



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES

NOVEMBER 2019

MARKING GUIDELINE

MARKS: 300

This marking guideline consist of 52 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 marking guideline 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 marking guideline
 - Comes from another credible 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 and moderation 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 the marking guidelines. Only the total for each question 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. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.
10. No additional credit must be given for repetition of facts. Indicate with an 'R'.
11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
- 11.1 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.'*✓
- 11.2 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:** 1. The above could apply to 'analyse' as well.
2. Note the placing of the tick (✓) in the allocation of marks.
12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.
- Cognitive verbs, such as:
- 12.1 Advise, name, state, mention, outline, motivate, 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.
- 12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, 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.
13. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

14. SECTION B

- 14.1 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.

- 14.2 If two facts are written in one sentence, award the candidate FULL credit. Point 14.1 above still applies.
- 14.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers.

14.4 Use of the cognitive verbs and allocation of marks:

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

- Fact 2 marks (or as indicated in the marking guidelines)
- Explanation 1 mark (two marks will be allocated in Section C)

The 'fact' and 'explanation' are given separately in the marking guideline to facilitate mark allocation.

- 14.4.2 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 marking guideline.

- 14.5 **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 SECTIONS B and C in particular (where applicable).**

15. SECTION C

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

15.2 Insight consists of the following components:

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

- 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 awarded for layout, if the headings INTRODUCTION and CONCLUSION are not supported by an explanation.**

15.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, -S and/or O').

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

- 15.5 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, but continue reading for originality “O”.
- 15.6 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	32 (max.)
L	2
A	2
S	2
O	2
TOTAL	40

- 15.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of 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.)
- 15.8 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 marking guideline.
- 15.10 15.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 15.10.2 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.
- 15.11 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 would also depend on the nature of the question.

SECTION A**QUESTION 1**

- 1.1 1.1.1 C✓✓
 1.1.2 C/D✓✓
 1.1.3 A✓✓
 1.1.4 C✓✓
 1.1.5 B✓✓
 1.1.6 A✓✓
 1.1.7 D✓✓
 1.1.8 B✓✓
 1.1.9 C✓✓
 1.1.10 A✓✓
- (10 x 2) **(20)**
- 1.2 1.2.1 double✓✓
 1.2.2 compound interest✓✓
 1.2.3 employer✓✓
 1.2.4 quality✓✓
 1.2.5 screening✓✓
- (5 x 2) **(10)**
- 1.3 1.3.1 F✓✓
 1.3.2 H✓✓
 1.3.3 I✓✓
 1.3.4 G✓✓
 1.3.5 J✓✓
- (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 the FIRST THREE answers only.****QUESTION 2: BUSINESS ENVIRONMENTS****2.1 Types of diversification strategies**

- Concentric✓
- Horizontal✓
- Conglomerate ✓

NOTE: Mark the first THREE (3) only.**(3 x 1) (3)****2.2 Role of SETAs**

- Develop sector 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 establish 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.✓✓
- Identify suitable workplaces for practical work experience.✓✓
- Collect levies and pay out grants as required.✓✓
- Report to the Director General.✓✓
- Any other relevant answer related to the role of SETAs in supporting the SDA.

Max (8)**2.3 Provisions of leave****2.3.1 Maternity leave**✓✓**2.3.2 Annual leave**✓✓**2.3.3 Family responsibility leave**✓✓**2.3.4 Sick leave**✓✓**(8)****2.4 Purpose of Labour Relations Act/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 recourse 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.

Max (8)

2.5 Consumer rights according to the CPA

Right to choose✓✓

- Consumers have the right to:
 - o choose suppliers and goods.✓
 - o shop around for the best prices.✓
 - o return goods that are unsafe/defective for a full refund.✓
 - o reject goods that are not the same as the sample marketed.✓
 - o cancel/renew fixed term agreements.✓
 - o request written quotations and cost estimates.✓
- Any other relevant answer related to the consumers' right to choose according to the CPA.

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

Right to privacy and confidentiality✓✓

- Consumers have the right to stop/restrict unwanted direct marketing.✓
- They can object to unwanted promotional e-mails and 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 according to the CPA.

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

Right to fair and honest dealings✓✓

- Suppliers may not use physical force/harass customers to buy products.✓
- Suppliers may not give misleading/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 according to the CPA.

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

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

- Contracts/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.✓
- All information related to the country of origin, expiry dates/ingredients of the products should be disclosed.✓
- Businesses should label products and trade descriptions correctly.✓
- Any other relevant answer related to the consumers' right to information/disclosure according to the CPA.

Right (2)
Discussion (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/responsible marketing/promotion according to the CPA.

Right (2)
Discussion (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/ a written warranty.✓
- Any other relevant answer related to the consumers' right to fair value/good quality and safety according to the CPA.

Right (2)
Discussion (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 according to the CPA.

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

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

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

Right (2)
Discussion (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 according to the CPA.

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

NOTE: Mark the first THREE (3) only.

Max (9)

2.6 Act**2.6.1 Broad-Based Black Economic Empowerment/BBBEE**✓✓

(2)

2.6.2 Pillars of BBBEE

PILLARS	MOTIVATION
1. Ownership✓✓	- The company gave some of its shares to their previously disadvantaged employees.✓
2. Skills development✓✓	- They were also offered learnership programmes.✓
Sub max (4)	Sub max (2)

NOTE: 1. Award marks for the BBBEE pillars even if the quote is incomplete.

2. Do not award marks for the motivation, if the BBBEE pillars were incorrectly identified.

Max (6)

2.7 PESTLE elements/factors posing challenges to businesses**2.7.1 Economic**

- High inflation/Interest rate may decrease the market share of businesses✓ as customers cannot afford high prices✓/Increase in taxes will result✓ in lower customer spending.✓
- Loans may be expensive✓ due to high interest rates. ✓
- Fluctuations in foreign currency✓ may restrict imports. ✓
- Any other relevant answer related to how the economic factor as a PESTLE element may pose a challenge to businesses.

Max (4)

2.7.2 Social

- Customers may not be able to afford products✓ due to low income levels/high unemployment. ✓
- Businesses may not be conversant✓ with the language of their customers. ✓
- Some customers may prefer to spend their money on medical bills✓ for the treatment of chronic illnesses.✓
- High crime rate may affect the trading hours of businesses✓ resulting in decreased profit. ✓

Any other relevant answer related to how the social factor as a PESTLE element may pose a challenge to businesses.

Max (4)

2.8 Ways in which business may comply with the EEA

- Guard against discriminatory appointments.✓✓
- Assess the racial composition of all employees, including senior management.✓✓
- Ensure that there is equal representation of all racial groups in every level of employment.✓✓
- Promote equal opportunities and fair treatment.✓✓
- Clearly define the appointment process, so that all parties are well informed.✓✓
- Use certified psychometric tests to assess applicants/employees to ensure that suitable candidates are appointed.✓✓
- Ensure that diversity/inclusivity in the workplace is achieved.✓✓
- Implement affirmative action measures to redress disadvantages experienced by designated groups.✓✓
- Prepare an employment equity plan in consultation with employees.✓✓
- Implement an employment equity plan.✓✓
- Submit the employment equity plan to the Department of Labour.✓✓
- Assign one or more senior managers to ensure implementation and monitoring of the employment equity plan.✓✓
- Eliminate barriers that have an adverse impact on designated groups.✓✓
- Accommodate people from different designated groups.✓✓
- Retain/Develop/Train designated groups, through skills development.✓✓
- Regularly report to the Department of Labour on progress in implementing the plan.✓✓
- Employees must be paid equal for work of equal value. ✓✓
- Any other relevant answer related to ways in which businesses may comply with the EEA.

Max (8)

[60]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	3
2.2	8
2.3	8
2.4	8
2.5	9
2.6.1	2
2.6.2	6
2.7.1	4
2.7.2	4
2.8	8
TOTAL	60

QUESTION 3: BUSINESS VENTURES**3.1 Types of preferences shares**

- Participating preference shares✓
- Non-participating preference shares✓
- Ordinary preference shares✓
- Cumulative preference shares✓
- Non-cumulative preference shares✓
- Redeemable preference shares✓
- Non-redeemable preference shares✓
- Convertible preference shares✓
- Non-convertible preference shares✓

NOTE: Mark the first FOUR (4) only.**(4 x 1) (4)****3.2 Advantages of unit trusts**

- Managed by a fund manager who buys shares on the stock exchange/JSE. ✓✓
- Fund managers are knowledgeable/experts/reliable/trustworthy as they are required to be accredited to sell unit trusts. ✓✓
- The investor has a variety/wider range of shares to choose from, consequently with a lower degree of risk. ✓✓
- Safe investments, as it is managed according to rules and regulations. ✓✓
- A small amount can be invested per month. ✓✓
- Easy to invest in, as investors simply complete a few relevant forms or invest online. ✓✓
- Easy to cash in when an investor needs money. ✓✓
- The higher the principal amount/the longer the investment period, the higher the interest rate offered by a financial institution. ✓✓
- Fluctuations in unit trust rates of return are often not so severe because of diversity of the investment fund. ✓✓
- Generally beats inflation on the medium/long term. ✓✓
- Offer competitive returns in the form of capital growth and dividend distribution.
- Low risk over a long period of time. ✓✓
- Any other relevant answer related to the advantages of unit trusts as a form of investment.

