



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES

NOVEMBER 2015

MEMORANDUM

MARKS: 300

This memorandum consists of 55 pages.

NOTES TO MARKERS**PREAMBLE**

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

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

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

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

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

3. A comprehensive memorandum has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:

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

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

4. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)

5. The word 'Sub max' is used to facilitate the allocation of marks within a question or sub question.

6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation purposes.

7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in memo. Only the total for each answer should appear in the left-hand margin next to the appropriate question number.

8. In an indirect question, the theory as well as the response must be relevant and related to the question.

9. Incorrect numbering of answers to questions or sub questions in Sections A and B will be severely penalised. Therefore, correct numbering is strongly recommended in all sections.

10. No additional credit must be given for repetition of facts. Indicate with an 'R'.
11. Note that no marks will be awarded for indicating Yes/No in evaluation type questions requiring substantiation or motivation. (Applicable to SECTIONS B and C.)
12. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
- 12.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** *'COIDA eliminates time and costs spent\ on lengthy civil court proceedings.'*\
- 12.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. *'COIDA eliminates time and costs spent\ on lengthy civil court proceedings\, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'*\

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

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

Cognitive verbs, *such as:*

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

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

- Fact 2 marks (or as indicated in the memorandum)
- Explanation 1 mark

The 'fact' and 'explanation' are given separately to facilitate mark allocation.

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 memorandum.

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 SECTION 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	
TOTAL	40

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, body, proper paragraphs and a conclusion?	2
Analysis and interpretation	Learners' ability to break down the question/interpret it correctly to show understanding of what is being asked.	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 (Zero '-S') NB: If there are no '-S' award the maximum of TWO (2) marks.	2
Originality	Examples, recency of 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 allocated 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 guidelines 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.
- 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 use the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)
- 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 memorandum.
- 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.

SECTION A**QUESTION 1**

- 1.1 1.1.1 D√√
 1.1.2 B√√
 1.1.3 A√√
 1.1.4 C√√
 1.1.5 C√√
 1.1.6 D√√
 1.1.7 B√√
 1.1.8 C√√
 1.1.9 A√√
 1.1.10 D√√ (10 x 2) (20)
- 1.2 1.2.1 RAF√√
 1.2.2 tertiary√√
 1.2.3 quality control√√
 1.2.4 grievance√√
 1.2.5 National Skills√√ (5 x 2) (10)
- 1.3 1.3.1 F√√
 1.3.2 H√√
 1.3.3 E√√
 1.3.4 B√√
 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 ENVIRONMENT**2.1 BBEE Act Pillars**

2.1.1 Management/Management and control✓✓

2.1.2 Preferential procurement/Supply services/Enterprise and supplier development✓✓

2.1.3 Social responsibility/Socio-economic development✓✓

2.1.4 Skills development✓✓

2.1.5 Ownership✓✓

(5 x 2) (10)

2.2 Strategic management process**OPTION 1**

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

Max (8)

OR

OPTION 2

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

NOTE: The steps may be in any order.

Max (8)

2.3 Impact of LRA on businesses

Positives/Advantages

- LRA provides for the principles of collective bargaining√ and puts structures in place with which disputes in the workplace can be settled.√
- Promotes a healthy relationship√ between the employer and employees.√
- Provides specific guidelines for employers√ on correct and fair disciplinary procedures.√
- Employers and employees have guidelines√ regarding correct and fair dismissal procedures.√
- Provides mechanisms√ such as statutory councils/collective bargaining/CCMA.√
- Labour disputes are settled quicker√ and are less expensive.√
- Provides protection for employers√ who embark on lawful lock-outs.√
- Employers are entitled to compensation from the Labour Court√ if they suffered damages as a result of unprotected strikes.√
- Workplace forums can add value to businesses√ if it functions properly.√
- Any other relevant answer related to the positives/advantages of the LRA to businesses.

AND/OR

Negatives/Disadvantages

- Employers may have to disclose information about workplace issues to union representatives√ that could be the core of their competitive advantage.√
- Employers may not dismiss employees at will√, as procedures have to be followed.√
- Some businesses may feel that the LRA gives employees too much power√ as it creates lengthy procedures, e.g. consulting with workplace forums.√
- Employers may not get a court interdict√ to stop a strike.√
- Strike actions always result in loss of production√ for which employers may not claim.√
- Some trade unions may not promote the mandate of their members√ but embark on industrial action, which is harmful to labour relations between employers and employees.√
- Many employees and employers√ do not understand/respect the Labour Relations Act.√
- Labour disputes and bargaining council processes become disruptive/ time-consuming√ and can lead to a decrease in productivity in businesses.√
- Many employees take advantage of the right to strike√ without acknowledging their responsibilities.√
- Any other relevant answer related to the negatives/disadvantages of the LRA for businesses.

NOTE: Award a maximum of TWO (2) marks if the impact is on trade unions only.

Max (8)

2.4 Product development vs. Market development

Product development	Market development
- Businesses generate new ideas✓ and develop a new product or service.✓	- A process of exploring/finding/ searching new markets✓ for existing products.✓
- The introduction of a new product or service✓ into existing markets.✓	- Businesses sell their existing products✓ to new markets✓/Involves targeting consumers in a potential market✓ that is outside its normal target market.✓
- Example: A cell phone manufacturer designs a new phone✓ that can also be used to make internet phone calls.✓	- Example: Finding new markets✓ in other towns and cities.✓
- Any other relevant answer related to product development.	- Any other relevant answer related to market development.
Sub max (2)	Sub max (2)

- NOTE:**
1. The answer does not have to be in tabular form as long as the distinction is clear.
 2. Allocate TWO (2) marks each when candidates use an example to distinguish between the strategies.

Max (4)

2.5 COIDA

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

NOTE: Also accept COIDA/Compensation for Injuries and Diseases Act.

(2)

2.5.2 Impact of COIDA on businesses (employers and employees)

Positives

- Promotes safety✓ in the workplace.✓
- Creates a framework✓ for acceptable employment practices/safety regulations.✓
- Supply administrative guidelines/mechanisms✓ for dealing with/ processing claims.✓
- Eliminates time and costs spent✓ on lengthy civil court proceedings.✓
- Covers all employees at the workplace✓ if both parties meet all the necessary safety provisions in the Act.✓
- Employees are compensated financially for any injury/disability✓ resulting from performing their duties at their workplace.✓
- In the event of the death of an employee as a result of a work-related accident/disease✓, his/her dependant(s) will receive financial support.✓
- Employers are protected from financial burden should an accident occur in the workplace✓ provided that the employer was not negligent.✓
- Employees do not have to contribute✓ towards this fund.✓
- The employees receive medical assistance✓ provided there is no other party.✓

- Any compensation to an employee/the family[✓] is exempt from income tax.[✓]
- The processes[✓] are relatively simple.[✓]
- Makes businesses more socially responsible[✓] as they cannot just employ workers at random in dangerous working conditions.[✓]
- Workers are treated with dignity and respect[✓] as businesses view them as valuable assets and not just as workers.[✓]
- Any other relevant answer related to the positive impact of COIDA on businesses.

AND/OR

Negatives

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

Max (6)

2.5.3 No

Reason

- Mr Tom did not report the accident.[✓]
 - He did not wear his protective clothing despite being advised to do so regularly.[✓]
- (2 x 1) (2)

2.6 Ways to comply with Skills Development Act (SDA)

- Businesses should register with SARS.^{✓✓}
- Skills development levy must be paid.^{✓✓}
- Register employees with SARS to be able to claim back after training.^{✓✓}
- Businesses with more than 50 employees must appoint a skills development facilitator.^{✓✓}
- Assess the skills of employees to determine areas in which skills development are needed.^{✓✓}
- Encourage employees to participate in learnerships and other training programmes.^{✓✓}
- Provide all employees with the opportunity to improve their skills.^{✓✓}
- Businesses should register with the relevant SETAs.^{✓✓}
- Any other relevant answer related to the ways in which businesses may comply with the SDA.

Max (8)

2.7 Porter's Five Forces model**Power of buyers**✓

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

Sub max (3)

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

- The power Karen's business has in the market will depend on how easy it is✓ for new competitors to enter the market.✓
- It was easy for Karen to start her business✓ because it required a small amount of capital/only a trading licence.✓
- Karen's market can attract potential competitors✓, because of low barriers to entry.✓
- It may be difficult for small businesses to enter the market✓ as Karen has a large market share/many customers.✓
- Any other relevant answer related to the threats of new entrants/barriers to entry.

