



**education**

Department:

Education

PROVINCE OF KWAZULU-NATAL

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**BUSINESS STUDIES  
MARKING GUIDELINE  
COMMON TEST  
MARCH 2019**

**MARKS: 100**

**N.B. This memorandum consists of 21 pages.**

**NOTES TO MARKERS****PREAMBLE**

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

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

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

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

2. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.

3. A comprehensive memorandum has been provided but this is by no means exhaustive.

Due consideration should be given to an answer that is correct but:

- Uses a different expression from that which appears in the memorandum
- Comes from another source
- Original
- A different approach is used.

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

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

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:

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

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

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

## 16. SECTION C

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

Introduction	<b>Maximum: 32</b>
Content	
Conclusion	
Insight	<b>8</b>
<b>TOTAL</b>	<b>40</b>

16.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body, and a conclusion?	<b>2</b>
Analysis and interpretation	<p>Is the candidate able to break down the question into headings/ sub-headings/ interpret it correctly to show understanding of what is being asked?</p> <p>Marks to be allocated using this guide:</p> <p>All headings addressed: 1 (One 'A')</p> <p>Interpretation (16 to 32 marks): 1 (One 'A')</p>	<b>2</b>
Synthesis	<p>Are there relevant decisions/facts/responses made based on the questions?</p> <p>Marks to be allocated using this guide: No relevant facts: 0 (Two '-S')</p> <p>Some relevant facts: 1 (One '-S')</p> <p>Only relevant facts: 2 (No '-S')</p> <p>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.</p> <p>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.</p> <p>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.</p>	<b>2</b>
Originality	Is there evidence of examples, recent information, current trends and developments?	<b>2</b>
<b>TOTAL FOR INSIGHT</b>		<b>8</b>
<b>TOTAL MARKS FOR FACTS</b>		<b>32</b>
<b>TOTAL MARKS FOR ESSAY (8 + 32)</b>		<b>40</b>

**NOTE:**

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

- 16.3 Indicate insight in the left-hand margin with a symbol, e.g. ('L, A, 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:

L – Layout, A – Analysis, S – Synthesis, O – Originality as in the table below.

CONTENT	MARKS
Facts	<b>32 (max.)</b>
L	<b>2</b>
A	<b>2</b>
S	<b>2</b>
O	<b>2</b>
<b>TOTAL</b>	<b>40</b>

- 16.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not use the same subheadings.  
Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought.  
(See MARK BREAKDOWN at the end of each question.)
- 16.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 15.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the memorandum.

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16.10

16.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.

16.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (✓) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy, ✓ where businesses aim to introduce new products into existing markets.' ✓  
This will be informed by the nature and context of the question, as well as the cognitive verb used.

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****QUESTION 1****1.1 Multiple choice questions**

1.1.1 A ✓✓

1.1.2 B ✓✓

1.1.3 B ✓✓

1.1.4 D ✓✓

1.1.5 C ✓✓

**(5 x 2) (10)****1.2 Matching**

1.2.1 E ✓✓

1.2.2 A ✓✓

1.2.3 I ✓✓

1.2.4 C ✓✓

1.2.5 G ✓✓

**(5x2) (10)****TOTAL SECTION A: [20]**



**SECTION B****QUESTION 2****2.1 Legislation**

**2.1.1** Skills Development Act, 1998 (Act 97 of 1998) / Skills Development Act / SDA ✓✓

**(2)**

**2.1.2 Actions regarded as discriminatory by the Skills Development Act**

- JM only gives younger employees the opportunity to learn new skills. ✓
- "Female employees are also excluded from attending training programmes." ✓

**NOTE: Only allocate marks for responses that are quoted from the scenario.**

**(2 x 1) (2)**

**2.2 Advantages of the Employment Equity Act (ACT 55 of 1998) on businesses.**

- Promotes equal opportunity ✓ and fair treatment in the workplace. ✓
- Ensures the implementation of affirmative action measures ✓ to redress the imbalances in employment. ✓
- Encourages diversity in the business ✓ by employing people from various racial/cultural/religious backgrounds. ✓
- Provides all employees with an equal opportunity ✓ to be selected/appointed/promoted in a position. ✓
- Provides employees with legal recourse ✓ if they believe they have been unfairly discriminated against.
- Compels businesses to develop/implement ✓ an Employment Equity Plan. ✓
- Creates a framework of acceptable employment practices ✓ and affirmative action measures. ✓
- Any other relevant answer related to the advantages of EEA on businesses.