Max (8)**3.3 Leadership****3.3.1 Roles of personal attitude from the scenario**

- He has a positive attitude and knows that there is always more to learn. ✓
- Sihle models the behaviour that he wants to see in his followers. ✓

NOTE:

1. Mark the first TWO (2) only.
2. Only award marks for responses that are quoted from the scenario.

(2 x 1) (2)

3.3.2 Impact of democratic leadership style**Positives/Advantages**

- Employees participate in the decision-making process, so they feel empowered/positive. ✓✓
- Staff gives a variety of ideas/inputs/feedback/viewpoints that can lead to innovation/improved production methods/increased sales. ✓✓
- 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. ✓✓
- Any other relevant answer related to the positives/advantages of the democratic leadership style on MH as a business.

AND/OR**Negatives/Disadvantages**

- Incorrect decisions may be made if staff is inexperienced/not fully informed. ✓✓
- Decision making may be time consuming because stakeholders have to be consulted. ✓✓
- Employees may feel discouraged if their opinions/inputs are not considered. ✓✓
- The leader can rely too much on the input of the followers and fail to make a final decision. ✓✓
- Not effective in times of crisis/when quick decisions need to be made. ✓✓
- Some employees only pretend to participate in decision making and their feedback may not always be accurate. ✓✓
- Any other relevant answer related to the negatives/disadvantages of the democratic leadership style on MH as a business.

Max (8)**3.4 Importance of insurance for businesses**

- Transfers the risk from businesses/insured✓ to an insurance company/insurer.✓
- Transfer of risk is subject to the terms and conditions✓ of the insurance contract.✓
- Protects businesses against theft/loss of stock and/or damages✓ caused by natural disasters such as floods, storm damage✓, etc.
- Businesses will be compensated for insurable losses✓, e.g. destruction of property through fire.✓
- Businesses' assets, e.g. vehicles/equipment/buildings need to be insured✓ against damage and/or theft.✓
- Businesses are protected against the loss of earnings✓, e.g. strikes by employees which result in losses worth millions.✓
- Protects businesses✓ against dishonest employees.✓
- Life insurance can be taken on the life of partners in a partnership✓ to prevent unexpected loss of capital.✓
- Should the services of key personnel be lost due to accidents/death✓, the proceeds of an insurance policy can be paid out to businesses/beneficiaries.✓
- Replacement costs for damaged machinery/equipment are very high✓, therefore insurance can reduce/cover such costs.✓

- Protects businesses from claims made by members of the public for damages that the business is responsible for.
- Protects businesses against losses due to death of a debtor.
- Any other relevant answer related to the importance of insurance for businesses.

Max (8)

3.5 Factors to consider when making investment decisions

3.5.1 Return on Investment

- Refers to income from the investment, namely interest/dividends/increased capital growth on the original amount invested.
- The return should be expressed as net after-tax gains on the investment.
- High risk investments yield higher returns.
- Generally, there will be a direct link between risk and return.
- Returns can be in the form of capital gains where the asset appreciates in value over time.
- The net after-tax return should be higher than the inflation rate.
- Example: investing in ordinary shares could yield higher returns than investing in preference shares due to the high risk involved.
- Any other relevant answer related to return on investment as a factor that may be considered when making investment decisions.

Max (4)

3.5.2 Liquidity

- A sum of money could be invested in a type of investment that can easily be converted to cash.
- The term is used to describe the ease and speed with which investors can convert an investment into cash.
- Example: funds in a savings account/unit trust will be easier to convert into cash than an investment in a fixed deposit which is usually deposited for a fixed period of time.
- Any other relevant answer related to liquidity as a factor that may be considered when making investment decisions.

Max (4)

3.6 Under-insurance

3.6.1 Average clause

(2)

3.6.2 Calculation of average clause

$$\frac{\text{Insured amount}}{\text{Market value}} \times \text{Loss/Damage}$$

$$\frac{\text{R300 000}}{\text{R400 000}} \times \text{R60 000}$$

$$= \text{R 45 000}$$

- NOTE:**
1. Award full marks (4) if the answer is correct and no workings are shown.
 2. If workings were shown correctly but the final answer is wrong, award a maximum of TWO (2) marks.
 3. If the answer is incorrect, award a maximum of ONE mark for the understanding of concept and method.

Max (4)

3.7 Advantages of a non-profit company as a form of ownership

- Income is used solely for the primary objective✓ of the organisation. ✓
- Social services✓ are provided to various communities. ✓
- Attract more donations from donors✓ who receive tax deductions.✓
- Non-profit companies are exempted✓ from paying tax.✓
- The liability of the members is limited✓ as they are not responsible for debts of the company.✓
- Continuity of existence is guaranteed✓ even if its members retire. ✓
- Can receive grants/aid✓ to finance the business. ✓
- Directors are forced to act ethically and professionally✓ as they may be liable for any loss/damages sustained by the NPC. ✓
- Legally required to appoint three directors✓, which may reduce the chance of mismanagement. ✓
- Surplus income is retained✓ to further the goals of the business. ✓
- Any other relevant answer related to the advantages of a non-profit company as a form of ownership.

Max (8)

3.8 Success and/or failure of a public company

CRITERIA	SUCCESS	AND/OR	FAILURE
Management	- Managed by at least three competent/highly skilled directors. ✓✓ - The management of the company can improve since directors are accountable to shareholders. ✓✓ - Directors bring creative ideas which encourage innovation/high productivity/efficiency in the company. ✓✓ - Shareholders can vote for/appoint the most capable directors to manage their company. ✓✓ - Any other relevant answer related to the contribution of management to the success of a public company.		- Directors may not have a direct interest in the company, which can hamper growth and profit maximisation. ✓✓ - Directors may not be motivated to work very hard because shareholders decide on the directors' remuneration. ✓✓ - Large management structure can result in decision making taking time. ✓✓ - Some shareholders may not exercise their voting rights resulting in choosing the wrong person as a director. ✓✓ - Management may be open to legal challenges if their reports do not comply with King Code III. ✓✓ - Directors' fees increase the company's expenses which reduces net profit. ✓✓ - Any other relevant answer related to the contribution of management to the failure of a public company.
	Sub max (4)		

CRITERIA	SUCCESS	AND/OR	FAILURE
Legislation	- The company and its owners/ shareholders are separate entities, which may encourage more people to join the company.√√ - Limited liability allows for greater risk taking, which may lead to growth of the business.√√ - Auditing of financial statements, gives shareholders the assurance that the business is being properly managed and supports raising additional finance.√√ - Any other relevant answer related to the contribution of legislation to the success of a public company.		- Formation procedures are time consuming/complicated/ expensive, as many legal documents need to be prepared/submitted.√√ - High formation/establishment expenses require large start-up capital.√√ - Annual audit of financial statements is costly. √√ - If a public company does not comply with legislation, its licence maybe withdrawn by the Companies and Intellectual Property Commission (CIPC). √√ - Publishing of financial statements may discourage investors to invest in underperforming companies.√√ - Any other relevant answer related to the contribution of legislation to the failure of a public company.
	Sub max (4)		

NOTE:

1. The answer does not have to be in tabular format.
2. Mark either success AND/OR failure of EACH factor.

Max (8)**BREAKDOWN OF MARKS**

QUESTION 3	MARKS
3.1	4
3.2	8
3.3.1	2
3.3.2	8
3.4	8
3.5.1	4
3.5.2	4
3.6.1	2
3.6.2	4
3.7	8
3.8	8
TOTAL	60

QUESTION 4: BUSINESS ROLES**4.1 Steps in problem-solving**

- Identify the problem.✓
- Define the problem.✓
- Identify possible solutions to the problem.✓
- Select the most appropriate alternative.✓
- Develop an action plan.✓
- Implement the suggested solution/action plan.✓
- Monitor the implementation of the solution/action plan.✓
- Evaluate the implemented solution.✓
- Any other relevant answer related to the steps in problem-solving.