Sub max (3)

Competitive rivalry✓

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

Sub max (3)

Power of suppliers✓

- Karen must assess the power of the suppliers✓ in influencing the market.✓
- Thuli Ltd has more power over Karen's Events✓, since Thuli is the only supplier in the market✓/Karen does not have a choice✓ but to buy from Thuli's Ltd.✓
- Karen will have to accept Thuli's terms and conditions✓, e.g. Thuli's Ltd can determine the quantities and the prices of the inputs supplied.✓
- Thuli's Ltd can easily increase✓ the prices of her services.✓
- Any other relevant answer related to the power of suppliers.

Sub max (3)

Threat of substitutes/Alternatives

- Substitute services are different services that at least partly satisfy the same needs of the customers and can be used to replace one another.
- Combined service packages/deals on various functions may be available at more affordable prices.
- Some customers may prefer to organise traditional wedding ceremonies on their own, which may not require the services of Karen's Events.
- Any other relevant answer related to threat of substitute.

Sub max (3)

Forces (5)
Explanation/Theory (5)
Application (5)
Max (12)

[60]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	10
2.2	8
2.3	8
2.4	4
2.5.1	2
2.5.2	6
2.5.3	2
2.6	8
2.7	12
TOTAL	60

QUESTION 3: BUSINESS VENTURES

3.1 Insurance

3.1.1 Non-compulsory insurance/Short-term insurance.

Sub max (2)

Reasons for/Benefits of short-term insurance

- Short-term insurance protects BGD against possible losses that it may suffer as a result of fire, burglary, theft, storm damage, etc.
- If BGD insured their stock, they will be indemnified for stock losses by the insurance company.
- Any other relevant answer related to reasons for/benefits of non-compulsory insurance/short-term insurance of stock.

NOTE: The reason must be applicable to the scenario.

Sub max (2)
Max (4)

3.1.2 Long-term insurance ✓

Sub max (1)

Explanation

- Endowment/Retirement Annuities will guarantee Bongani a lump sum ✓ when he reaches a certain age/retires. ✓
- A monthly payment is made to an insurance company ✓ with the expectancy of receiving a pre-determined amount on a date in the future/to cover long-term risk. ✓
- Life insurance/Assurance policy pays out a lump sum ✓ after a person dies. ✓
- Lump sum may be used to provide security for dependants ✓ or settle long-term debt, e.g. mortgage bond. ✓
- Any other relevant answer related to an explanation of long-term insurance.

Sub max (4)

Name (1)

Explain (4)

Max (5)

3.1.3 Insurance concepts

(a) **Average clause**

- It is a stipulation set by the insurer that is applicable when property/goods are underinsured/insured for less than its market value. ✓✓
- The insurer will pay for insured loss/damages in proportion to the insured value. ✓✓
- Any other relevant answer related to the average clause as an insurance concept.

Sub max (2)

(b) **Re-instatement**

- It is a stipulation whereby the insurer may replace lost/damaged property/goods instead of reimbursing. ✓✓
- This stipulation is applicable when property/goods are over insured. ✓✓
- The re-instatement value will not be higher than the market value of the loss. ✓✓
- Any other relevant answer related to re-instatement as an insurance concept.

Sub max (2)

Max (4)

3.2 Reasons for the formation of state-owned companies (SOC)

- Profits may be used to finance other state departments/reduce taxes.√√
- Jobs are created for all levels of skills.√√
- Offer essential services which may not be offered by the private sector.√√
- Prices are kept reasonable.√√
- Wasteful duplication of services is eliminated.√√
- Planning can be co-ordinated through central control.√√
- Any other relevant answer related to the reasons for the existence of state-owned companies (SOC).

NOTE: 1. Mark the first TWO (2) reasons.

2. Reasons should be positive and may include advantages.

Max (4)

3.3 Advantages of unit trusts

- Managed by a fund manager√ to buy shares on the stock exchange.√
- The investor has a variety to choose from/a wider range of shares√ and 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 fill in several forms or invest online.√
- Easy to cash in√ when an investor needs money.√
- 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.√
- Fund managers are knowledgeable/experts/reliable/trustworthy√ as they are required to be accredited to sell unit trusts.√
- Any other relevant answer related to the advantages of unit trusts.

Max (8)

3.4 Distinguish between ordinary and preference shares

Ordinary shares	Preference shares
- Ordinary shares only receive dividends✓ when profit is made.✓	- Some of these types of shares receive dividends✓ regardless of profit made.✓
- Normally the higher the profit✓, the higher the dividend.✓	- A fixed rate of return is paid✓ on this type of shares✓
- Shareholders are the last to be paid✓, if the company is declared bankrupt/liquidated.✓	- Shareholders have a preferred claim on company assets✓ in the event of bankruptcy/liquidation.✓
- Ordinary shares are standard shares✓ with no special rights or restriction.✓	- These shares enjoy preferential rights✓ to dividends/repayment over ordinary shares.✓
- Dividends vary from year to year according to profits made✓ as determined by the company.✓	- Dividends are payable✓ according to the type of preference share.✓ - Non-cumulative preference shareholders✓ will not receive any outstanding dividends from previous years.✓ OR - Cumulative shareholders✓ will receive outstanding dividends from previous years.✓
Shareholders have a right to vote✓ at the Annual General Meeting.✓	Voting rights are restricted✓ to particular circumstances/resolutions.✓
- Any other relevant answer related to ordinary shares. Sub max (6)	- Any other relevant answer related to preference shares. Sub max (6)
- Examples: Such as Sasol/Telkom, etc. Any (1 x 1) (1)	- Examples: Cumulative/Non-cumulative/ Redeemable/Non-redeemable/ Participating/Non-participating/ Convertible/Non-convertible.✓ Any (1 x 1) (1)
Sub max (7)	Sub max (7)

NOTE: The answer does not have to be in tabular form as long as the distinction is clear.

Differences (2 x 6) (12)

Example (2 x 1) (2)

Max (10)

3.5 Forms of ownership

3.5.1 Private company✓

(1)

3.5.2 Success or failure factors of a private company

Criteria	Success	Failure
(a) Division of profits	<ul style="list-style-type: none"> - High profits and good returns to shareholders✓ indicate the success of a company, which increases the value of shares.✓ - Profits generated can be re-invested✓ to expand business operations.✓ - Shareholders receive profits according to the type✓ and number of their shares.✓ - Any other relevant answer related to the contribution of the division of profits to the success of the private company. 	<ul style="list-style-type: none"> - Shareholders may sell their shares when dividends are low✓, resulting in a drop in share prices.✓ - Dividends are not always paid out✓ which may discourage new investors.✓ - Any other relevant answer related to the contribution of the division of profits to the failure of the private company.
Sub max (4)		
(b) Legislation	<ul style="list-style-type: none"> - Procedures to form a private company✓ have been simplified by the new Companies Act 71 of 2008.✓ - Limited liability allows for greater risk taking✓, which may lead to growth of the business.✓ - Auditing of financial statements (if required)✓, gives shareholders the assurance that the business is being properly managed and supports raising additional finance.✓ - There is no longer a limit✓ on the number of shareholders in a private company.✓ - A private company can benefit from government programmes✓ if they comply with the relevant legislation.✓ - Personal liability of shareholders✓ does not affect the company's assets.✓ - Any other relevant answer related to the contribution of legislation to the success of a private company. 	<ul style="list-style-type: none"> - 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 (if required)✓ is costly.✓ - If a private company does not comply with legislation✓, its licence maybe withdrawn by the Companies and Intellectual Property Registration Office (CIPRO)/Companies and Intellectual Property Commission (CIPC).✓ - Any other relevant answer related to the contribution of legislation to the failure of a private company.
Sub max (4)		

NOTE: Accept relevant factors if a Public company was incorrectly identified in QUESTION 3.5.1. Max (8)

3.5.3 Public company✓ (1)

3.5.4 Prospectus✓ (1)

3.6 Leadership

3.6.1 Bureaucratic leadership style✓✓ (2)

3.6.2 Effectiveness of bureaucratic leadership style

Positives

- Managers ensure that rules/regulations✓ are always followed accurately.✓
- Works well when tight control measures✓ need to be implemented/ followed.✓
- Health and safety are increased✓ in a dangerous workplace, e.g. construction sites/mines.✓
- Followers know what is expected of them✓ because of detailed instructions.✓
- The quality of work✓ can be ensured.✓
- Ensures accountability✓ to the general public/customers.✓
- Ultimate/Strict control over systems/procedures✓ ensure high quality output.✓
- Any other relevant answer related to a positive evaluation of a bureaucratic leadership style.

AND/OR

Negatives

- Complicated official rules✓ may seem unnecessary/time consuming.✓
- Leaders may acquire power/become authoritative✓ and can disregard inputs from others.✓
- Very little room for error✓, so workers feel they are not always treated with dignity.✓
- Lack of creativity/innovation/self-fulfilment✓ may lead to stagnation/ decrease in productivity.✓
- Employees may feel they have become objects of work✓ and are not treated as humans.✓
- Any other relevant answer related to a negative evaluation of a bureaucratic leadership style.

