
 - This model makes it possible for businesses to determine how to adapt the power of the forces in their favour. ✓✓
 - Although implementing new strategies may be costly, it usually results in growth and continuous improvement. ✓✓
 - Businesses must continuously evaluate strategies in order to change/ adapt it according to current demands of their markets. ✓✓
 - Any other relevant conclusion related to defensive/intensive strategies!

[40]

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- 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 and 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. ✓✓
 - 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 evaluating a strategy. ✓✓

NOTE: Accent stencils in any order

Max (8)

- | | Porters Five Forces | Max | MARKS |
|-------------------------------|----------------------------|------------|--------------|
| Types of defensive strategies | 12 | | |
| Advantages of diversification | 6 | | |
| Strategy evaluation | 8 | | |
| Conclusion | 2 | | |
| INSIGHT | | | |
| Layout | 2 | | |
| Analysis, interpretation | 2 | | |
| Synthesis | 2 | | |
| Originality/Examples | 2 | | |
| TOTAL MARKS | | | 40 |

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.

Breakdown of Mark Allocation			
Details	Maximum	Total	
Introduction	2		
Porters Five Forces	20		
Types of defensive strategies	12	Max	8
Advantages of diversification	6	32	
Strategy evaluation	8		
Conclusion	2		
Insight			
Layout	2		
Analysis, interpretation	2		
Synthesis	2		
Originality/Examples	2		
Total Marks			
			40

LASO - For each component:
Allocate 2 marks if all requirements met
Allocate 1 mark if some requirements met
Allocate 0 marks where requirements not met

QUESTION 8: BUSINESS VENTURES

8.1 Introduction

- Insurance is extremely beneficial to both businesses and individuals. ✓
- Insurance provides some source of financial relief to the business. ✓
- Business needs to know which risks are insurable or non-insurable.
- Any other relevant introduction related to insurance

Max (2x1) (2)

8.2 INSURABLE RISKS

- Businesses are compensated for losses ✓ arising from specified risks. ✓

(2)

NON-INSURABLE RISKS

- These risks are not insured by insurance companies, ✓ it remains the responsibility of the business. ✓

Note: There must be a clear distinction between insurable and non-insurable risk.

8.3 Importance of insurance to businesses

- Transfers the risk from the business/insured✓ to an insurance company/insurer. ✓
- The transfer of the risk is subject to the terms and conditions✓ of the insurance contract. ✓
- Protects the business against theft and loss of stock and/or damages✓ caused by natural disasters such as floods, storm damage, etc. ✓
- The business will be compensated✓ for insurable losses, e.g. destruction of property through fire. ✓
- Business is protected ✓ against the loss of earnings e.g. strikes by employees result in losses worth millions of rands. ✓
- Protects the business against deeds of dishonesty by employees. ✓
- Insurance can be taken against the life of partners ✓in a partnership. ✓
- Should the services of key personnel be lost due to accidents or death, ✓ the proceeds of an insurance policy can be paid out to the business/beneficiaries. ✓
- Replacement costs for damaged machinery and equipment are very high, ✓ therefore, insurance can reduce/cover these costs. ✓
- Any other relevant answer related to the importance of insurance to businesses.

Max (10)

8.4 Principles of insurance

8.4.1 Security/Certainty ✓✓

- Applies to long-term insurance ✓ where the insurer undertakes to pay out an agreed upon amount in the event of loss of life. ✓
- A predetermined amount will be paid out ✓ when the insured reaches a pre-determined age/or gets injured due to a predetermined event. ✓
- Aims to provide financial security✓ to the insured at retirement/the dependents of the deceased. ✓
- Any other relevant answer related to security/certainty as a principle of insurance.

Principle (2)
Explanation (6)
Sub max (8)

8.4.2 Indemnification/Indemnity ✓✓

- Usually applies to short term insurance, ✓ as the insured is compensated for specified/proven harm/loss. ✓
- Insurer agrees to compensate the insured for damages/losses specified in the insurance contract, ✓ in return for premiums paid by the insured to the insurer. ✓
- Protects the insured against the specified event✓ that may occur. ✓
- Pay-outs from insurance companies/insurer will only be made, ✓ if there is proof that the specified event took place/if the insured can prove the amount of the loss/damage. ✓
- The amount of indemnification/compensation is limited to the amount of provable loss/damage, ✓ even if the amount in the policy/insurance contract is higher. ✓
- The insured must be placed in the same position ✓ as before the occurrence of the loss/damage/The insured✓ may not profit from insurance. ✓
- Any other relevant answer related to indemnification/indemnity as a principle of insurance.

Principle (2)
Explanation (6)
Sub max (8)

8.4.3 Insurable interest ✓✓

- Insured must prove that he/she will suffer a financial loss✓ if the insured object is damaged/lost/ceases to exist. ✓
- An insurable interest must be expressed✓ in financial terms. ✓
- Insured must have a legal relationship✓ with the insured object in the contract. ✓
- Any other relevant answer related to insurable interest as a principle of insurance.