NOTE:

1. **Mark the first FOUR (4) only.**
2. **Steps may be in any order.**
3. **Award marks when different approaches in problem-solving are used.**

(4 x 1) (4)

4.2 Roles of the health and safety representatives in protecting the workplace environment

- Ensure that protective clothing is provided/available✓ to all workers.✓
- Identify potential dangers✓ in the workplace.✓
- Initiate/Promote/Maintain/Review measures to ensure the health and safety✓ of workers.✓
- Check/Monitor the effectiveness of health and safety measures✓ with management.✓
- Ensure that all equipment that is necessary to perform the work is provided✓/maintained regularly.✓
- Promote safety training✓ so that employees may avoid potential dangers/act pro-actively.✓
- Ensure that dangerous equipment is used under the supervision✓ of trained/qualified workers.✓
- Ensure that workers' health and safety is not endangered✓ by hazards resulting from production/processing/storage/transportation of material/equipment.✓
- Work together with the employer, to investigate any accidents/complaints✓ from the workers concerning health and safety in the workplace.✓
- Ensure that employers comply✓ with COIDA.✓
- Any other relevant answer related to the roles of health and safety representatives in protecting the workplace environment.

Max (6)

4.3 Diversity issues from the scenario

DIVERSITY ISSUES	MOTIVATION
1. Gender✓✓	The management of Norman Accounting Services employs both males and females.✓
2. Age✓✓	They also encourage older employees to be mentors for young employees to develop their full potential.✓
Sub max (4)	Sub max (2)

- NOTE:**
- 1. Award marks for diversity issue even if the quote is incomplete**
 - 2. Do not award marks for the motivation if the diversity issues were incorrectly identified.**

Max (6)**4.4 Application of the Delphi-technique**

- Businesses must invite a panel of experts✓ to research the complaints from customers.✓
- Experts do not have to be in one place✓ and will be contacted individually.✓
- Design a questionnaire consisting of questions on how to improve the quality✓ of their products and distribute it to the panel members/experts.✓
- Request the panel to individually respond to the questionnaire✓/suggest improvements to the products and return it to the business✓
- Summarise the responses from the experts✓ in a feedback report.✓
- Send the feedback report and a second set of questions/questionnaire✓ based on the feedback report to the panel members.✓
- Request panel members to provide further input/ideas✓ on how to improve the quality of products after they have studied the results/documentation.✓
- Distribute a third questionnaire based on previous feedback✓ from the second round.✓
- Prepare a final summary/feedback report with all the methods✓ to improve the quality of the business's products✓
- The business should choose the best solution/proposal✓ after reaching consensus.✓
- Any other relevant answer related to the application of the Delphi-technique to solve business problems.

Max (8)**4.5 Advantages of creative thinking in the workplace**

- Better/Unique/Unconventional ideas/solutions✓ are generated.✓
- May give the business a competitive advantage✓ if unusual/unique solutions/ideas/strategies are implemented.✓
- Management/employees may keep up with fast changing technology✓ which might lead to increased market share.✓
- Complex business problems✓ may be solved.✓
- Productivity increases✓ as management/employees may quickly generate multiple ideas which utilises time and money more effectively.✓
- Managers/Employees have more confidence✓ as they can live up to their full potential.✓

- Managers will be better leaders✓ as they will be able to handle/manage change(s) positively and creatively.✓
- Managers/Employees can develop a completely new outlook✓, which may be applied to any task(s) they may do.✓
- Leads to more positive attitudes✓ as managers/employees feel that they have contributed towards problem solving.✓
- Improves motivation✓ amongst staff members.✓
- Managers/Employees have a feeling of great accomplishment✓ and they will not resist/obstruct the process once they solved a problem/contributed towards the success of the business.✓
- Stimulates initiative from managers/employees✓, as they are continuously pushed out of their comfort zone.✓
- Creativity may lead to new inventions✓ which improves the general standard of living/attract new investors.✓
- Any other relevant answer related to the advantages of creative thinking in the workplace.

Max (6)**4.6 Corporate social investment/CSI****4.6.1 Examples of CSI from the scenario**

- June Traders decided to invest their surplus profit in corporate social investment (CSI) projects.✓
- They invested in communities by donating school uniforms. ✓
- Sporting facilities were also provided by JT to promote a healthy lifestyle. ✓

(2)

NOTE:

1. **Mark the first TWO (2) only.**
2. **Only award marks for responses that are quoted from the scenario.**

4.6.2 Impact of CSI on a business**Positives/Advantages**

- JT may attract experienced employees/increase the pool of skilled labour✓ which could increase productivity.✓
- Positive/Improved image✓ as the business looks after employees/conducts itself in a responsible way.✓
- May have a competitive advantage✓, resulting in good publicity/an improved reputation.✓
- Promotes customer loyalty✓ resulting in more sales.✓
- CSI projects may be used as a marketing strategy✓ to promote their products.✓
- JT enjoys the goodwill/support✓ of communities.✓
- CSI projects promote teamwork✓ within businesses.✓
- CSI helps to attract investors✓ because of increased profits/income.✓
- Gives JT tax advantages✓ such as tax reduction/-rebates.✓
- The government is less likely to enforce issues through legislation✓ to businesses that voluntarily participate in CSI projects.✓
- Employees feel as if they are making a difference✓ in working for the business.✓
- It helps to retain staff/lower staff turnover✓ as employees' health and safety are considered.✓
- Improves the health of its employees✓ through focused CSI projects.✓

- JT can become more community-based✓ by working closely with the community to roll out skills development projects.✓
- Any other relevant answer related to the positive impact/advantages of CSI on JT as a business.

AND/OR

Negatives/Disadvantages

- JT may not be supported/Customers may not buy their products/services✓ resulting in a decrease in sales.✓
- Small and medium enterprises find it difficult✓ to implement CSI programmes.✓
- Detailed reports must be drawn up✓, which can be time consuming.✓
- Social spending reduces business/economic efficiency✓ which makes it less competitive.✓
- Social involvement is funded from business profits✓ which could have been used to the benefit of customers/reduce prices.✓
- CSI activities distract business focus✓ from its core business functions.✓
- JT finds it difficult✓ to adhere to legislation governing CSI.✓
- It can increase financial risk✓, as programmes cost money and may impact negatively on profits.✓
- It is difficult to accurately measure✓ the effectiveness of social investment.✓
- It is not easy to determine the exact needs of the communities✓, which may result in fruitless expenditure on CSI.✓
- Most managers are not trained/lack experience✓ to handle social programmes.✓
- Employees may spend more time working on CSI projects✓ instead of focusing on their core duties.✓
- Providing goods/services that meet the needs of consumers is✓, according to some stakeholders, already socially responsible.✓
- Shareholders/Stakeholders may receive less dividends✓, as some profits are spent on CSI.✓
- Some shareholders/stakeholders might withdraw their support from the business✓ as they feel that social issues should be the government's responsibility.✓
- Any other relevant answer related to the negative impact/disadvantages of CSI on JT as a business.

Max (6)

4.7 Application of King Code principles

Transparency

- Regular audits should be done ✓ to determine the effectiveness of the business.✓
- Auditing and other reports ✓ must be accurate/available to shareholders/employees.✓
- Business deals should be conducted openly ✓ so that there is no hint/sign of dishonesty/corruption.✓
- Staffing and other processes ✓ should be open and transparent.✓
- Employees/Shareholders/Directors should be aware ✓ of the employment policies of the business.✓
- Any other relevant answer related to how transparency can be applied to improve ethical business practices.

Sub max (4)

Accountability

- There must be regular communication✓ between management and the stakeholders like shareholders.✓
- Company should appoint internal and external auditors✓ to audit financial statements.✓
- The board should ensure that the company's ethics✓ are effectively implemented.✓
- Businesses should be accountable/ responsible✓ for their decisions/actions.✓
- Businesses should present accurate annual reports✓ to shareholders at the Annual General Meeting (AGM).✓
- Top management should ensure that other levels of management are clear✓ about their roles and responsibilities to improve accountability.✓
- Any other relevant answer related to how accountability can be applied to improve ethical business practices.

Sub max (4)

Max (8)**4.8 Dealing with unethical/unprofessional business practices****4.8.1 Pricing of goods in rural areas**

- A business may lobby with other businesses in the area to convince government to improve infrastructure in the rural area.✓✓
- Charge fair/market related prices for goods and services.✓✓
- Avoid unethical business practices to attract customer loyalty.✓✓
- Investigate cost-effective ways of transporting products/Hire a large truck to combine deliveries to shop-owners in the same area.✓✓
- Work together with suppliers to share delivery costs to remote rural areas.✓✓
- Businesses can buy in bulk to get a discount to avoid charging high prices.✓✓
- Any other relevant answer related to ways in which businesses can deal with pricing of goods in rural areas as an unethical/unprofessional business practice.