NOTE: Accept relevant facts, if the autocratic style was incorrectly identified as answer in QUESTION 3.6.1.

Max (6)

3.6.3 Reasons why employees prefer a laissez-faire/free-reign leadership style

- Workers/Followers are allowed to make their own decisions.✓✓
- Subordinates have maximum freedom and can work independently.✓✓
- Leader motivates workers by trusting them to do things themselves/ on their own.✓✓
- Authority is delegated, which can motivate workers and increase productivity.✓✓

-
- Subordinates are experts and know what they want/can take responsibility for their actions.√√
- Suitable for coaching/mentoring to motivate employees to achieve more/better things.√√
- Empowers competent followers as they are completely trusted to do their job.√√
- Individual team members may improve/develop leadership skills.√√
- Any other relevant answer related to a positive evaluation of a laissez-faire/free-reign leadership style.

NOTE: 1. Mark the first THREE (3) only.

2. Award marks if a different but relevant approach is used.

Any (3 x 2) (6)

[60]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1.1	4
3.1.2	5
3.1.3	4
3.2	4
3.3	8
3.4	10
3.5.1	1
3.5.2	8
3.5.3	1
3.5.4	1
3.6.1	2
3.6.2	6
3.6.3	6
TOTAL	60

QUESTION 4: BUSINESS ROLES

4.1 Economic rights of employees

- Free from forced labour.√
- Free to accept or choose work.√
- Fair wages/Equal pay.√
- Reasonable limitation of working hours.√
- Safe and healthy working conditions.√
- Join/form trade unions.√
- Right to participate in a legal strike.√
- Any other relevant answer related to the economic rights of employees.

NOTE: 1. Mark the first THREE (3) only.

2. Do not allocate marks for human and/or social rights.

Any (3 x 1) (3)

4.2 CSI projects

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

NOTE: 1. Mark the first THREE (3) only.

2. Award a maximum of TWO (2) marks if the example demonstrates the same practical way and contribution of CSI projects to the community.

Any (3 x 2) (6)

4.3 Stages of team development

- **Forming stage**√√
 - Individuals gather information and impressions about each other and the scope of the task and how to approach it.√
 - This is a comfortable stage to be in.√
 - 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 the forming stage of team development.

Sub max (3)

- **Storming stage**√√
 - 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, 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 lower motivation 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 the storming stage of team development.

Sub max (3)

- **Norming stage/Settling and reconciliation**√√
 - Team members form agreement and consensus.√
 - Roles and responsibilities are clear and accepted.√
 - Processes, working style and respect develops.√
 - Team members have the ambition to work for the success of the team's goals.√
 - Conflict may occur, but commitment and unity are strong.√
 - Any other relevant answer related to the norming/settling and reconciliation stage of team development.

Sub max (3)

- **Performing stage/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 the performing stage of team development.

Sub max (3)

- **Adjourning/Mourning stage**√√
 - 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 the adjourning/mourning stage of team development.

Sub max (3)

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

Stage: (2)

Explanation: (1)

Any (4 x 3) (12)

4.4 Ways of promoting social rights in the workplace

- Businesses should ensure that employees have access to health care/social security.√√
- Encourage employees/Provide opportunities for skills training/basic education.√√
- Register workers at UIF to provide adequate protection in the event of unemployment/illness.√√
- Encourage employees to participate in special events, e.g. World Aids day.√√
- Establish site clinics to give employees access to basic medical examinations.√√
- Any other relevant answer related to the promotion of social rights in the workplace.

NOTE: Do not accept ways that promote human and/or economic rights.**Max (6)**

4.5 **Relationship between *ethical* and *professional* behaviour**

Ethical	Professional
<ul style="list-style-type: none"> - Set of standards√ of expected behaviour.√ - Set of values√ that are morally acceptable.√ - Acceptable√ to society/group/community.√ - Forms part of the employees' √ code of conduct.√ - Focus is on developing a moral compass√ to use in decision making.√ - Seeks to avoid harm√ while promoting benefit to others.√ - Any other relevant answer related to ethical behaviour. 	<ul style="list-style-type: none"> - Knowledge and skills√ of a profession.√ - Used for the good√ of the employees/individuals.√ - Apply a code of conduct√ set by the profession or business.√ - Focus is on upholding the reputation√ of the business/profession.√ - Conforms to a specific standard in terms of quality and competence√ while also being legal and ethical.√ - Any other relevant answer related to professional behaviour.
Sub max (2)	Sub max (2)

NOTE: Explanation does not have to be in tabular format.

Max (4)

4.6 **Ethical business practices**

4.6.1 **Unethical and irresponsible business practices of Seabreez Fish-and-Chips**

- Starting a business venture at the expense of someone else.√
- Not using the correct waste disposal methods.√
- Old cooking oil is re-used to prepare fish and chips.√
- Employees work double shifts over weekends without extra remuneration/Unfair payment of wages.√
- Provides customers with poor quality meals.√

NOTE: Mark the first THREE (3) only.

Any (3 x 1) (3)

4.6.2 Ways in which Seabreez Fish and Chips may address unethical behaviour

- Seabreez should not be started at home/in a residential area/at the expense of others/not affect the wellbeing of the neighbours.√√
- Portia has to dispose waste in a manner recommended by municipality by-laws.√√
- Portia has to replace the old/used cooking oil regularly.√√
- She should pay workers for overtime/fair wages./Working hours/meal breaks/overtime should be negotiated with the workers according to the requirements of the BCEA.√√
- Any other relevant recommendation related to ways of addressing unethical behaviour relevant to the scenario.

- NOTE:**
1. **The unethical practices identified in QUESTION 4.6.1 must be addressed.**
 2. **Recommend ONE (1) practical way for EACH of the unethical and irresponsible business practices identified in QUESTION 4.6.1.**
 3. **When addressing unethical practices in Question 4.6.2, do not accept responses from Question 4.6.1 that are phrased in a positive way.**
 4. **Mark the first THREE (3) only.**

Max (6)

4.7 Problem-solving

4.7.1 Problem-solving steps

- **Identify the problem**√√
 - Angel Clothing's sales are declining.√
 - They are losing customers.√
 - Other businesses selling similar products.√
 - Any other relevant answer related to identify Angel Clothing's problem.
- **Define the problem**√√
 - The nature of the problem must be precise.√
 - They must define the possible causes of decline in sales/losing customers.√
 - Any other relevant answer related to defining Angel Clothing's problem.
- **Identify alternative solutions**√√
 - Angel Clothing must generate a wide range of possible solutions for decline in sales, e.g. aggressive marketing strategies/introduce a new range of men's sports clothing/add a new product line to the women's sports clothing.√
 - They may sell quality goods at lower prices to win back customers.√
 - Any other relevant alternative solutions related to Angel Clothing's challenges.

- **Evaluate alternative solutions**√√
 - Angel Clothing must use critical evaluation and analytical skills to evaluate each solution.√
 - Consider the advantages and disadvantages of each alternative solution.√
 - Any other relevant answer related to evaluating Angel Clothing's alternative solutions.

- **Choose the best solution**√√
 - Angel Clothing must set criteria for the best solution, in terms of aspects such as time/cost/risk involved.√
 - The best solution should match the size and the resources of the business.√
 - If the solution is not appropriate, they should go back to defining the problem.√
 - Any other relevant answer related to choosing Angel Clothing's best solution.

- **Formulate/Develop an action plan/strategy**√√
 - Angel Clothing must arrange the necessary resources and delegate tasks.√
 - The business should set deadlines.√
 - Any other relevant answer related to formulate/develop an action plan/strategy for Angel Clothing.

- **Implement the action plan**√√
 - Angel Clothing must carry out the planned actions.√
 - Communicate delegated tasks/deadlines to employees.√
 - Any other relevant answer related to the implementation of Angel Clothing's action plan.

- **Evaluate the solution/action plan**√√
 - Angel Clothing must monitor/test the solution/action plan/strategy continuously.√
 - If problems emerge, they must recognise and re-formulate the problem for improved solutions in the future.√
 - Take corrective measures.√
 - Any other relevant answer related to evaluating Angel Clothing's solution/action plan.

- NOTE:**
1. Mark steps in any order.
 2. Award marks when different approaches in problem solving are used, e.g. 3 or 5 steps, etc.
 3. The 'Sub max' of TWO (2) marks for application in each step must be adhered to.