Principle (2)
Explanation (6)
Sub max (8)

8.4.4 Utmost good faith ✓✓

- Insured has to be honest in supplying details✓ when entering in an insurance contract. ✓
- Both parties✓ must disclose all relevant facts. ✓
- Insured must disclose everything✓ that may affect the extent of the risk. ✓
- Details/information supplied when claiming✓ should be accurate/true. ✓
- Any other relevant answer related to utmost good faith as a principle of insurance.

Principle (2)
Explanation (6)
Sub max (8)

NOTE: 1. Mark the first THREE (3) only.
2. Award marks if the example demonstrates understanding of the principles/requirements.

Max (16)

Positive/Advantages
8.5 The impact of COIDA on businesses

- 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

8.4.4 Negatives/Disadvantages

- Claiming processes/procedures ✓ can be time consuming. ✓
- Processes/Procedures required by this Act may be costly ✓ as paperwork places an extra administrative burden on businesses. ✓
- Employers have to register all their workers/make annual contributions to COIDA, ✓ which may result in cash flow problems. ✓
- Employers may be forced to pay heavy penalties ✓ if they are found guilty of negligence/not enforcing safety measures. ✓
- Workers who are temporary/permanently employed in foreign countries ✓ are not covered. ✓
- Domestic/Military workers✓ are not covered. ✓
- Any other relevant answer related to the disadvantages/negatives of COIDA.

Max (12)

Conclusion
8.6 Conclusion

- Insurance plays an important role in securing the future of businesses as it provides a guarantee of compensation for specified loss, damage, illness or death. ✓✓
- Taking out comprehensive insurance on assets and other specified losses is regarded as sound business practice. ✓✓
- Any other relevant conclusion related to insurance.

BREAKDOWN MARK ALLOCATION

Details	Maximum	Total
Introduction	2	
Differences	4	
Importance	14	Max
Principles	16	32
COIDA	12	
Conclusion	2	
INSIGHT		
Layout	2	
Analysis, interpretation	2	
Synthesis	2	
Originality, examples	2	
TOTAL MARKS	40	

LASO - For each component:

- Allocate 2 marks if all requirements are met.
- Allocate 1 mark if some requirements are met.
- Allocate 0 marks where requirement are not met at all.

QUESTION 9 BUSINESS ROLES (ETHICS AND PROFESSIONALISM)

9.1 INTRODUCTION

- Enterprises realise that they cannot exist in isolation, and have to interact with the various environments. ✓
- Many institutions in South Africa have their own code of conduct and code of ethics and a commitment to ethical and professional behaviour. ✓
- A code of practice usually addresses professional behaviour/professionalism, whereas a code of ethics contains ethical actions/what is right and acceptable in a business. ✓
- Any other relevant introduction on the relevant introduction on the relationship between business ethics and professionalism. ✓

Max (2 x 1) (2)

9.3 Pricing of goods in rural areas

- Some businesses in the rural areas exploit their customers ✓ by adding much more than necessary to their prices. ✓
- Some consumers in rural areas have little economic power ✓ and are vulnerable to exploitation. ✓
- Business may form monopolies in rural areas ✓ and increase their prices unilaterally. ✓
- It may be common practice to pay higher prices for goods ✓ of inferior quality in rural areas. ✓
- Prices of goods in these areas are generally based ✓ on the personal characteristics of the consumer. ✓
- Any other relevant answer related to pricing of goods in rural areas as a challenge for ethical and professional business practice.

Sub max (6)

9.3.1 Pricing of goods in rural areas

- Some businesses in the rural areas exploit their customers ✓ by adding much more than necessary to their prices. ✓
- Some consumers in rural areas have little economic power ✓ and are vulnerable to exploitation. ✓
- Business may form monopolies in rural areas ✓ and increase their prices unilaterally. ✓
- It may be common practice to pay higher prices for goods ✓ of inferior quality in rural areas. ✓
- Prices of goods in these areas are generally based ✓ on the personal characteristics of the consumer. ✓
- Any other relevant answer related to pricing of goods in rural areas as a challenge for ethical and professional business practice.

Sub max (6)

9.3.2 Sexual harassment

- A violation of basic human rights that normally happen when someone in power abuses his/her power/position. ✓ e.g. gesture/remark/action/suggestive behaviour which victimises the worker. ✓
- Sexual harassment is forbidden by law, ✓ as a victim may charge someone who has victimised him/her in a sexual manner. ✓
- The affected party is normally reluctant to report the incident ✓ due to fear of victimisation. ✓
- Manager promises an increase in salary/ a promotion/Quid pro quo Harassment ✓ in exchange for sexual favours. ✓
- Any other relevant answer related to sexual harassment as a challenge for ethical and professional business practice.