**Max (8)**

**2.3 Components of PESTLE**

- Political ✓
- Economic ✓
- Social ✓
- Technological ✓
- Legal ✓
- Environmental ✓

**NOTE: Mark the first FOUR (4) only.**

**(Any 4x1) (4)**

**2.4 Justify market development as an intensive strategy for business.**

- A process of exploring / finding/searching new markets✓ for existing products✓
- Business selling their existing products/ services✓ to new market✓
- Increases market share ✓ and reduces the business's vulnerability to actions of competitors. ✓
- Increases sales/income/profitability ✓ due to a variety of advertising campaigns. ✓
- Improves service delivery ✓ which may improve business image. ✓
- Businesses may have more control ✓ over products and prices. ✓
- Eliminates competitors ✓ and dominates market prices. ✓
- Any other relevant answer related to the justification of market development as an intensive strategy for business.

**Max (4)**  
**[20]**

**BREAKDOWN OF MARKS**

QUESTION 2	MARKS
2.1.1	2
2.1.2	2
2.2	8
2.3	4
2.4	4
TOTAL	20

**QUESTION 3****3.1 FIVE aspects that should be included in the employment contract**

- Details of employer. ✓
- Personal details of employee. ✓
- Job title ✓
- Job description ✓
- Working hours ✓
- Overtime ✓
- Salary package ✓
- Leave ✓
- Probation period ✓
- Code of conduct/code of ethics ✓
- Termination of the contract ✓
- Restraint of trade ✓

**NOTE: Mark the first FIVE (5) only.****(Any 5 x 1) (5)****3.2 Distinguish between job description and job specification**

<b>Job description</b>	<b>Job specification</b>
- Written description of the job ✓ and its requirements. ✓	- Written description of the specific characteristics/skills/experience qualifications ✓ required to do the job. ✓
- Describes duties/responsibility ✓ of a specific job ✓/Summary ✓ of the nature/type of job. ✓	- Describes the minimum acceptable personal qualities/skills/qualifications ✓ needed for the job. ✓
- Describes key performance areas/tasks for a specific job, ✓ e.g. job title/working conditions/relationship of the job with other jobs in the business ✓ etc.	- Describes key requirements of the person who will fill the position, ✓ e.g. formal qualifications/willingness to travel/work unusual hours, ✓ etc.
- Any other relevant answer related to job description.	- Any other relevant answer related to job specification.
Submax (2)	Submax (2)

**NOTE: 1. The distinction must be clear.****2. Allocate a maximum of TWO (2) marks if distinctions is not clear.****Mark either job description or job specification only****3. Answer does not have to be in tabular format.****Max (4)**

**3.3****3.3.1** Internal recruitment ✓✓

“She advertised the position on the business’s notice board.” ✓

**(3)****3.3.2 Advantages of internal recruitment on businesses**

- Business recruits from existing employees ✓ through promotions/transfer from inside the business. ✓
- Opportunities for promotion reward for good work ✓ motivates current employees. ✓
- Staff morale and productivity increases ✓ if suitable staff members are promoted regularly. ✓
- Current employees understand ✓ how the business operates. ✓
- The business knows the candidate, ✓ his/her personality, strengths and weaknesses. ✓
- Reliable/key staff members are retained ✓ if they are promoted/transferred within the business. ✓
- Detailed, reliable information on candidates ✓ can be obtained from supervisors/employee records. ✓
- Recruitment process is faster and less expensive ✓ if the candidates are known. ✓
- A business would save on costs ✓ when inducting a new employee ✓
- Any other relevant answer related to the advantages of internal recruitment on businesses.

**Max (4)****3.4 Positive impact of fringe benefits on businesses**

- Attractive fringe benefit packages ✓ may result in higher employee retention, reduces employee turnover. ✓
- Increases employee’s loyalty, ✓ they may be willing to work under pressure, improve personal performance. ✓
- Leads to higher productivity ✓ as workers are motivated. ✓
- Attracts qualified employees ✓ who do not require extra training. ✓
- Any other relevant answer related to the positive impact of fringe benefits on businesses.