Steps: Sub max (6)
Application: Sub max (6)
Max (12)

4.7.2 Advantages of creative thinking in solving Angel Clothing's problem

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

Max (4)**4.7.3 Ways in which Angel Clothing can contribute time and effort to advance the wellbeing of their employees.**

- Angel Clothing should improve the general quality of life of employees, e.g. pay fair wages/skills development√√, etc.
- Start a nutritional programme so that employees can enjoy one meal per day to keep them in a healthy condition.√√
- Provide subsidised housing/accommodation for their employees.√√
- Give time to staff to get involved in projects they choose√√/Allow staff to use some of the working hours to participate in the projects of their choice.√√
- Encourage employees to stay fit and healthy by getting them involved in health activities to minimise stress/substance abuse/obesity.√√
- Provide transport for employees who work unusually long hours.√√
- Establish coaching and mentoring programmes for junior employees.√√

- Conduct team-building sessions to improve employees' morale.√√
- Encourage employees to attend capacity-building workshops/training programmes/staff-development programmes/team-development programmes.√√
- Offer counselling sessions to employees with personal/emotional challenges.√√
- Any other relevant recommendations related to ways in which Angel Clothing can contribute time and effort to advance the wellbeing of their employees.

Max (4)**[60]****BREAKDOWN OF THE MARKS**

QUESTION 4	MARKS
4.1	3
4.2	6
4.3	12
4.4	6
4.5	4
4.6.1	3
4.6.2	6
4.7.1	12
4.7.2	4
4.7.3	4
TOTAL	60

QUESTION 5: BUSINESS OPERATIONS**5.1 TWO remuneration methods**

- Piecemeal payment✓
- Time-related payment✓

Max (2)

5.2 Link between salary determination and the Basic Conditions of Employment Act (BCEA)

- The BCEA sets out conditions✓ that ensure fair labour and human resources practices.✓
- According to the BCEA, businesses may use different remuneration methods✓ to pay their employees.✓
- Payment of salaries should be based on whether the employee is permanent✓ or employed on a fixed contract.✓
- Businesses are supposed to deduct income tax (PAYE)✓ from the employees' taxable salaries.✓
- BCEA outlines legalities, such as the employment contract✓, which may affect salary determination.✓
- Any other relevant answer related to the relationship between the BCEA and salary determination.

NOTE: Allocate a maximum of TWO (2) marks for BCEA conditions that are not linked to salary determination.

Max (4)

5.3 5.3.1 External recruitment.✓

(1)

Motivation

- The business has advertised these vacancies in regional newspapers✓ and online on social media.✓

(2)

Identification (1)

Motivation (2)

Max (3)

5.3.2 Advantages of external recruitment

- New candidates bring new talents/ideas/insight/experience✓ that will benefit the business.✓
- There are more candidates✓ to choose from.✓
- Chances are better of finding suitable candidates✓ with the right skills, qualifications/competencies.✓
- Prevents unhappiness/conflict✓ between existing employees who have applied for the post.✓
- Recruitment agencies may be used to find candidates✓ which saves time.✓
- Businesses are able to achieve their equity plan✓ by recruiting according to targets set.✓
- Any other relevant answer related to the advantages of external recruitment.

Max (8)

5.4 5.4.1 Purpose of an interview

- To determine a candidate's suitability for the job.√√
- Match the information given by the applicant with the requirements of the job.√√
- To get more information from the applicant.√√
- Evaluate the skills and personal characteristics of the applicant.√√
- Provides the applicant with the opportunity to find out more about the job and the company/ask questions about the job/salary/working conditions.√√
- Any other relevant explanation of the purpose of an interview.

Max (4)**5.4.2 Role of the interviewee 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 inquisitive√ and show interest in the business.√
- Ask clarity√ seeking questions/be assertive.√
- 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.√
- Any other relevant answer related to the role of the interviewee during the interview.

Max (6)**5.5 Quality indicators for the purchasing function**

- Buy raw materials 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 are 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 outdated 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 quality indicators for the purchasing function.

Max (8)

5.6 **Total Quality Management (TQM)**

5.6.1 **Elements of TQM**

Statement from the scenario	TQM Elements
- The management and staff are all actively involved.√	- Involvement of all employees/ People-based management/ Teamwork. √√
- Petunia Nurseries has enough capital√	- Adequate financing and capacity.√√
- ... to buy the latest gardening equipment√	- Continuous improvement to systems and processes.√√
- ... and conduct regular market research.√	- Total client satisfaction.√√
- ... the best quality plants are sold and excellent gardening services are rendered.	- Total client satisfaction.√√
- They also have tight quality control measures in place, such as regular testing for plant diseases.√	- Monitoring and evaluation of quality processes.√√
Sub max (3)	Sub max (6)

- NOTE:**
1. Elements must be linked to the scenario.
 2. Award **ONE (1)** mark for quoting from the scenario without the correct identification of the TQM element.

Statements (3)
Elements (6)
Max (9)

5.6.2 **Advantages of the required TQM elements for Petunia Nurseries as a large business**

Involvement of employees/People-based management/Team Work

- Petunia Nurseries have well-structured systems and processes√ that include everyone in the quality control and management process.√
- All employees are committed√ to creating high quality product and services.√
- Specific measures are in place√ that encourage everyone to be responsible for quality.√
- Any other relevant answer related to the advantages of involving all employees as an element of TQM in Petunia Nurseries.

Sub max (2)

Adequate financing and capacity

- Petunia Nurseries has 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 advantages of adequate financing and capacity as an element of TQM in Petunia Nurseries.

Sub max (2)

Continuous improvement to systems and processes

- Petunia Nurseries have resources√ to check on quality performance in each unit.√
- Enough capital resources are available√ for new equipment required for systems and processes.√
- Petunias may have a person dedicated√ to the improvement of systems and processes.√
- They may 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 systems and processes as an element of TQM in Petunia Nurseries.

Sub max (2)

Total client/customer satisfaction

- Petunias uses market research√ to measure/ monitor customer satisfaction/analyse customers' needs.√
- Continuously promote√ a positive business image.√
- May achieve a state of total customer satisfaction, if Petunias follow sound business practices√ that incorporate all stakeholders.√
- May lead to higher customer retention/loyalty√ and Petunias may be able to charge higher prices.√
- May be able to gain access√ to the global market.√
- May lead to increased√ competitiveness/profitability.√
- Any other relevant answer related to the advantages of total client/customer satisfaction as an element of TQM in Petunia Nurseries.

Sub Max (2)

Monitoring and evaluation of quality processes

- Petunia Nurseries has monitoring and evaluation systems/quality assurance processes in place✓ to prevent product defects.✓
- They have quality control checks and procedure✓ to ensure they do not regularly replace items and machinery.✓
- May be better equipped to get things right the first time✓ with no defects.✓
- Any other relevant answer related to the advantages of adequate monitoring and evaluation of quality processes as an element of TQM in Petunia Nurseries as a large business.

**NOTE: Do not award marks for elements of TQM again.
(See QUESTION 5.6.1 – marks already allocated.)**

Sub max (2)
Max (6)

5.7 Negative impact of poorly implemented TQM

- 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 negative impact resulting from poor TQM.

Max (10)

[60]

BREAKDOWN OF MARKS

QUESTION 5	MARKS
5.1	2
5.2	4
5.3.1	3
5.3.2	8
5.4.1	4
5.4.2	6
5.5	8
5.6.1	9
5.6.2	6
5.7	10
TOTAL	60

QUESTION 6: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENT****6.1 Consumer Protection Act (CPA)**

6.1.1 Consumer Protection Act, 2008 (Act 68 of 2008)/Consumer Protection Act/CPA✓✓ (2)

6.1.2 Consumer rights

Right to:

- Fair and responsible marketing✓✓
- Fair and honest dealings✓✓
- Disclosure and information✓✓
- Any other consumer right violated in Themba's case as per CPA.

NOTE: Mark the first ONE (1) only.

Any (1 x 2) (2)

6.1.3 Impact of Consumer Protection Act (CPA) on Josh Sight & Sound(JSS)**Positives**

- Enables Josh Sight & Sound to resolve disputes fairly✓ through the National Consumer Commission/Consumer Court/Industrial ombudsmen.✓
- JSS may build a good image✓ if they ensure that they do not violate consumer rights.✓
- May gain consumer loyalty✓, if they comply with CPA.✓
- JSS is less likely to have court cases against them✓ for consumer rights violations.✓
- They may be protected✓ if they are regarded as consumers.✓
- JSS may be safeguarded✓ from dishonest competitors.✓
- Prevents larger businesses✓ from undermining smaller ones.✓
- Any other relevant answer related to the positive impact of the CPA on businesses.