NOTE: Award of a maximum of TWO (2) marks for negative strategies.**Max (4)****4.8.2 Abuse of work time**

- Speak directly to those employees who abuse work time.✓✓
- Code of conduct/ethics should contain clear rules about abuse of work time.✓✓
- Conduct training on the contents of the code of conduct/ethics.✓✓
- Code of conduct/ethics should be signed by all employees so that they are aware of its contents.✓✓
- Monitor employees to ensure that tasks are completed on time.✓✓
- Structure working hours in such a way that employees have free/flexible time for personal matters.✓✓
- Create a culture of responsibility/strengthen team spirit in order for all employees to feel responsible for what has to be achieved. ✓✓
- Remind employees that profit will decrease resulting in less incentives/ bonus pay-outs.✓✓
- Any other relevant answer related to ways in which businesses can deal with abuse of work time as an unethical/unprofessional business practice.

NOTE: Award a maximum of TWO (2) marks for negative strategies.**Max (4)**

4.9 Ways to promote cultural rights of employees 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 attend/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 how businesses could promote the cultural rights of employees in the workplace.

Max (6)
[60]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2	6
4.3	6
4.4	8
4.5	6
4.6.1	2
4.6.2	6
4.7	8
4.8.1	4
4.8.2	4
4.9	6
TOTAL	60

QUESTION 5: BUSINESS OPERATIONS**5.1 Methods/Sources of external recruitment**

- Recruitment agencies√
- Bill boards √
- Printed media, e.g. newspapers/flyers/magazine/posters√
- Electronic media, e.g. radio/TV√
- Social media/Social networks/Internet/Business websites√
- Walk-ins√
- Head hunting√
- Professional associations√
- Networking√
- Educational/Training institutions√
- Word-of-mouth √
- Any other relevant answer related to the methods/sources of external recruitment.

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

5.2 Job analysis**5.2.1 Job description and job specification from the scenario**

JOB DESCRIPTION	JOB SPECIFICATION
1. Responsible for observing patients and giving medication.✓	1. Applicants must have a diploma in nursing as a minimum requirement.✓
2. Compiling daily reports on the progress of the patients.✓	2. Two years' experience in nursing will be an advantage.✓
Sub max (2)	Sub max (2)

- NOTE:**
- 1. Mark the first TWO (2) examples for EACH job description and job specification only.**
 - 2. Only award marks for responses that are quoted from the scenario**
 - 3. The examples may be in any order.**

Max (4)**5.2.2 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/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 it.✓
- Thank the interviewer for the opportunity given✓ to be part of the interviews.✓
- Any other relevant answer related to the role of the interviewee/applicant during the interview.

Max (8)**5.3 Implications of the SDA on the human resources function**

- The human resources function should interpret the aims and requirements of the SDA✓ and adapt workplace skills training programmes accordingly.✓
- Identify the training needs of the employees and provide them with training opportunities✓ so that they will perform their tasks efficiently.✓
- Use the National Qualification Framework/NQF✓ to assess the skills levels of employees.✓
- Interpret/Implement the aims/requirements of the framework✓ for the National Skills Development Strategy.✓
- Assist managers in identifying skills/training needs✓ to help them to introduce learnerships.✓
- The business should contribute 1% of their salary bill✓ to the Skills Development Levy/SDL.✓
- Ensure training in the workplace✓ is formalised/structured.✓
- Appoint a full/part time consultant✓ as a Skills Development Facilitator.✓
- Any other relevant answer related to the implications of the Skills Development Act on the human resources function.

Max (6)

5.4 Impact of fringe benefits on businesses**Positives/Advantages**

- Attractive fringe benefit packages ✓ may result in higher employee retention/reduces employee turnover.✓
- Attracts qualified/skilled/experienced employees ✓ who may positively contribute towards the business goals/objectives.✓
- It increases employee satisfaction/loyalty✓ as they may be willing to go the extra mile.✓
- Improves productivity ✓ resulting in higher profitability.✓
- Businesses save money ✓ as benefits are tax deductible.✓
- Fringe benefits can be used as leverage✓ for salary negotiations.✓
- Any other relevant answer related to the positive impact/advantages of fringe benefits on businesses.

AND/OR**Negatives/Disadvantages**

- Fringe benefits are additional costs ✓ that may result in cash flow problems.✓
- Administrative costs increase ✓ as benefits need to be correctly recorded for tax purposes.✓
- Decreases business profits ✓, as incentive/package/remuneration costs are higher.✓
- It can create conflict/lead to corruption ✓ if allocated unfairly.✓
- Workers only stay with the business for fringe benefits ✓, and may not be committed/loyal to the tasks/business.✓
- Businesses who offer employees different benefit plans may create resentment ✓ to those who receive less benefit resulting in lower productivity.✓
- Businesses who cannot offer fringe benefits ✓ fail to attract skilled workers.✓
- Businesses have to pay advisors/attorneys ✓ to help them create benefit plans that comply with legislation.✓
- Errors in benefit plans ✓ may lead to costly lawsuits/regulatory fines.✓
- Any other relevant answer related to the negative impact/disadvantages of fringe benefits on businesses.

Max (8)**5.5 Meaning of quality performance**

- Total performance of each department measured ✓ against the specified standards.✓
- Can be obtained if all departments work together ✓ towards the same quality standards.✓
- Quality is measured ✓ through physical product/statistical output of processes/surveys of the users and/or buyers of goods/services.✓
- Any other relevant answer related to the meaning of quality performance.

Max (4)

5.6 Business functions

BUSINESS FUNCTIONS	MOTIVATION
1. Financial function✓✓	- They prepare their own accounting records to ensure accurate tax payments.✓
2. Public relations function✓✓	- PE responded quickly when one of their clients was not happy with their service.✓
Sub max (4)	Sub max (2)

- NOTE:**
1. The answer does not have to be in tabular format.
 2. Award marks for business functions even if quotes were incomplete
 3. Do not award marks for the motivation if the business functions were incorrectly identified

Max (6)**5.7 Impact of TQM if poorly implemented by businesses**

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

Max (8)**5.8 Advantages of continuous improvement to processes and systems on large businesses**

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

Max (6)

5.9 Contribution of quality of performance of the purchasing function

- Businesses should buy raw materials/products in bulk at lower prices. ✓✓
- Select reliable suppliers that render the best quality raw materials/capital goods at reasonable prices. ✓✓
- Place orders timeously and regular follow-ups to ensure that goods are delivered on time. ✓✓
- Effective co-ordination between purchasing and production departments so that purchasing staff understand the requirements of the production process. ✓✓
- Required quantities should be delivered at the right time and place. ✓✓
- Implement and maintain stock control systems to ensure the security of stock. ✓✓
- Maintain optimum stock levels to avoid overstocking/reduce out-dated stock. ✓✓
- Monitor and report on minimum stock levels to avoid stock-outs. ✓✓
- Effective use of storage space and maintain product quality while in storage. ✓✓
- Involve suppliers in strategic planning/product design/material selection/quality control process. ✓✓
- Ensure that there is no break in production due to stock shortages. ✓✓
- Establish relationships with suppliers so that they are in alignment with the business's vision/mission/values. ✓✓
- Have a thorough understanding of supply chain management. ✓✓
- Any other relevant answer related to ways in which the quality of performance of the purchasing function could contribute to the success of the business.

Max (6)
[60]

BREAKDOWN OF MARKS

QUESTION 5	MARKS
5.1	4
5.2.1	4
5.2.2	8
5.3	6
5.4	8
5.5	4
5.6	6
5.7	8
5.8	6
5.9	6
TOTAL	60

QUESTION 6: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS****6.1 Business environments and extent of control**

BUSINESS ENVIRONMENTS	EXTENT OF CONTROL
1. Micro environment✓	Full control✓
2. Market environment✓	Partial/Some/Limited/Less/Little control✓
3. Macro environment✓	No control✓
Sub max (3)	Sub max (3)

- NOTE:**
1. Mark the first **THREE (3)** only.
 2. The answer does not have to be in tabular format.
 3. Award marks for the business environment even if the extent of control is not indicated/incorrect.
 4. The extent of control must be linked to the business environment.