**(Max 4)****[20]****BREAKDOWN OF MARKS**

QUESTION 3	MARKS
<b>3.1</b>	<b>5</b>
<b>3.2</b>	<b>4</b>
<b>3.3.1</b>	<b>3</b>
<b>3.3.2</b>	<b>4</b>
<b>3.4</b>	<b>4</b>
<b>TOTAL</b>	<b>20</b>

**QUESTION 4****4.1.1 Brainstorming** ✓✓**(2)****4.1.2 Advantages of problem solving technique**

- Better solutions are developed ✓ through collective contributions. ✓
- Combination of ideas/improvements can be chosen ✓ after all the ideas have been written down. ✓
- Employees are motivated ✓ as they are allowed to contribute to problem solving. ✓
- Stimulates creative thinking ✓ in the workplace. ✓
- People get ideas from others ✓ and build on them. ✓
- Any other relevant answer related to the advantages of Brainstorming as a problem solving technique.

**Max (6)****4.2 Distinction between decision making and problem solving**

<b>DECISION MAKING</b>	<b>PROBLEM SOLVING</b>
- It is often done by one person/a member ✓ of senior management. ✓	- Problems can be solved ✓ by a group/team or an individual team member. ✓
- Various alternatives are considered ✓ before deciding on the best one. ✓	- Alternative solutions are generated/identified ✓ and critically evaluated. ✓
- It is part of the problem solving cycle ✓ as decisions need to be taken in each step. ✓	- Process of analysing a situation ✓ to identify strategies to bring about change. ✓
- Any other relevant answer related to decision making.	- Any other relevant answer related to problem solving.
Sub max (4)	Sub max (4)

**Max (8)**

- NOTE:**
1. The answer does not have to be in tabular format, but the distinction must be clear.
  2. Award maximum of FOUR (4) marks, if the distinction is not clear. Mark either decision making or problem solving only.

**4.3 Ways in which a business can create an environment that promotes creative thinking.**

- Emphasise the importance of creative thinking to ensure that all staff know that you want to hear their ideas. ✓✓
- Encourage staff to come up with new ideas/solutions. ✓✓
- Place suggestion boxes around the workplace and keep communication channels open for new ideas. ✓✓
- Provide a conducive work environment free from distractions. ✓✓
- Make time for brainstorming sessions to generate new ideas, e.g. regular workshops. ✓✓
- Reward creativity by introducing reward schemes for teams/individuals who come up with creative ideas. ✓✓
- Any other relevant way in which a business can create an environment that promotes creative thinking.

**Mark the first TWO only****(2 x 2) (4)****BREAKDOWN OF MARKS**

QUESTION 3	MARKS
4.1.1	2
4.1.2	6
4.2	8
4.3	4
TOTAL	20

**QUESTION 5: BUSINESS ENVIRONMENTS (LEGISLATION)****5.1 Introduction**

- COIDA was introduced to protect the health and safety of employees in the workplace. ✓
- COIDA provides guidelines for the compensation of employees who are disabled because of injuries sustained/diseases contracted at work. ✓
- It also provides for compensation if a worker dies due to a work-related injury/disease/ covers permanent and temporary disabilities. ✓
- Injuries and diseases for which claims can be made are specified in the Act. ✓
- Any other relevant introduction related to nature/ rights of employees/ ways to comply/ impact of COIDA.

**(2 x 1) (2)****5.2 Nature of COIDA**

- COIDA applies to all employers, casual and full-time workers, who become ill, are injured, disabled or killed ✓ due to a workplace accident or work related disease. ✓
- Excludes workers ✓ who are guilty of willful misconduct/workers working outside South Africa for at least twelve months/members of the SA Defense Force/Police Services. ✓
- Provides for the establishment of a Compensation Board ✓ whose function is to advise the Minister of Labour on the application/provisions of COIDA. ✓
- Medical expenses/other types of compensation are paid to employees and/or their families ✓ depending on the type/severity of the injuries. ✓
- Employees have to pay a monthly amount to the Compensation Fund ✓ depending on the number of employees/level of risk they are exposed to. ✓
- Any other relevant answer related to the nature COIDA.