AND/OR**Negatives**

- Josh Sight & Sound has to replace/repair faulty items/refund money✓ if the fault occurs within six months after purchase.✓
- JSS has to disclose more information✓ about their products and processes/services.✓
- Confidential business information✓ may become available to competitors✓.
- Consumers can take advantage of JSS✓ and return goods/television sets/radios when it is not necessary to do so.✓
- Processes and procedures required of JSS✓ can be expensive and time-consuming.✓
- JSS may feel burdened✓ by the required processes.✓
- Penalties for non-compliance✓ may be very high.✓

- They need to train staff and consult legal experts√, which can be expensive.√
- Many business documents need to be simplified/revamped at extra cost√, as consumers have a right to receive contracts in simple and understandable language.√
- Administration costs increase√, as legal contracts must be worded in plain language/pitched at the level of the consumer.√
- Josh Sight & Sound may need an insurance√ against claims from consumers√/Provisions in the Act increase the risks for insurance companies√ in protecting businesses against unforeseen claims and law suits.√
- Supply chain management in stock levels will have to be managed differently√ as defective goods have to be replaced within six months at the request of the customer.√
- Information technology systems need to be improved√ as the retailer must keep more detailed records of interactions with consumers and be able to report to the National Consumer Commission.√
- Any other relevant answer related to the negative impact of the CPA on businesses.

NOTE: Responses on the impact must be relevant to CPA.

Max (10)

BUSINESS VENTURES

6.2 Investments

6.2.1 RSA Retail Savings Bonds/Government Retail Bonds√√ (2)

6.2.2 Benefits of investing in RSA Retail Savings Bonds

- Easy to buy√ as it is available electronically on the RSA Retail Savings Bond website/directly from the National Treasury/from any branch of the Post Office/Pick 'n Pay.√
- No administration√ or registration costs.√
- No fees/commission√ is payable.√
- The interest rate can be more√ than banks offer.√
- The longer the investments√, the higher the rate of interest.√
- The returns offered by retail bonds are good√ and they take into account the effects of inflation.√
- Investment is secure, because it is guaranteed by the government√ and the risk is low.√
- Investors can choose to reinvest their interest at the same rate√ as the initial investment.√
- Interest rates are received twice a year√ at a fixed rate.√
- Any other relevant answer related to the benefits/advantages of the RSA Retail Savings Bonds.

Max (8)

6.3 Justification/Benefits of the Road Accident Fund (RAF)

- RAF insures road-users against the negligence√ of other road users.√
- Provides compulsory cover for all drivers of motor vehicles√ against claims by persons injured in vehicle accidents/claims of dependants of people killed in vehicle accidents.√
- Both injured parties and negligent drivers√ are covered by RAF.√
- The injured party will be compensated,√ irrespective of whether the negligent driver is rich/poor/insured/uninsured.√
- Provides for compensation for injuries/death√ of breadwinners in road accidents.√
- Any other relevant answer related to the justification/benefits of the RAF.

Max (3)**BUSINESS ROLES****6.4 Ways of dealing with difficult people****OPTION 1**

- Get perspective from others who have experienced the same kind of situation to be able to understand the difficult employee.√√
- 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 your intentions and reasons for your actions known so that they will 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 employee and his/her progress should be monitored/assessed prior to the deadline.√√
- Guidelines for improvement should be given.√√
- Do not judge the employee, but try to understand him/her/Understand the person's intentions and why they react in a certain way.√√
- Keep communication channels open and 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 but monitor a difficult person.√√
- Identify and provide an appropriate support program to address areas of weakness.√√
- Any other relevant answer related to managing difficult employees.

AND/OR**OPTION 2 (Different personalities)**

Type of personality	Strategy to deal with personality
- Complainer√	- Listen to the complaints but do not acknowledge them.√ - Interrupt the situation and move to the problem-solving process as soon as possible.√
- Indecisive√	- Guide them through alternatives.√ - Stay in control and emphasise the importance of making a decision.√ - Help them make the decision or solve the problem.√
- Over agree√	- Be firm and do not let them make promises that they cannot keep.√ - Follow up on their actions.√
- Negativity√	- Be firm with them and do not let them draw you into their negativity.√ - Listen to them but do not agree with them.√
- Expert√	- Be firm and assertive.√ - Do not accuse them of being incorrect and do not get caught in their game.√ - Know your facts.√
- Quiet√	- Do not fill their silence with words.√ - Wait for their response.√ - Prompt them through the process so that they give input.√ - Restrict the time of the discussion.√
- Aggressive√	- Allow them time to speak and blow off.√ - Be firm, but do not attack them.√ - Do not allow them to be hostile towards others.√

NOTE: (applicable to **OPTION 2**):

1. Allocate a maximum of **THREE (3)** marks for only identifying the type of personality without a strategy.
2. Allocate **TWO (2)** marks for indicating the strategy without identifying the type of the personality/Take particular note of overlap of strategies.

Max (10)

6.5 THREE criteria for successful teams

- **Interpersonal attitudes and behaviour**√√
 - Members have a positive attitude of support and motivation√ towards each other.√
 - Good/Sound interpersonal relationships√ will ensure job satisfaction/increase productivity of the team.√
 - Members are committed/passionate√ towards achieving a common goal/objectives.√
 - Team leader acknowledges/gives credit to members√ for positive contributions.√
 - Any other relevant answer related to interpersonal attitudes and behaviour of successful teams. Sub max (3)

- **Shared values/Mutual trust and support**√√
 - Shows loyalty/respect/trust towards team members√ despite differences.√
 - Shows respect√ to the knowledge/skills of other members.√
 - Perform team tasks with integrity/pursuing responsibility/meeting team deadlines√ with necessary commitment to team goals.√
 - Any other relevant answer related to shared values/mutual trust and support of members in successful teams. Sub max (3)

- **Communication**√√
 - A clear set of processes/procedures for team work√ ensures that every team member understands his/her role.√
 - Ability to communicate well√ and make quick decisions.√
 - Communicates with team members√ and allows for feedback.√
 - Encourages discussion about the problem√ so that solutions can be found.√
 - Continuous review of team progress√ ensures that team members can rectify mistakes/act pro-actively to ensure that goals/targets are reached.√
 - Any other relevant answer related to communication in successful teams. Sub max (3)

- **Co-operation/Collaboration**√√
 - Clearly defined realistic goals are set√, so that all members know exactly what is to be accomplished.√
 - Willingness to co-operate as a unit√ to achieve team objectives.√
 - Co-operate with management√ to achieve team/business objectives.√
 - Agree on methods/ways to get the job done effectively√ without wasting time on conflict resolution.√
 - All members√ take part in decision making.√
 - A balanced composition of skills/knowledge/experience/expertise√ ensures that teams achieve their objectives.√
 - Any other relevant answer related to co-operation/collaboration in successful teams. Sub max (3)

NOTE: 1. Mark the first THREE (3) only.

2. Consider any other relevant criteria for a successful team.

Criteria: Any (3 x 2) (6)

Explanation: Any (3 x 1) (3)

Max (9)

BUSINESS OPERATIONS

6.6 Business Functions

- 6.6.1 Administration function(Administration)/Management Information system/
MIS/Information systems/Information technology/General Management.√√ (2)
- 6.6.2 Production function/Production√√ (2)
- 6.6.3 Financial function/Financial√√ (2)

6.7 Selection procedure that Flying Colours Advertising Agency should follow

- Determine fair assessment criteria√ on which selection will be based.√
- Use the assessment criteria to assess all CVs/application forms√ received during recruitment√/Preliminary screening√ is done by sorting the applications received according to the criteria for the job.√
- Check that applicants are not submitting false documents√ such as forged certificates/degrees.√
- Make a list of all applicants√ who qualify for the post.√
- Screen and check reference√, e.g. check applicants' criminal records/credit history/social media√, etc.
- Conduct preliminary interviews√ to sift out applicants who qualify for the job.√
- Inform all applicants√ about the outcome of the application.√
- Compile a shortlist√ of approximately five people.√
- Invite the shortlisted applicants/candidates√ for an interview.√
- Shortlisted candidates may be subjected to various types of selection tests√, e.g. skills test.√
- A written offer is made√ to the chosen candidate√.
- Any other relevant answer related to the selection procedure of a receptionist.

NOTE: Procedure can be in any order.

**Max (8)
[60]**

BREAKDOWN OF MARKS

QUESTION 6	MARKS
6.1.1	2
6.1.2	2
6.1.3	10
6.2.1	2
6.2.2	8
6.3	3
6.4	10
6.5	9
6.6.1	2
6.6.2	2
6.6.3	2
6.7	8
TOTAL	60

TOTAL SECTION B: 180

SECTION C

Mark the first TWO (2) questions only.

QUESTION 7: BUSINESS ENVIRONMENTS (STRATEGIES)

7.1 Introduction

- The external environment presents opportunities and threats.√
- Analysing the environment will help Subashnee to prepare adequately in order for her to compete in an ever-changing environment.√
- PESTLE is used to identify and evaluate the factors in the external environment that can influence the business.√
- It is used to give the business a better understanding of the external environment and the industry in which it competes.√
- Businesses must devise strategies to address the identified challenges.√
- Businesses must continuously evaluate the effectiveness of implemented strategies.√
- Any other relevant introduction related to applying the PESTLE analysis to identify macro environmental challenges and develop strategies.