Max (6)**6.2 Act**

6.2.1 Compensation for Occupational Injuries and Diseases Act/COIDA. ✓✓ **(2)**

6.2.2 Discriminatory action from the scenario

- The management provided the Commissioner with false information regarding serious accidents that took place at Legend Projects.✓
- They also bribed one of their employees not to report injuries sustained while performing his/her duties.✓

NOTE: 1. Mark the first **TWO (2)** only. **(2x1) (2)**

6.2.3 Penalties for non-compliance with COIDA

- LP can be fined for refusing to lodge the claim/contravening the Act.✓✓
- LP can be forced to make large payments if it did not take the necessary precautions according to the Act.✓✓
- LP can be forced to pay any recovery costs required by the Compensation Fund.✓✓
- Employees may take LP to court for non-compliance with the Act. ✓✓
- If LP is found guilty of any misconduct, they will have to pay large penalties/face imprisonment.✓✓
- Any other relevant answer related to penalties that LP could face for non-compliance with COIDA.

NOTE: Accept relevant facts if COIDA was incorrectly identified in QUESTION 6.2.1.

Max (4)

BUSINESS VENTURES**6.3 Types of business investment opportunities**

6.3.1 Fixed deposit✓✓

6.3.2 Shares✓✓

(4)**6.4 Functions of the Johannesburg Securities Exchange/JSE**

- Gives opportunities to financial institutions such as insurance companies to invest their funds in shares.✓✓
- Serves as a barometer/indicator of economic conditions in South Africa.✓✓
- Keeps investors informed on share prices by publishing the share prices daily.✓✓
- Acts as a link between investors and public companies.✓✓
- Shares are valued and assessed by experts.✓✓
- Small investors are invited to take part in the economy of the country through the buying/selling of shares.✓✓
- Venture capital market is made available on the open market.✓✓
- Orderly market for securities serves as a disciplined market for securities.✓✓
- Encourages new investments.✓✓
- Mobilises the funds of insurance companies and other institutions.✓✓
- Raises primary capital.✓✓
- Regulates the market for dealing with shares.✓✓
- Plans, researches and advises on investment possibilities.✓✓
- Ensures that the market operates in a transparent manner.✓✓
- Provides protection for investors.✓✓
- Encourages short-term investment.✓✓
- Facilitates electronic trading of shares/STRATE.✓✓
- Any other relevant answer related to the functions of the Johannesburg Securities Exchange/JSE.

Max (6)**6.5 Situational leadership theory**

- Different leadership characteristics✓ are needed for different situations.✓
- The task/situation dictates the leadership style that should be applied✓, so leaders are adaptable/flexible/self-assured.✓
- Effective application of this theory may enable leaders✓ to accomplish their goals.✓
- Relationships between leaders and employees✓ are based on mutual trust/respect/loyalty/integrity/honesty.✓
- Leaders have the ability to analyse the situation✓ and get the most suitable people in the right positions to complete tasks successfully.✓
- Leaders analyse group members/objectives/time constraints✓, then adopt a suitable/relevant leadership style.✓
- The success of this theory depends on the kind of relationship✓ that exists between the leader and followers/subordinates/employees.✓
- Any other relevant answer related to the situational leadership theory.

Max (6)

BUSINESS ROLES**6.6 Criteria for successful team performance**

- Interpersonal attitudes and behaviour✓
- Shared values/ Mutual trust and support✓
- Communication✓
- Collaboration/Co-operation✓

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

6.7 Dealing with HIV/Aids

- Train counsellors✓ to provide infected and affected persons/employees.✓
- Develop counselling programmes✓ for infected/affected persons/employees.✓
- Conduct workshops✓ on HIV/Aids programmes/campaigns.✓
- Roll out anti-retroviral (ARV) treatment programmes (ART) ✓ for the infected employees. ✓
- Encourage employees to join HIV/Aids✓ support groups.✓
- Develop strategies to deal with stigma✓ and discrimination.✓
- Participate in the HIV/Aids prevention programmes✓ implemented in the community.✓
- Support non-governmental organisations ✓/community based organisations/NPC/ HIV/Aids initiatives.✓
- Any other relevant answer related to how businesses could deal with HIV/Aids as a socio-economic issue.

Max (6)

6.8 Ways to create an environment that stimulates creative thinking in the workplace

- Businesses must emphasise the importance of creative thinking to ensure that all staff know that their ideas will be heard.✓✓
- Encourage staff to come up with new ideas/opinions/solutions.✓✓
- Make time for brainstorming sessions to generate new ideas, e.g. regular workshops/follow up sessions to build on one another's ideas.✓✓
- Place suggestion boxes around the workplace and keep communication channels open for new ideas.✓✓
- Businesses should train staff in innovative techniques/creative problem solving skills/mind-mapping/lateral thinking.✓✓
- Encourage job swaps within the organisation/studying how other businesses are doing things.✓✓
- Encourage alternative ways of working/doing things/Encourage a spirit of play and experimentation.✓✓
- Respond enthusiastically to all ideas and never let anyone feel less important.✓✓
- Reward creativity with reward schemes for teams/individuals that come up with creative ideas.✓✓
- Provide a working environment conducive to creativity, free from distractions.✓✓
- Any other relevant answer related to ways in which businesses could create an environment that stimulates creative thinking in the workplace.

NOTE: The emphasis is on 'ways businesses could create an environment that stimulates creative thinking' not advantages.

Max (8)

BUSINESS OPERATIONS**6.9 Steps of the PDCA model/cycle**

- Plan✓
- Do✓
- Check/Analyse✓
- Act as needed✓

NOTE: Mark the first THREE (3) only.**(3 x 1) (3)****6.10 Employment contract****6.10.1 Reason for termination of an employment contract from the scenario**

Retirement✓✓

(2)**Motivation**

The management terminated her employment contract when she reached the age of 65.✓

(1)

NOTE: 1. Award marks for the reason even if the quote is incomplete
2 Do not award marks for the motivation, if the reason for termination of the contract was incorrectly identified.

Max (3)**6.10.2 Other reasons for the termination of an employment contract**

- The employer may dismiss an employee for valid reason(s)✓, e.g. unsatisfactory job performance, misconduct, etc.✓
- Employer may no longer have work for redundant employees✓/cannot fulfil the contract/is restructuring.✓
- The employer may retrench some employees due to insolvency✓/may not be able to pay the employees.✓
- Employees decided to leave✓ and resign voluntarily.✓
- Incapacity to work✓ due to illness/injuries.✓
- By mutual agreement✓ between the employer and employee. ✓
- Any other relevant answer related to other reasons for the termination of an employment contract.

NOTE: Do not award marks for 'retirement' as a reason for termination of an employment contract.

Max (4)**6.11 Purpose of induction**

- Introduce new employees to management/colleagues✓ to establish relationships with fellow colleagues at different levels.✓
- Make new employees feel welcome✓ by introducing them to their physical work space.✓
- Give new employees a tour/information✓ about the layout of the building/office.✓
- Familiarise new employees with the organisational structure✓/their supervisors.✓
- Allow new employees the opportunity to ask questions✓ that will put them at ease/reduce insecurity/anxiety/fear.✓
- Create opportunities for new employees✓ to experience/explore different departments.✓
- Explain safety regulations and rules✓, so that new employees will understand their role/responsibilities in this regard.✓

- Communicate information about the products/services offered by the business. ✓
- Ensure that employees understand their roles/responsibilities so that they will be more efficient/productive. ✓
- Communicate business policies regarding ethical/professional conduct/procedures/employment contract/conditions of employment, etc. ✓
- Any other relevant answer related to the purpose of induction as a human resource activity.

Max (4)
[60]

BREAKDOWN OF MARKS

QUESTION 6	MARKS
6.1	6
6.2.1	2
6.2.2	2
6.2.3	4
6.3	4
6.4	6
6.5	6
6.6	2
6.7	6
6.8	8
6.9	3
6.10.1	3
6.10.2	4
6.11	4
TOTAL	60

TOTAL SECTION B: 180

SECTION C

Mark the first TWO (2) questions only.

QUESTION 7: BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)

7.1 Introduction

- Businesses should always conduct the strategic management process as they operate in a dynamic environment that pose many challenges. ✓
- The implementation of business strategies enable businesses to respond to challenges presented by business environments. ✓
- Defensive strategies enable businesses to remain sustainable in the market environment. ✓
- Porter's Five Forces model is based on five important forces that will determine competitive power in the market environment of a business. ✓
- Porter's Five Forces model helps the business to understand both the strength of its current competitive position and the advantages of expanding. ✓
- The effectiveness of business strategies must be evaluated so that best strategies are used to overcome challenges. ✓
- Any other relevant introduction related to the strategic management process/ defensive strategies/ Porter's Five Forces model/strategy evaluation.

Any (2 x 1) (2)

7.2 Strategic management process**OPTION 1**

- Have a clear vision, 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 analysis/Porter's Five Forces model/PESTLE analysis/industrial analysis tools. ✓
- Formulate alternative strategies✓ to respond to business challenges.✓
- Develop (an) action plan(s) ✓, including the tasks to be done/deadlines to be met/resources to be procured ✓, etc.
- Organise the business resources✓ and motivate staff.✓
- Implement selected strategies✓ by communicating it to all stakeholders.✓
- Continuously evaluate/monitor/measure strategies✓ in order to take corrective action. ✓
- Any other relevant answer related to the strategic management process.