**Max (10)****5.3 Rights of employees**

- To work in a safe environment ✓ by being provided with protective gear and other requirements as outlined in the Act. ✓
- Notify the employer of the accident ✓ as soon as possible. ✓
- Comply with the necessary medical assessment ✓ to assess the nature of the injury/disease. ✓
- May claim for compensation, ✓ if he/she is partially/permanently disabled. ✓
- Employees' dependents have a right to claim ✓ when the employee dies as a result of injuries at work. ✓
- Any other relevant answer related to the right of employees as outlined in COIDA.

**Max (10)**

**5.4 Compliance**

- 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. ✓✓
- Obligated to report all incidents causing death/injury/illness of employees. ✓✓
- Business 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 the employees are exposed to. ✓✓
- Employers may not make deductions for COIDA from employees' remuneration packages. ✓✓
- Businesses must ensure that claims are lodged within 12 months of the date of the incident. ✓✓
- Businesses must ensure that a/ one health and safety officer/ representative is appointed for every 20 employees ✓✓
- Any other relevant answer related to ways in which businesses have to comply with COIDA.

**Max (12)****5.5 Impact of COIDA on businesses****Positives/Advantages**

- Promotes safety ✓ in the workplace. ✓
- Creates a framework ✓ for acceptable employment practices/safety regulations. ✓
- Supply administrative guidelines/mechanisms ✓ for dealing with processing claims. ✓
- Eliminates time and costs spent ✓ on lengthy civil court proceedings. ✓
- Covers all employees at the workplace ✓ if both parties meet all the necessary safety provisions in the Act. ✓
- Employees are compensated financially for any injury/disability ✓ resulting from performing their duties at the workplace. ✓
- In the event of the death of an employee as a result of a work-related accident/disease, ✓ his/her dependent 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 claiming processes are relatively simple ✓ as employers assist employees. ✓
- 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 positives/advantages of COIDA on businesses.

**AND/OR**



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### Negatives/Disadvantages

- Claiming processes/procedures ✓ can be time consuming. ✓
- 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 temporarily/permanently employed in foreign countries ✓ are not covered. ✓
- Domestic/Military workers ✓ are not covered. ✓
- Any other relevant answer related to the negatives/disadvantages of COIDA on businesses.

**Max (12)**

### 5.6 Conclusion

- Good progress has been made as businesses are now more socially responsible in improving safety measures/working conditions/being responsible for workers and their dependents. ✓✓
- Workers in some industries are being compensated for contracting diseases such as tuberculosis, silicosis✓✓ etc.
- Any other relevant conclusion related to COIDA.

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

### BREAKDOWN OF MARKS

Details	Maximum	Total
Introduction	2	Max 32
Nature of COIDA	10	
Rights of employees	10	
Compliance	12	
Impact of COIDA	14	
Conclusion	2	
<b>INSIGHT</b>		8
Layout	2	
Analysis, interpretation	2	
Synthesis	2	
Originality, examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

\*LASO – Refer to NOTE to markers.

**QUESTION 6: BUSINESS ROLES (ETHICS & PROFESSIONALISM)****6.1 Introduction**

- Ethical behavior and business practice are expected from every single employee in the business. ✓
- Ethical and professional behaviour means that the highest legal and moral standards are upheld when dealing with stakeholders. ✓
- Businesses that adopt professional, responsible and ethical business practices will remain sustainable over a long period of time. ✓
- Any other relevant introduction related to ethical and professional business practices.

**(2 x 1) (2)****6.2 Professional, responsible and ethical business practice**

- 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. legally disposing of waste. ✓✓
- Refrain from starting a business venture using other businesses' ideas that are protected by law. ✓✓
- Business decisions and actions must be clear/transparent to all stakeholders. ✓✓
- Pay tax regularly/Register with SARS to comply with the law. ✓✓
- Any other relevant answer related to how professional, responsible and ethical business practice should be conducted.