Max (2)

7.2 PESTLE analysis

FACTORS	CHALLENGES	RECOMMENDATION
- Political√	<ul style="list-style-type: none"> - Subashnee will have to consider specific government policies√ e.g. will she be allowed to legally test her medicine on animals?√ - Consumer rights organisations may prevent her from selling products√ if they do not meet certain requirements.√ - Trade agreements may prevent her√ from importing some medicine/products.√ - Any other relevant challenge related to political factors. 	<ul style="list-style-type: none"> - Research recent government policies regarding the testing of products on animals.√√ - Network and lobby with the NGOs and all consumer rights organisations.√√ - Trade only with countries that have favourable trade agreements with the government.√√ - Any other relevant recommendation related to political factors.
	Sub max (4)	Sub max (2)
- Economic√	<ul style="list-style-type: none"> - Inflation/Interest rates may negatively impact on her business√, e.g. will her clients still afford her products if she increases her prices due to inflation?√ - Loans may be expensive√ due to high interest rates.√ - Fluctuations in foreign currency√ may restrict imports.√ - Her pharmacy may not qualify√ for certain tax exemptions/subsidies.√ - Any other relevant challenge related to economic factors. 	<ul style="list-style-type: none"> - Consider decreasing her profit margin rather than increasing her product prices.√√ - Borrow money from financial institutions when interest rates are favourable.√√ - Consider exchange rates when trading with other countries.√√ - Provide essential medicines at low prices to qualify for tax rebates/ subsidies.√√ - Any other relevant recommendations related to economic factors.
	Sub max (4)	Sub max (2)

FACTORS	CHALLENGES	RECOMMENDATION
- Social✓	<ul style="list-style-type: none"> - Customers may not be able to afford products✓ due to low income levels.✓ - Some customers may prefer to use the services of traditional healers✓, instead of modern/Western medicine.✓ - May not be conversant✓ with the local language of her customers.✓ - Any other relevant challenge related to social factors. 	<ul style="list-style-type: none"> - Sell substitute/generic products at lower prices.✓✓ - Co-operate with traditional healers to learn more about traditional/alternative medicine.✓✓ - Learn local languages✓✓/Hire employees who are well conversant with the local language.✓✓ - Any other relevant recommendations related to social factors.
	Sub max (4)	Sub max (2)
- Techno-logical✓	<ul style="list-style-type: none"> - May not keep up with/be aware of✓ the latest technology/new medical equipment.✓ - Employees may not be skilled✓ to operate/maintain new technology/equipment.✓ - She may not be able to afford✓ new technology.✓ - May not be able to cater for/ afford✓ online transactions/e-commerce.✓ - Any other relevant challenge related to technological factors. 	<ul style="list-style-type: none"> - Continuous research on the latest available technology/equipment in the market.✓✓ - She should train existing/appoint new employees to maintain/use new equipment.✓✓ - Compare prices/Select suitable suppliers for new equipment at reasonable prices.✓✓ - Ensure that her business is geared for online trading/e-commerce.✓✓ - Any other relevant recommendations related to technological factors.
	Sub max (4)	Sub max (2)
- Legal✓	<ul style="list-style-type: none"> - Consider certain Acts✓ that may have a direct impact on her business, e.g. the CPA/BCEA✓ etc. - Legal requirements for operating a pharmacy✓ may be complicated/ time-consuming.✓ - High legal costs involved in obtaining a licence/trade mark/patent✓ may prevent her from establishing the pharmacy.✓ - Legalities of business contracts✓ may limit business operations.✓ - Any other relevant challenge related to legal factors. 	<ul style="list-style-type: none"> - Comply with all relevant legislation that may impact on her business. ✓✓ - Comply with the legal requirements for operating a pharmacy, e.g. licence/trade mark registration/patents. ✓✓ - Budget for high legal establishment costs. ✓✓ - She must know the legalities of business contracts so that she complies with all the requirements.✓✓ - Any other relevant recommendation related to legal factors.
	Sub max (4)	Sub max (2)
- Environ-mental✓	<ul style="list-style-type: none"> - Chemicals/Ingredients in her products✓ may be harmful to customers.✓ - Measures to dispose of medical waste✓ may be expensive.✓ - Packaging of some products✓ may not be environmentally friendly/may not be recyclable.✓ - Any other relevant challenge related to environmental factors. 	<ul style="list-style-type: none"> - Chemicals/Ingredients should be clearly indicated on labels/packaging to inform customers about possible side effects/correct use of products. ✓✓ - Implement cost effective measures to dispose of medical waste.✓✓ - Implement recycling measures to prevent pollution of the environment/Use packaging that is re-usable/recyclable.✓✓ - Any other relevant recommendations related to environmental factors.
	Sub max (4)	Sub max (2)

NOTE:Each strategy must be linked to the identified challenge.

Factors: Max (6)
Challenges: Max (20)
Recommendation: Max (10)

7.3 Steps in evaluating strategies

- Examine the underlying basis of a business strategy.√√
- Formulate strategies to meet objectives favourably.√√
- Implement strategies using action plans√√, etc.
- Look forward and backwards into the implementation process.√√
- Compare the expected performance with the actual performance.√√
- Measure business performance in order to determine the reasons for deviations and analyse these reasons.√√
- Take corrective action so that deviations may be corrected.√√
- Set specific dates for control and follow up.√√
- Draw up a table of the advantages and disadvantages of a strategy.√√
- Decide on the desired outcome.√√
- Consider the impact of the strategic implementation in the internal and external environments of the business.√√
- Any other relevant answer related to the steps in strategy evaluation.

NOTE: Accept steps in any order.

Max (10)

7.4 Conclusion

- Businesses have to analyse the opportunities and threats in order to formulate new strategies or change their current strategies.√√
- PESTLE analysis enables businesses to identify the challenges of the external environment and devise relevant strategies to overcome the identified challenges.√√
- Businesses that apply the PESTLE analysis are able to respond quickly to the external pressures and adapt to them.√√
- Any other relevant conclusion related to applying the PESTLE analysis/ recommendation of strategies/steps in evaluating strategies.

**Max (2)
[40]**

BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	Max 32
PESTLE analysis:		
Factors	6	
Challenges	20	
Recommendations	10	
Steps for strategy evaluation	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**

- A verbal presentation will focus on an oral/spoken presentation to the directors.√
- The purpose of a verbal presentation is to exchange information as it involves speaking and listening for both the presenter and the audience/directors.√
- Visual aids combine pictures and sound that will enhance the quality of the presentation.√
- Visual aids can help to convey a large amount of facts in a short time.√
- Choosing the most effective visual aids should capture the attention of the directors and support the logical flow of the presentation.√
- When responding to the directors' questions/remarks, the presenter should not be aggressive/defensive.√
- Any other introduction relevant to a verbal presentation supported by visual aids.

Max (2)**8.2 Factors to be considered when preparing for a presentation**

- Clear purpose/intentions/objectives√ and main points of the presentation.√
- Main aims√ captured in the introduction/opening statement of the presentation.√
- Information presented√ should be relevant and accurate.√
- Fully conversant√ with the content/objectives of the presentation.√
- Background/diversity/size/pre-knowledge of the audience√ to determine the appropriate visual aids.√
- Prepare a rough draft of the presentation√ with a logical structure/format with an introduction, body and conclusion.√
- The conclusion must summarise the key facts√ and how it relates to the objectives/shows that all aspects have been addressed.√
- Create visual aids/graphics√ that will consolidate the information/facts to be conveyed to the board of directors.√
- Find out about the venue for the presentation√, e.g. what equipment is available/appropriate/availability of generators as backup to load shedding.√
- Consider the time frame√ for presentation, e.g. fifteen minutes allowed.√
- Rehearse√ to ensure a confident presentation/effective use of time management.√
- Prepare for the feedback session√, by anticipating possible questions/comments.√
- Any other relevant answer related to the factors that must be considered when preparing for the presentation.

Max (12)

8.3 Types of visual aids**8.3.1 Data projector/PowerPoint****Positives**

- 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 should only be used where they can enhance the facts or summarise information.
- Any other relevant answer related to the positive evaluation of a data projector/PowerPoint presentation.

AND/OR**Negatives**

- 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 evaluation of a data projector/PowerPoint presentation.