OR**OPTION 2**

- Review✓ the vision statement.✓
- Analyse/Re-examine✓ mission statement.✓
- Conduct an environmental analysis✓ using models such as PESTLE/PORTER'S/SWOT.✓
- Formulate a strategy✓ such as a defensive/retrenchment 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 the strategic management process.

NOTE: The steps may be in any order.**Max (8)****7.3 Types of defensive strategies****Divestiture/Divestment✓✓**

- Disposing/Selling some assets/divisions✓ that are no longer profitable/productive.✓
- Selling off divisions/product lines✓ with slow growth potential.✓
- Decreasing the number of shareholders✓ by selling ownership.✓
- Paying off debts✓ by selling unproductive assets.✓
- Withdrawing their investment share✓ in another business (divesting).✓
- Any other relevant answer related to divestiture/divestment as a defensive strategy.

Strategy (2)
Discussion (2)
Sub max (4)

Liquidation✓✓

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

Strategy (2)
Discussion (2)
Sub max (4)

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.

Strategy (2)
Discussion (2)
Sub max (4)

NOTE: Mark the first THREE (3) only.

Max (12)

7.4 Porter's Five Forces Model

Bargaining power of suppliers/Power of suppliers✓✓

- Suppliers that deliver high quality product✓ may have power over the business.✓
- Assess the power of the suppliers✓ in influencing 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.✓
- Identify the kind of power suppliers' have✓ in terms of the quality of products/services/reliability/ability to make prompt deliveries, ✓ etc.
- Any other relevant answer related to how businesses could apply the bargaining power of suppliers/power of suppliers to analyse the market environment.

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

Bargaining power of buyers/Power of buyers✓✓

- Assess how easy it is for buyers/customers✓ to drive prices down.✓
- Determine the number of buyers/the importance of each buyer to the business✓ and the cost of switching to other products.✓
- A few powerful buyers✓ are often able to dictate their terms to the business.✓
- Buyers buying in bulk can bargain for prices✓ in their favour✓.
- If buyers can do without the business's products✓ then they have more power to determine the prices and terms of sale.✓

- Conduct market research✓ to gather more information about its buyers.✓
- Any other relevant answer related to how businesses could apply the bargaining power of buyers/power of buyers to analyse the market environment.

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

Threat/Barriers of new entrants to the market✓✓

- If the barriers to enter the market are low✓, then it is easy for new businesses to enter the market/industry.✓
- If the business is highly profitable, it will attract potential competitors✓ that want to benefit from high profits.✓
- 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 how businesses could apply the threat/barriers of new entrants to the market to analyse the market environment.

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

Power of competitors/Competitive rivalry✓✓

- Competitors selling the same/similar products/services✓ may have a greater impact on the market of the business.✓
- 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.✓
- Draw up a competitor's profile✓ so that they can determine their own strength as well as that of competitors.✓
- Some businesses have necessary resources to start price wars✓ and continue selling at a loss until some/all competitors leave the market.✓
- Any other relevant answer related to how businesses could apply the power of competitors/competitive rivalry to analyse the market environment.

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

Threat of substitution/substitutes✓✓

- Establish whether the sellers of substitute products✓ have improved their product/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.✓
- If the business sells unique products✓ it will not be threatened by substitute products.✓

- Assess if customers are using substitute products/services✓ and determine reasons for using substitutes.✓
- Change/improve the design and quality✓ of their products to remain competitive.✓
- Any other relevant answer related to how businesses could apply the threat of substitution/substitutes to analyse the market environment.

Force (2)

Explanation (2)

Sub max (4)

Max (16)**7.5 Steps in evaluating a strategy**

- Examine the underlying basis of a business strategy.✓✓
- Look forward and backwards into the implementation process.✓✓
- Compare the expected performance with the actual performance.✓✓
- Measure the 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 steps that businesses should consider when evaluating strategies.

NOTE: Accept steps in any order.**Max (10)****7.6 Conclusion**

- The strategic management process enables businesses to stay ahead of competitors and increase their market share. ✓✓
- Businesses must develop/formulate or change their current strategies in order to remain competitive.✓✓
- The Porter's Five Forces model is useful for analysing the power of the business in order to effectively develop suitable strategies.✓✓
- The Porter's Five Forces model makes it possible for businesses to determine how to shift the power of the forces in their favour.✓✓
- The implementation of defensive strategies may allow businesses to recover from unstable economic conditions.✓✓
- Strategy evaluation enable businesses to keep abreast with changes in the business environments.✓✓
- Any other relevant conclusion related to the strategic management process/defensive strategies/Porter's Five Forces model/strategy evaluation.

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

QUESTION 7: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
The strategic management process	8	
Types of defensive strategies	12	
Application of Porter's Five Forces model	16	
Strategy evaluation steps	10	
Conclusion	2	
INSIGHT		8
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

QUESTION 8: BUSINESS VENTURES (PRESENTATION)**8.1 Introduction**

- The principles of insurance form the basis of an insurance contract between the insurer and the insured. ✓
- A good presentation enables the presenter to achieve his/her goals. ✓
- PowerPoint enables the presenter to elaborate on important facts. ✓
- Presenters must reflect on their presentation style and methods in order to improve in the next presentation. ✓
- Any other relevant introduction related to factors to consider during a presentation/ principles of insurance/impact of a PowerPoint presentation/areas of improvement in the next presentation.

Any (2 x 1) (2)

8.2 Factors to be considered during a presentation

- Mr Meyer must establish credibility by introducing himself as the presenter at the start. ✓✓
- State the aims/main points of the presentation in the introduction. ✓✓
- Use suitable section titles/headings/sub-headings/bullets. ✓✓
- Put the most important information first to capture the audience attention. ✓✓
- Do not ramble on at the start, to avoid losing the audience/their interest. ✓✓
- Speak with energy and enthusiasm. ✓✓
- Make eye contact with the audience and look in all directions. ✓✓
- Be audible to all listeners/the audience. ✓✓
- Use appropriate gestures, e.g. use hands to emphasize points. ✓✓
- Vary the tone of voice/tempo within certain sections to prevent monotony. ✓✓
- Make the presentation interesting with visual aids/anecdotes/examples/Use visual aids effectively. ✓✓
- Capture listeners' attention/Involve the audience with a variety of methods, e.g. short video clips/sound effects/humour, ✓✓ etc.

- Stand in a good position/upright, where the audience can clearly see the presenter/presentation. ✓✓
- Avoid hiding himself behind the equipment. ✓✓
- Pace himself/do not rush/talk too slowly. ✓✓
- Keep the presentation short and simple. ✓✓
- Manage time effectively to allow time for questions. ✓✓
- Ensure that the audience will leave with/take away specific information/benefits. ✓✓
- Mr Meyer should summarise the main points of the presentation to conclude the presentation. ✓✓
- Conclude/End with a strong/striking ending that will be remembered. ✓✓
- Any other relevant answer related to the factors that Mr Meyer should consider during his presentation. ✓✓

Max (12)**8.3 Principles of insurance****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)

Discussion (2)

Sub max (4)

Security/Certainty ✓✓

- Applies to long-term insurance ✓ where the insurer undertakes to pay out an agreed 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)

Discussion (2)

Sub max (4)

Utmost good faith ✓✓

- Insured has to be honest in supplying details ✓ when entering in an insurance contract. ✓

- Both parties/insurer and insured 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)
Discussion (2)
Sub max (4)

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)
Discussion (2)
Sub max (4)
(Max) (12)

NOTE: Mark the first THREE (3) only.

8.4. Impact of a PowerPoint presentation**Positives/Advantages**

- Graphic programmes have the capacity to convey ideas✓ and support what the presenter says.✓
- Easy to combine✓ with sound/video clips.✓
- Simple/Less cluttered slides✓ may capture the interest of the audience.✓
- Video clips can provide variety✓ and capture the attention of the audience.✓
- Variation of colour/background/sound immediately captures the attention of the audience✓ and retain their interest throughout the presentation.✓
- Slides can enhance the facts✓ and summarise information. ✓
- PowerPoint slides can help to convey a large amount of facts✓ in a short time.✓
- Any other relevant answer related to the positive impact/advantages of a PowerPoint presentation.

AND/OR

Negatives/Disadvantages

- Unprofessional handling of the data projector/PowerPoint presentation material ✓ may lead to irritation/may result in the audience losing interest.✓
- Less effective✓ to people with visual impairments.✓
- Simply reading off the slides✓ makes a presentation boring/meaningless.✓
- Unable to show slides✓ without electricity/data projector.✓
- Any other relevant answer related to the negative impact/disadvantages of a PowerPoint presentation.