Sub max (6)

9.3.3 Unauthorised use of funds

- This form of fraud is the misuse of money without prior authorisation ✓ from a senior manager. ✓
- Fraud increases the cost of doing business/affects competition/ discourages investors ✓ when prices are increased to absorb the losses. ✓
- Use of company assets ✓ for private use/personal gain. ✓
- Any other relevant answer related to unauthorised use of funds as a challenge for ethical and professional business practice.

Sub max (6)

Sub max (6)
Max (18)

9.2 King Code Principles

Responsibility

- The business/board should develop and implement programmes✓ that should be aimed at protecting the communities in which they operate. ✓
- The business/board should develop remedial programmes✓ to protect the environment for example, reduce air and water pollution. ✓

Sub max (4)

9.3.1 King Code Principles

Accountability

- There must be sound relationships✓ between the business and all stakeholders. ✓
- The business is answerable to stakeholders✓ for their actions and the performance of the business. ✓
- A board of directors must be appointed✓ and accountable to rest of the board members ✓

Sub max (4)

9.3.2 King Code Principles

Transparency

- Business must have audit committees✓ and must conduct internal audits. ✓
- There must be disclosure✓ of accounting transactions and transparency. ✓
- The findings of the audits must be made available to stakeholders✓ and strategies must be put in place to deal with shortcomings. ✓

Sub max (4)
Max (8)

9.4.1 Recommendations: Pricing of goods in the rural area

- Businesses should be fair and apply reasonable pricing. ✓✓
- Access to rural areas should be increased, so that more products and a bigger variety is available. ✓✓
- Consumers in rural areas should insist on prices being fair and report any unfair pricing. ✓✓
- Entrepreneurship should be encouraged in these areas. ✓✓
- Cost effective ways of transporting the products can be investigated. ✓✓
- Suppliers can work together when delivering products to remote rural area. ✓✓
- Any other relevant recommendation related to prices in rural areas as a challenge for ethical and professional business practice.

9.4.2 Recommendations: Sexual harassment

- Implement internal complaints and disciplinary procedures. ✓✓
- Educate employers on sexual harassment matters. ✓✓
- Formulate a policy regarding sexual harassment. ✓✓
- Create a good working environment where all employees' rights and dignity are respected. ✓✓
- Internal investigation should be made in order to determine the seriousness of the harassment. ✓✓
- Serious cases/matters on sexual harassment should be reported to the appropriate institutions such as the South African Police Services (SAPS). ✓✓
- Ensure compliance with the law/business code of conduct. ✓✓
- Any other relevant recommendation related to sexual harassment as a challenge for ethical and professional business practice.

9.4.3 Recommendations: Unauthorised use of funds

- Limit the number of employees having access to business funds/assets. ✓✓
- Identify risk areas/ vulnerable areas. ✓✓
- Implement/introduce fraud prevention strategies. ✓✓
- Conduct regular audits. ✓✓
- Businesses must educate employees about the impact of fraud. ✓✓
- Fraud prevention should be a collective responsibility of business and workers. ✓✓
- Clear policies should be in place so that employees are aware of what is considered to be fraud. ✓✓
- Any other relevant recommendation related to unauthorised use of funds as a challenge for ethical and professional business practice.

Sub max (4)
Max (8)

9.5 Ways in which businesses can protect the environment and human health

- Adhere to laws/regulations so that profits are not generated at the expense of the environment. ✓✓
- Consider pollution/other environmental issues in all business activities, e.g. safe disposal of waste/dumping of toxic waste, etc. ✓✓
- Become involved in environmental awareness programs. ✓✓
- Protect the environment by altering production techniques in favour of cleaner and greener technologies. ✓✓
- Water for human consumption is tested before it is used. ✓✓
- Promote nature conservation by looking after natural resources. ✓✓
- Minimise pollution, by re-using/reducing/recycling. ✓✓
- Reduce consumption of goods/services which are environmentally unfriendly. ✓✓
- Register/Engage with recognised institutions/bodies that promote green peace. ✓✓
- Ensure that physical working conditions are worker friendly/safe/adequate/ ✓✓ functional/promoting occupational health. ✓✓
- Maintain/Service machines regularly. ✓✓
- Educate people about hygiene/health issues. ✓✓
- Encourage employees to do regular health checks. ✓✓

9.6 Conclusion

- A business code on ethics and conduct should improve relationships and eliminate unethical business practices. ✓✓
- Employees who do not adhere to a code of ethics and conduct should be disciplined. ✓✓
- Businesses can make use of good corporate governance to address issues that challenge ethical and professional behaviour. ✓✓
- Any other relevant conclusion related to ethical and professional business practices.