Sub max (6)

8.3.2 Overhead projector**Positives**

- Summaries/Simple graphics/Diagrams/Processes may be explained easily on transparencies.
- It can be prepared manually (OHP pens) or electronically on computer/copier.
- A useful replacement/back-up if computer/electronic equipment fail or are not available.
- Effective transparencies/projections should be clear and visible, e.g. large print, few words/lines.
- Any other relevant answer related to the positive evaluation of an overhead projector.

AND/OR**Negatives**

- Transparencies that are not well ordered/organised, may convey an unprofessional image.
- It can be easily replaced by a PowerPoint presentation.
- Not easy to combine with sound/audio.
- Used most effectively when lights are dimmed/switched off which make it difficult for the audience to make their own notes.
- Any other relevant answer related to the negative evaluation of an overhead projector.

Sub max (6)

8.3.3 Interactive whiteboard/Smart boards**Positives**

- Images can be projected directly from a computer, so no external projector/devices necessary.
- Special pens allow the presenter to write on the board while prepared images are displayed.
- Additional notes that was added during the presentation can be captured on computer after the presentation.
- It can be controlled by the touch of a finger, so the presenter can move away from the computer during the presentation.
- Easy to combine with sound/other visual aids.
- Useful to capture feedback and new ideas.
- Any other relevant answer related to the positive evaluation of an interactive whiteboard/Smart board.

AND/OR**Negatives**

- Should only be used by a presenter who knows the unique features of the interactive whiteboard/who can use it to its full potential.
- Cannot be connected to any computer as special, licensed software is needed to be able to use it.
- Technical challenges may render it ineffective, e.g. loss of signal while using it.
- Any other relevant answer related to the negative evaluation of an interactive whiteboard/Smart board.

Sub max (6)

8.3.4 Hand-outs/Flyers/Brochures**Positives**

- It can be handed out at the end of a presentation as a reminder of the key facts of the presentation.
- Meaningful hand-outs may be handed out at the start of the presentation to attract attention.
- Extra/Useful information may be handed out, e.g. contact details/price lists/feedback questionnaires.
- Any other relevant answer related to the positive evaluation of hand-outs/flyers/brochures.

AND/OR**Negatives**

- Hand-outs cannot be combined with audio material, so it only focuses on the visual aspects of support material.
- Handing out material at the start of the presentation may distract the audience.
- As it only summarises key information, some details might be lost/omitted.
- Any other relevant answer related to the negative evaluation of hand-outs/flyers/brochures.

Sub max (6)

8.3.5 Posters/Signs/Banners/Portable advertising stands/Flags**Positives**

- Useful in promoting the logo/vision of the business.
- It should be colourful/eye-catching/creative to support the core message of the presentation.
- May contain large illustrations/pictures/features of the products/key concepts to emphasise detail, e.g. creative jewellery/unique features of the jewellery.
- Can make impact when placed strategically in/outside the venue.
- Any other relevant answer related to the positive evaluation of posters/signs/ banners/portable advertising stands/flags.

AND/OR**Negatives**

- May overpower/draw attention away from the presentation if it is too big/not placed correctly.
- May not always be useful in a small venue/audience as it can create a 'crowded' atmosphere.
- Only focuses on visual aspects as it cannot always be combined with sound/audio.
- Any other relevant answer related to the negative evaluation of posters/signs/banners/portable advertising stands/flags. Sub max (6)

8.3.6 Flip charts/White boards**Positives**

- Mainly used for a small audience to note down short notes/ideas.
- Very effective in brain storming sessions as suggestions are summarised or listed.
- In a sales pitch it may be useful during the feedback session to summarise main facts/aspects that the presenter needs to follow up.
- Any other relevant answer related to the positive evaluation of flip charts/white boards.

AND/OR**Negatives**

- There may not be enough time during the presentation to make written notes, so some ideas may not be listed.
- Handwriting may be illegible/untidy which may not contribute to a professional image/presentation.
- It may not always be possible to prepare flip charts before the presentation, so it can become cluttered/chaotic.
- Any other relevant answer related to the negative evaluation of flip charts/white boards.

Sub max (6)

NOTE: Mark first FOUR (4) types of visual aids only.**(Max) (16)**

8.4 Ways to respond to feedback in a professional manner

- Robyn should stand up throughout the feedback session.√√
- She should be polite/confident/courteous.√√
- Robyn should ensure that she understands each question/comment before responding.√√
- Listen and then respond.√√
- Provide feedback as soon as possible after the observed event.√√
- She should be direct/honest/sincere.√√
- Use simple language/support what she say with an example/Keep answers short and to the point.√√
- Robyn must encourage questions from the board of directors.√√
- She should always address questions and not the person.√√
- Acknowledge good questions.√√
- Rephrase questions if uncertain.√√
- Do not get involved in a debate.√√
- Robyn should not avoid the question if she does not know the answer; but rather refer it to the board of directors.√√
- She should address the full board of directors and not only the person asking the question.√√
- Any other relevant answer related to ways to consider when responding to feedback.

Max (10)**8.5 Recommendation for improvement of next presentation**

- Robyn should revise objectives that were not achieved.√√
- Use humour appropriately.√√
- She should always be prepared to update/keep her information relevant.√√
- Reflect on any problem/criticism and avoid it in future presentations.√√
- Any information that Robyn receives as feedback from a presentation should be analysed and where relevant, incorporated/used to update/amend her presentation.√√
- Reflect on the time/length of the presentation to add/remove content.√√
- Increase/Decrease the use of visual aids or replace/remove aids that did not work well.√√
- Reflect on the logical flow of the format/slides/application of visual aids.√√
- Any other recommendation related to how Robyn can improve on her next presentation.

Max (8)**8.6 Conclusion**

- A well-prepared presentation creates a good impression and will attract potential investors.√√
- A good presentation promotes the image of the business/owner/management.√√
- Being professional during a verbal presentation and feedback/questions session should contribute to the success of the sales pitch and Robyn may get the contract.√√
- Any other relevant conclusion related to presenting information

Max (2)**[40]**

BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	Max 32
Factors to be considered when preparing a presentation	12	
Visual aids	16	
Ways to respond to feedback in a professional manner	10	
Recommendations for improvement	8	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality/Examples		2
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if only some of the requirements are met.

Allocate 0 marks where requirements are not met at all.

**QUESTION 9: BUSINESS ROLES
(HUMAN RIGHTS, INCLUSIVITY AND ENVIRONMENTAL ISSUES)**

9.1 Introduction

- Diversity refers to the variety of people employed based on age/race/ gender/ethnic groups/people with disabilities/material wealth/ personalities/ how employees see themselves and others.√
- People are important within the business environment.√
- Businesses need to uphold the key human rights listed in the Constitution.√
- Businesses must consider the impact of their actions on the environment.√
- The protection of human health from the harmful effects of an unsuitable environment is one of the fundamental human rights contained in the Bill of Rights.√
- Businesses should put systems in place to support human rights, inclusivity and environmental issues.√
- Any other relevant introduction related to human rights, diversity and environmental issues in the workplace.

Max (2)

9.2 Human rights in the workplace**- Privacy**

- CTL may not violate the rights of the employees and clients.
- They should not provide personal information about employees to anyone else.
- Information on employees who have disclosed their HIV/Aids status or any chronic illness must be kept confidential.
- It is illegal to read other people's emails/record conversations unless stated clearly and upfront.
- Any other relevant answer related to privacy.

Sub max (4)

- Respect/Dignity

- CTL must treat all employees with respect/dignity regardless of their socio-economic status.
- They should not force workers to do embarrassing or degrading work.
- Any other relevant answer related to respect/dignity.

Sub max (4)

- Equity

- CTL must give equal opportunities/not discriminate against their employees on the basis of gender/race/religion/sexual orientation, etc.
- Equal pay for work of equal value.
- They should apply relevant legislation fairly on all levels.
- Managers should ensure that no employee suffers because of discrimination.
- Any other relevant answer related to the right to equity.

Sub max (4)

- Freedom of speech and expression

- CTL should allow open communication channels between management and employees.
- They should give employees a platform to raise their grievance without any victimisation.
- An employee should not be punished/discriminated against for voicing their opinion.
- Any other relevant answer related to the right to freedom of speech and expression.

Sub max (4)

- Information

- Workers should have access to information, including all information held by the government, e.g. policies/work schedules/employment contracts/labour laws such as BCEA/EEA/SDA, etc.
- CTL needs to be transparent in their financial statements/ Employees may request to see these statements with motivation.
- Employees should be updated as new information becomes available.
- Any other relevant answer related to the right to information.