Max (12)

8.5 Ways to improve on the next presentation

- Mr Meyer should revise objectives that were not achieved.√√
- Humour should be used appropriately.√√
- Always be prepared to update/keep the information relevant.√√
- Reflect on any problem/criticism and avoid it in future presentations.√√
- 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.√√
- Mr Meyer should reflect on the logical flow of the format/slides/application of visual aids.√√
- Any other relevant answer related to how Mr Meyer can improve on his next presentation.

Max (10)**8.6 Conclusion**

- A well-prepared presentation creates a good impression and will attract potential investors.√√
- PowerPoint can be used to convey business information. √√
- Effective presentation of business information is one of the key elements of communicating with various stakeholders.√√
- A presenter should analyse feedback in order to improve on his/her next presentation.√√
- All methods of presentation must be effectively used to retain the attention of the audience.√√
- Any other relevant conclusion related to factors to consider during a presentation/ principle of insurance/impact of a PowerPoint presentation/area of improvement in the next presentation.

**Any (1 x 2) (2)
[40]****QUESTION 8: BREAKDOWN OF MARK ALLOCATION**

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Factors to be considered during the presentation	12	
Principles of insurance	12	
Impact of a PowerPoint presentation	12	
Ways to improve on the next presentation	10	
Conclusion	2	
INSIGHT		8
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 only some of the requirements are met.

Allocate 0 marks where requirements are not met at all.

QUESTION 9: BUSINESS ROLES (TEAM PERFORMANCE AND CONFLICT MANAGEMENT)

9.1 Introduction

- Teamwork is the interaction with team members to achieve a common goal.✓
- Teams go through different stages of development that must be managed carefully.✓
- Conflict is inevitable when two or more people work together as a team. ✓
- Conflict is sometimes necessary for people to resolve differences and focus on key objectives. ✓
- Managers should be well conversant with the causes of conflict and be able to handle it effectively in the workplace.✓
- Difficult employees may influence their colleagues to adapt the same behaviour/ attitudes if businesses do not handle them in a correct manner. ✓
- Any other relevant introduction related to stages of team development/causes of conflict/conflict resolution/ dealing with difficult people.

Any (2 x 1) (2)

9.2 Stages of team development

Forming✓✓

- Individuals gather information and impressions about each other✓ and the scope of the task and how to approach it.✓
- Teams are comfortable✓ and polite with each other during this stage.✓
- People focus on being busy with routines✓, such as team organisation e.g. who does what, when to meet each other,✓ etc.
- Any other relevant answer related to forming as a stage of team development.

Stage (2)

Description (2)

Sub max (4)

Storming✓✓

- Teams go through a period of unease/conflict✓ after formation.✓
- Different ideas from team members will compete✓ for consideration.✓
- Team members open up to each other✓ and confront each other's ideas/ perspectives.✓
- Tension/struggle/arguments occur and upset the team members✓, there may be power struggles for the position of team leader.✓
- In some instances storming can be resolved quickly✓ while in others the team never leaves this stage.✓
- Many teams fail during this stage✓ as they are not focused on their task.✓
- This phase can become destructive for the team✓/will negatively impact on team performance, if allowed to get out of control.✓
- This stage is necessary/ important✓ for the growth of the team.✓
- Some team members tolerate each other✓ to survive this stage.✓
- Any other relevant answer related to storming as a stage of team development.

Stage (2)

Description (2)

Sub max (4)

Norming/Settling/reconciliation✓✓

- Team members come to an agreement✓ and reach consensus.✓
- Roles and responsibilities are clear✓ and accepted.✓
- Processes/working style and respect develop✓ amongst members.✓
- Team members have the ambition to work✓ for the success of the team.✓
- Conflict may occur✓, but commitment and unity are strong.✓
- Any other relevant answer related to norming/settling/reconciliation as a stage of team development.

Stage (2)

Description (2)

Sub max (4)

Performing/Working as a team towards a goal✓✓

- Team members are aware of strategies✓ and aims of the team.✓
- They have direction✓ without interference from the leader.✓
- Processes and structures✓ are set.✓
- Leaders delegate✓ and oversee the processes and procedures.✓
- All members are now competent✓, autonomous and able to handle the decision-making process without supervision.✓
- Differences among members are appreciated✓ and used to enhance the team's performance.✓
- Any other relevant answer related to performing/working as a team towards a goal as a stage in team development.

Stage (2)

Description (2)

Sub max (4)

Adjourning/Mourning✓✓

- The focus is on the completion✓ of the task/ending the project.✓
- Breaking up the team may be traumatic✓ as team members may find it difficult to perform as individuals once again.✓
- All tasks need to be completed✓ before the team finally dissolves.✓
- Any other relevant answer related to adjourning/mourning as a stage of team development.

Stage (2)

Description (2)

Sub max (4)

NOTE: Mark the first FOUR (4) only.**Max (16)****9.3 Causes of conflict in the workplace**

- Lack of proper communication✓ between management and workers.✓
- Ignoring rules/procedures may result✓ in disagreements and conflict.✓
- Management and/or workers may have different✓ personalities/ backgrounds.✓
- Different values/levels of knowledge/skills/experience✓ of managers/workers.✓
- Little/no co-operation✓ between internal and/or external parties/stakeholders.✓
- Lack of recognition for good work✓, e.g. a manager may not show appreciation for extra hours worked to meet deadlines.✓
- Lack of employee development✓ may increase frustration levels as workers may repeat errors due to a lack of knowledge/skills.✓
- Unfair disciplinary procedures✓, e.g. favouritism/nepotism.✓
- Little/no support from management✓ with regards to supplying the necessary resources and providing guidelines.✓

- Leadership styles used√, e.g. autocratic managers may not consider worker inputs.√
- Unrealistic deadlines/Heavy workloads√ lead to stress resulting in conflict.√
- Lack of agreement on mutual matters√, e.g. remuneration/working hours.√
- Unhealthy competition/Inter-team rivalry√ may cause workers to lose focus on team targets.√
- Lack of commitment/Distracted by personal objectives√ which may lead to an inability to meet pre-set targets.√
- Constant changes√ may cause instability√
- Lack of clarity√ regarding employees' roles and responsibilities. √
- Any other relevant answer related to the causes of conflict in the workplace.

Max (12)**9.4 Handling conflict in the workplace**

- Acknowledge that there is conflict√ in the workplace.√
- Identify the cause√ of the conflict.√
- Arrange pre-negotiations where workers/complainants will be allowed√ to state their case/views separately.√
- Arrange time and place for negotiations√ where all employees involved are present.√
- Arrange a meeting√ between conflicting employers/employees.√
- Make intentions for intervention clear √ so that parties involved may feel at ease.√
- Each party has the opportunity to express √ his/her own opinions/feelings√
- Conflicting parties may recognise that their views are different√ during the meeting.√
- Analyse/Evaluate the cause (s) of conflict by breaking it down√ into different parts.√
- Blame shifting should be avoided√ and a joint effort should be made.√
- Direct conflicting parties√ towards finding/focusing on solutions.√
- Devise/Brainstorm possible ways√ of resolving the conflict.√
- Conflicting parties agree on criteria√ to evaluate the alternatives.√
- Select and implement√ the best solution.√
- Provide opportunities for parties√ to agree on the best solution.√
- Evaluate/Follow up√ on the implementation of the solution(s).√
- Monitor progress√ to ensure that the conflict has been resolved.√
- Source experts on handling conflict√ from outside the business.√
- Any other relevant answer related to how businesses could handle conflict in the workplace.

NOTE: If problem solving steps do not demonstrate the handling of conflict (explanation), award a maximum of FOUR (4) marks.

Max (10)**9.5 Ways to deal with difficult people in the workplace****OPTION 1**

- Get perspective from others who have experienced the same kind of situation to be able to understand difficult employees.√√
- Act pro-actively if possible, as a staff/personnel problem is part of a manager's responsibilities.√√
- Regular meetings with supervisors/departmental heads should help to identify difficult/problem behaviour.√√
- Ask someone in authority for their input into the situation.√√
- Identify the type of personality which is creating the problem. √√

- Meet privately with difficult employees, so that there are no distractions from other employees/issues.√√
- Make intentions and reasons for action known, so that difficult person/people feel at ease.√√
- Employees should be told what specific behaviours are acceptable by giving details about what is wrong/ unacceptable and also an opportunity to explain their behaviour.√√
- A deadline should be set for improving bad/difficult behaviour.√√
- The deadline date should be discussed with the difficult employee and his/her progress should be monitored/ assessed prior to the deadline.√√
- Guidelines for improvement should be given.√√
- Do not judge the person, but try to understand him/her/Understand his/her intentions and why he/she reacts in a certain way.√√
- Keep communication channels open/Encourage employees to communicate their grievances to management.√√
- Build rapport/sound relations by re-establishing personal connection with colleagues, instead of relying on e-mails/messaging/social media.√√
- Help difficult employees to be realistic about the task at hand.√√
- Remain calm and in control of the situation to get the person(s) to collaborate.√√
- Treat people with respect, irrespective of whether they are capable/ competent or not.√√
- Sometimes it may be necessary to ignore and only monitor a difficult person.√√
- Identify and provide an appropriate support program to address areas of weakness.√√
- Any other relevant answer related to ways in which the business could deal with difficult people in the workplace.