**NOTE: Mark the first FIVE (5) only.****(Any 5 x 2) (10)****6.3 Distinction between professional and ethical behavior**

<b>Professional behaviour</b>	<b>Ethical behaviour</b>
- Refers to what is right/wrong/acceptable ✓ in a business. ✓	- Refers to the principles of right and wrong/acceptable ✓ in a society. ✓
- Set of standards ✓ of expected behaviour. ✓	- Conforms to a set of values ✓ that are morally acceptable. ✓
- Applying a code of conduct ✓ of a professional business. ✓	- Forms part of a code of conduct ✓ to guide employees to act ethically. ✓
- Focuses on developing a moral compass ✓ for decision making. ✓	- Focuses on upholding the reputation ✓ of a business/profession. ✓
- Includes guidelines ✓ on employees' appearance/communication/attitude/responsibility ✓ etc.	- Involves following the principles of right or wrong ✓ in business activities/practices/dealings. ✓
- Any other relevant answer related to professional behaviour in a business.	- Any other relevant answer related to ethical behaviour in a business.
Sub max (6)	Sub max (6)

- NOTE: 1. The answer does not have to be in tabular format, but the distinction must be clear.**
- 2. Award maximum of SIX (6) marks, if the distinction is not clear. Mark either professional behaviour or ethical behaviour only.**

**Max (12)****6.4 Issues that could challenge ethical and professional behaviour in a business.****6.4.1 Pricing of goods in rural areas**

- Businesses may lose potential customers√ due to exploitation. √
- The image of the business√ may be negatively affected. √
- Goods may become obsolete√ due to low sales turnover. √
- Businesses may incur additional costs√ such as storage cost, working capital and transport. √
- Businesses may be faced with penalties for not complying with the CPA
- Any other relevant answer related to pricing of goods in rural areas

**Sub max (4)****6.4.2 Sexual harassment**

- Businesses may lose skilled workers√ due to resignation/ stigmatization.√
- The business may lose potential investors√ due to negative publicity.√
- Decrease morale of victimised employees √will result in a decrease in productivity/profitability. √
- Business may lose time and money √ as a result of lengthy disciplinary proceedings. √
- Any other relevant answer related to how sexual harassment poses a challenge.

**Sub max (4)****6.4.3 Unauthorised use of funds and resources**

- The misuse of money without prior authorisation √ may lead to cash flow problems/legal actions. √
- Fraud increases the cost of doing business/affects competition/discourages investors √ when prices are increased to absorb the losses. √
- The use of company assets √ for private use/personal gain may not benefit the business. √
- Any other relevant answer related to unauthorised use of funds.

**Sub max (4)****Max 12**

**Note: Should a candidate provide a description only, award a maximum of 2 marks for each unethical issue.**

**6.5 Recommend ways in which a business may address each of the unethical business practice.****6.5.1 Recommendations: Pricing of goods in rural areas**

- 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 areas. ✓✓
- Any other relevant recommendation related to prices in rural areas as a challenge for ethical and professional business practice. Sub max (4)

**6.5.2 Recommendations: Sexual harassment**

- Implement internal complaints and disciplinary procedures. ✓✓
- Educate employees 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 sexual harassment. ✓✓
- Serious cases/matters on sexual harassment should be reported to the appropriate institutions such as the South African Police Service (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. Sub max (4)

**6.5.3 Recommendations: Unauthorised use of funds and resources**

- Limit the number of employees who have access to business funds/assets. ✓✓
- Implement/Introduce/Formulate fraud prevention strategies. ✓✓
- Identify risk areas/ vulnerable areas. ✓✓
- 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 12

**6.6 Conclusion**

- A businesses 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.

(1x 2) (2)

**[40]****BREAKDOWN OF MARKS**

Details	Maximum	Total
Introduction	2	Max 32
Professional, responsible and ethical business practice	10	
Distinction between professional and ethical behaviour	12	
Three unethical issues:	12	
- Description		
- Recommendations	12	
Conclusion	2	8
<b>INSIGHT</b>		
Layout	2	
Analysis, interpretation	2	
Synthesis	2	
Originality, examples	2	<b>40</b>
<b>TOTAL MARKS</b>		

\*LASO – Refer to NOTE to markers.