Sub max (4)
Max (12)

BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	
King Code	8	
Three Unethical issues:		
Description	18	Max 32
Recommendations	8	
Ways	12	
Conclusion	2	
INSIGHT		
Layout	2	
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS	40	

Note: Mark the any of the first TWO recommendations (Pricing of goods in the rural area / Sexual harassment / Unauthorised use of funds).

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.

QUESTION 10: BUSINESS OPERATIONS (HUMAN RESOURCE FUNCTION AND QUALITY OF PERFORMANCE)

10.1 Introduction

- Total quality relates to products that totally satisfy customers' needs and expectations in every respect on a continuous basis. ✓
- Quality ensures satisfaction of consumer 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)

10.2 Legal requirements of the employment contract.

- The employment contract is a legally binding document even though certain aspects of the contract are negotiable. ✓✓
- Neither the employee nor the employer may unilaterally change aspects of the employment contract. ✓✓
- Employer must explain the terms and conditions of the employment contract to the employee, if deemed necessary. ✓✓
- Employers must allow employees to read through the conditions of service and code of conduct before they sign the contract. ✓✓
- Employee may also consult legal experts to help him understand the terms and conditions of the contract. ✓✓
- Both parties involved must have contractual capacity. ✓✓
- It should include a code of conduct and/or a code of ethics for employees. ✓✓
- Specific details of the remuneration package should be clearly explained to employees/stipulated in the contract. ✓✓
- It must stipulate what employees would receive in terms of benefits and labour legislation. ✓✓
- All business policies/procedures/disciplinary codes should form part of the employment contract. ✓✓

Any other relevant answer related to other legal requirements of the employment.

Max (10)

10.3 Positive impact of monitoring and evaluation of quality processes as a TQM element on large businesses

- Large businesses have a system of monitoring and evaluation/quality assurance processes in place✓ to prevent product defects. ✓
- Key performance indicators are carefully selected ✓ to set realistic baselines. ✓
- Data gathered from indicators/Control charts✓ are used to effectively monitor outcomes. ✓
- Large businesses have quality control checks and procedure✓ to ensure zero tolerance. ✓
- May be better equipped ✓ to get thing right the first time with no defects. ✓
- Use benchmarking to find the best practices✓ to compare results with it. ✓
- Quality circles meet often✓ to evaluate the progress in terms of quality/ to check whether the monitoring system is still effective. ✓
- Any other relevant answer related to the positive impact of monitoring and evaluation of quality processes as a TQM element on large businesses. (2 x 1) (2)

10.4 Benefits of an effective induction programme

- New employees who are familiar with the business's policies/procedures may easily adapt to his/her new work environment. ✓✓
- New employees learn more about the business and understand their role in the business/what is expected in the job. ✓✓
- Increased productivity and quality of service/performance. ✓✓
- Minimises the need for on-going training and development. ✓✓
- Better/More focused training may be provided based on the results obtained from the induction process. ✓✓
- New employees will understand rules/restrictions in the business. ✓✓
- New employees will know where everything is and who the supervisors/ low-level managers are for better communication purposes. ✓✓
- New employees may feel part of the team resulting in positive morale/motivation. ✓✓
- Any other relevant answer related to the benefits of an effective induction programme

Max (10)

10.5 Implications of LRA

- Provides a framework/structure for labour relations ✓ between employers/ employees/trade unions/employer organisations. ✓
- Promotes/facilitates collective bargaining✓ at the workplace/at sectorial level. ✓
- Promotes workplace forums✓ to accommodate employees in decision making. ✓
- Provides for the right to lock-out by the employer✓ as a reaction to lengthy strikes. ✓
- Promotes fair labour practice✓ between the employers and employees. ✓
- Clarifies the transfer of employment contracts✓ between the existing and new employers. ✓

- Promotes simple procedures✓ for the registration of trade unions/employer organisations. ✓
- Advances economic development/social justice/labour peace✓ to ensure that the workplace maintains the basic rights of employees. ✓
- Establishes the Commission for Conciliation, Mediation and Arbitration (CCMA) ✓ for dispute resolutions. ✓
- Establishes Labour Courts✓ and Labour Appeal Courts. ✓
- Any other relevant answer related to the purpose of the LRA.

10.7 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. ✓✓
- LRA provides for conflict resolution mechanisms in the workplace. ✓✓
- Fair labour practices in the workplace may result in efficient business operations with minimal disruptions. ✓✓
- Any other relevant conclusion related to TQM and human resources

Max (1 x 2) (2)
[40]

BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	
Legality of employment contract	10	
Advantages	12	Max 32
Advantages-induction	12	
Implications	12	
Conclusion	2	
INSIGHT		
Layout	2	
Analysis, interpretation	2	
Synthesis	2	
Originality, examples	2	
TOTAL MARKS		40

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 SECTION C: 80

GRAND TOTAL: 300