NOTE: Award a maximum of TWO (2) marks for negative strategies.

OR

OPTION 2**Dealing with difficult personalities**

TYPE OF PERSONALITY	STRATEGY TO DEAL WITH A PERSONALITY
Complainer	- Listen to the complaints but do not acknowledge them.√√ - Interrupt the situation and move to the problem-solving process. √√ Sub max (2)
Indecisiveness	- Guide them through alternatives.√√ - Stay in control and emphasise the importance of making a decision.√√ - Help them make the decision or solve the problem.√√ Sub max(2)
Over-agree	- Be firm and do not let them make promises that they cannot keep.√√ - Follow up on their actions.√√ Sub max(2)
Negativity	- Be firm with them and do not let them draw the supervisor into their negativity.√√ - Listen to them but do not agree with them.√√ Sub max(2)
Expert	- Be firm and assertive.√√ - Do not accuse them of being incorrect/do not get caught in their game.√√ - Know your facts.√√ Sub max(2)
Quiet	- Do not fill their silence with words.√√ - Wait for their response. √√ - Prompt them through the process so that they can give input.√√ - Restrict the time of the discussion. √√ Sub max(2)
Aggressive	- Allow them time to speak and blow off.√√ - Be firm, but do not attack them. √√ - Do not allow them to be hostile toward others.√√ Sub max(2)
- Any other relevant answer related to ways in which businesses could deal with difficult people in the workplace.	

- NOTE:**
- 1. No marks should be awarded for only mentioning the types of personalities without a strategy.**
 - 2. The strategy must be linked to the type of personality.**
 - 3. Award a maximum of TWO (2) marks for dealing with EACH type of personality.**

Max (8)

9.6 Conclusion

- It is important that business understand the stages of team development so that they are able to manage conflict effectively. ✓✓
- Businesses should immediately identify the causes of conflict and ensure that conflict is resolved amicably in the workplace. ✓✓
- Business objectives can be achieved if conflict is resolved effectively. ✓✓
- Businesses must acknowledge employees' differences and develop strategies to deal with these differences. ✓✓
- Dealing with difficult personalities will enable businesses to find better ways to manage employees. ✓✓
- Any other relevant conclusion related to stages of team development/causes of conflict/conflict resolution/dealing with difficult people.

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

QUESTION 9: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Stages of team development	16	
Cause of conflict in the workplace	12	
Handling conflict in the workplace	10	
Dealing with difficult people in the workplace	8	
Conclusion	2	
INSIGHT		8
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 only some of the requirements are met.

Allocate 0 marks where requirements are not met at all.

QUESTION 10: BUSINESS OPERATIONS (TOTAL QUALITY MANAGEMENT)**10.1 Introduction**

- Businesses that implement quality concepts enjoy the benefit of good quality products and services.✓
- Manufactured goods must be quality assured throughout the production cycle. ✓
- Total quality relates to products that totally satisfy consumers' needs and expectations in every respect on a continuous basis.✓
- The rationale behind the implementation of TQM elements is to ensure that businesses do things right the first time.✓
- TQM helps to design, produce/provide quality products at a lower cost. ✓
- Any other relevant introduction related to the benefits of a good quality management system/quality control/quality assurance/total client/customer satisfaction/continuous skills development/adequate financing and capacity/TQM reduction of the cost of quality.

Any (2 x 1) (2)**10.2 Benefits 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/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/knowledge.✓✓
- Employers and employees will have a healthy working relationship resulting in happy/productive workers.✓✓
- Increased market share/more customers improve profitability.✓✓
- Improves business image as there are less defects/returns.✓✓
- Any other relevant answer related to benefits of a good quality management system.

Max (12)

10.3 Distinction between quality control and quality assurance

QUALITY CONTROL	QUALITY ASSURANCE
- Inspection of the final product✓ to ensure that it meets the required standards.✓	- Inspection carried out during and after the production process✓ to ensure that required standards have been met at every stage of the process.✓
- Includes setting targets/measuring performance✓ and taking corrective measures.✓	- Ensures that every process is aimed at getting the product right the first time✓ and prevents mistakes from happening again.✓
- Checking raw materials/employees/ machinery/ workmanship/products✓ to ensure that high standards are maintained.✓	- The 'building in' of quality✓ as opposed to 'checking for' quality.✓
- Any other relevant answer related to quality control.	- Any other relevant answer related to quality assurance.
Sub max (4)	Sub max (4)

- NOTE: 1. The answer does not have to be in a tabular format**
2. The distinction does not have to link, but must be clear.
3. Award a maximum of FOUR (4) marks if the distinction is not clear/Mark either quality control or quality assurance only.

Max (8)**10.4 Impact of TQM elements on a large business****10.4.1 Total client/customer satisfaction****Positives/Advantages**

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

AND/OR**Negatives/Disadvantages**

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

Sub max (6)

10.4.2 Continuous skills development**Positives/Advantages**

- Large businesses have a human resources department✓ dedicated to skills training and development.✓
- Human resources experts ensure that training programmes✓ are relevant to increased customer satisfaction.✓
- Ability to afford✓ specialised/skilled employees.✓
- Large businesses could conduct skills audits✓ to establish the competency/education levels of staff performing work which could affect the quality of products/processes positively.✓
- May be able to hire qualified trainers✓ to train employees on a regular basis.✓
- Any other relevant answer related to the positive impact /advantages of continuous skills development as a TQM element on large businesses.

AND/OR**Negatives/Disadvantages**

- Poor communication systems in large businesses✓ may prevent effective training from taking place.✓
- Trained employees may leave for better jobs✓ after they gained more skills.✓
- De-motivates employees✓, if they do not receive recognition for training.✓
- Employees who specialise in narrowly defined jobs✓ may become frustrated/demotivated.✓
- Employees may not be aware of the level of competency✓ they should meet in order to achieve their targets.✓
- It may be difficult to monitor/evaluate✓ the effectiveness of training.✓
- Any other relevant answer related to the negative impact /disadvantages of continuous skills development as a TQM element on large businesses.

Sub max (6)

10.4.3 Adequate financing and capacity**Positives/ Advantages**

- Large businesses have sufficient financing✓ to test everything before implementing.✓
- They can afford to have systems in place✓ to prevent errors in processes/defects in raw materials/products.✓
- Able to afford product research/market researchers✓ to gather information.✓
- Can afford to purchase quality raw materials✓ and equipment.✓
- Any other relevant answer related to the positive impact /advantages of adequate financing and capacity as a TQM element on large businesses.

AND/OR**Negatives/ Disadvantages**

- If the demand for company's product increases, orders begin coming in faster than expected✓, and the company lacks the capital required to fund the production of the stock to fill the orders.✓
- These rapidly growing companies can consume large amounts of capital✓ as they try to balance normal operations and expansion.✓
- Any other relevant answer related to the negative impact/disadvantages of adequate financing and capacity as a TQM element on large businesses.

Sub max (6)

Max (16)

10.5 Ways in which TQM can reduce the cost of quality

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

Max (10)**10.6 Conclusion**

- Quality is important to a business to be sustainable.√√
- Quality control in all business departments is necessary as it contribute to business success.√√
- Every business should have a quality management system that ensure that all systems and processes are carried out correctly and safely.√√
- It is important that businesses have a proper system for managing quality, e.g. TQM which will reduce cost and increase profits.√√
- Any other relevant conclusion related to the benefits of a good quality management system/quality control/quality assurance/total client/customer satisfaction/continuous skills development/adequate financing and capacity/TQM reduction of the cost of quality.

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

QUESTION 10: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Benefits of a good quality management system	12	
Distinction between quality control and quality assurance	8	
Impact of TQM elements on large businesses ○ Total client/customer satisfaction ○ Continuous skills development ○ Adequate financing and capacity	16	
Ways in which TQM can reduce cost of quality	10	
Conclusion	2	
INSIGHT		8
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