Sub max (4)

- **Freedom of association**√√
 - An employer may not refuse√ employees to join the trade union of their choice.√
 - Any other relevant answer related to the right to freedom of association.
Sub max (4)

- **Free choice of a trade, occupation or profession**√√
 - Every employee has the right to receive suitable training√ for positions at their place of work.√
 - Any other relevant answer related to the right to a free choice of trade, occupation or profession.
Sub max (4)

- **Labour rights/Freedom of assembly/Right to protest**√√
 - CTL may not discriminate against any employee√ who opts to follow the correct process to strike/withhold labour.√
 - CTL should respect employees' membership to unions/taking part in legal strikes√ as long as the industrial action is within the law.√
 - Any other relevant answer related to the right to freedom of assembly/the right to protest.
Sub max (4)

- **Freedom of thought and religion**√√
 - CLT may not prevent an employee√ from practising his or her religion.√
 - Employees should be allowed to observe√ their religious holidays/given time off.√
 - Employees should be allowed to practise their religion√ without any fear.√
 - Any other relevant answer related to the right to freedom of thought and religion.
Sub max (4)

- **Health care/food/water and social assistance**√√
 - Employees should have access√ to clean water and sanitation at the workplace.√
 - Some employers subsidise√ healthy meals/arrange for primary health care services to be available on site.√
 - CTL must promote the basic human rights√, e.g. support workers living with HIV/Aids/those affected by occupationally related illnesses.√
 - Any other relevant answer related to the right to health care/food/water and social assistance.
Sub max (4)

- **Fair labour practices**√√
 - CTL should pay√ fair salaries and wages.√
 - They must adhere to the terms and conditions√ of BCEA.√
 - Any other relevant answer related to the right to fair labour practices.
Sub max (4)

- **Education and training/universal right to basic education**√√
 - Employees should be sent√ for skills development training programmes.√
 - Coaching/Mentoring√ to prepare employees for managerial positions.√
 - Every employee has the right to training√, including ABET training for employees who have little formal education.√
 - Any other relevant answer related to the right to education and training/universal right to basic education.

Sub max (4)

- **Safety/Security and Protection/Life**√√
 - Employees must work in a safe working environment√ free from hazardous areas/products.√
 - CTL should provide workers with protective clothing√ e.g. gloves and footwear.√
 - They should comply to legislation√ such as the OHS/COIDA, etc.√
 - CTL should take precautionary measures√ to ensure employees and their belongings are safe in the workplace.√
 - Any other relevant answer related to the right to safety and protection/life.

Sub max (4)

- **Freedom of slavery, servitude or forced labour**√√
 - CTL should comply with legislation√ such as BCEA/Labour Relations Act.√
 - No business should threaten/apply pressure on/intimidate an employee,√ to perform a specific act.√
 - Any other relevant answer related to the right to freedom of slavery, servitude or forced labour.

Sub max (4)

- **Vote**√√
 - CTL should ensure that their employees have time available√ to vote in general elections.√
 - Any other relevant answer related to the right to vote.

Sub max (4)

- **Freedom of movement**√√
 - CTL may not prevent an employee from applying√ for any suitable position at another office of the employer/at any other business.√
 - Any other relevant answer related to the right to freedom of movement.

Sub max (4)

- **Children's rights**√√
 - CTL may not employ children√ of 15 years and younger.√
 - Any other relevant answer related to children's rights.

Sub max (4)

- **Freedom to choose your own language/participate in own cultural life**✓✓
 - CTL may not discriminate✓ against any employee's cultural/language choice.✓
 - They must ensure that all employees✓ are treated equally.✓
 - CTL should have a detailed policy✓ dealing with diversity in the workplace.✓
 - Any other relevant answer related to the right of employees to choose their own language/participate in own cultural life.

Sub max (4)

- **Access to Labour institutions/Court**✓✓
 - Employees have the right to apply to the CCMA/Labour Court for assistance✓, if discussions with CTL did not resolve any labour disputes.✓
 - Any other relevant answer related to the right to access Labour institutions/Court.

Sub max (4)

NOTE: Mark the first FIVE (5) rights only.**Max (16)****9.3 Positive impact/benefits of a diverse workforce**

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

Max (10)

9.4 Dealing with gender and poverty in the workplace**Gender**

- CTL should employ both males and females.√√
- Males and females are entitled to equal treatment in the workplace.√√
- CTL directors should promote both men and women.√√
- The Employment Equity Act forbids gender discrimination and states that men and women should receive equal treatment/have access to equal opportunities in the workplace.√√
- BBBEE promotes the economic empowerment of women.√√
- Promotion should be based on skills and ability.√√
- Introduce affirmative action by offering female employees a fair chance in the workplace with regard to remuneration/promotion/other employment opportunities.√√
- Effectively deal with sexual harassment incidences.√√
- Any other relevant answer related to gender as a diversity issue in the workplace.

Sub max (8)

Poverty

- CTL should employ people from different socio-economic backgrounds/status.√√
- Give previously disadvantaged individuals a chance to be educated by incorporating Adult Basic Education and Training (ABET) into training programmes of the business.√√
- Train all employees so that they can be able to deal with retrenchment.√√
- Reward employees for services well-rendered.√√
- Ensure that the prices of products are affordable for the identified consumer market.√√
- Sponsor learnerships for unemployed people/use grants received from SETAs to train more unemployed people from local communities.√√
- Train some unemployed people from local communities as part of a business's CSI projects.√√
- Offer subsidised meals/canteen facilities on the premises.√√
- Supply free uniforms to employees for safety purposes.√√
- Any other relevant answer related to poverty as a diversity issue in the workplace.

Sub max (8)

Max (10)**9.5 Ways to protect the environment and promote human health**

- Laws and regulations should be adhered to so that profits are not generated at the expense of the environment.√√
- Pollution and other environmental issues should always be considered in all business activities, e.g. safe disposal of waste/dumping of toxic waste√√, etc.
- Become involved in environmental awareness programs.√√
- The environment can be protected by altering production techniques in favour of cleaner and greener technologies.√√
- Water for human consumption should be tested before it is used.√√
- Promote nature conservation by looking after natural resources.√√
- Minimise pollution, by re-using, reducing and recycling.√√

- Reduce consumption of goods/services which are environmentally unfriendly.√√
- Register/Engage with recognised institutions/bodies that promote green peace. √√
- Physical working conditions should always be worker friendly, safe and promote occupational health.√√
- Physical working conditions, e.g. adequate lighting/ventilation should be available and functional.√√
- Machines must be serviced/maintained regularly.√√
- Educate people about hygiene issues.√√
- Encourage employees to do regular health checks.√√
- Any other relevant answer related to ways that CTL can implement to protect the environment and promote human health.

NOTE: No Sub max for environment and human health.

Max (10)

9.6 Conclusion

- Businesses should effectively deal with diversity to avoid bias/racism/ stereotypes in the workplace.√√
- Businesses can achieve inclusivity by promoting equality, respect and dignity in the workplace.√√
- Businesses should assess, control and address all the physical, chemical and biological factors in the environment.√√
- Any other relevant conclusion related to human rights/diversity and environmental issues in the workplace.

**Max (2)
[40]**

BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	Max 32
Five human rights in the workplace	16	
Value of diversity	10	
Ways to deal with gender and poverty issues in the workplace	10	
How to protect the environment and promote a healthy working environment.	10	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality/Examples		2

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 (QUALITY OF PERFORMANCE)**10.1 Introduction**

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

Max (2)**10.2 Impact of the elements of TQM on large businesses****10.2.1 Total client/customer satisfaction****Positives/Advantages**

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

AND/OR**Negatives/Disadvantages**

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

Sub max (10)

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

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

AND/OR**Negatives/Disadvantages**

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

Sub max (10)

10.2.3 Continuous skills development/Education and Training**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.√
- May be able to conduct skills audits√ to establish the competency/education levels of staff performing work which could affect the quality of products/processes.√
- May be able to hire qualified trainers√ to train employees on a regular basis.√
- Any other relevant answer related to the positives/advantages of continuous skills development.

AND/OR

Negatives/Disadvantages

- Poor communication system√ 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 negatives/disadvantages of continuous skills development.

Sub max (10)
Max (24)

10.3 Benefits to GC of a good quality management system

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

Max (12)

10.4 Contribution of quality of performance of the marketing function to the success of GC

- Acquire a greater market share through good customer service.√√
- Win customers loyalty by satisfying their needs/wants and building positive relationships.√√
- Adhere to ethical advertising practices when promoting products/services.√√
- Identify competitive edge by conducting regular market research.√√
- Differentiate products to increase the target market and profitability.√√
- Constant review of value issues.√√
- Communicate effectively with customers to get feedback about their experiences of the products and services sold.√√
- Co-ordinate distribution with the production/advertising strategies.√√
- Use pricing techniques to ensure a competitive advantage.√√

- Measure the gaps between customer expectations and their actual experiences so that problems regarding quality of products/services can be diagnosed and addressed.√√
- Make adjustments and changes to products/services based on feedback received from customers.√√
- Use aggressive advertising campaigns to sustain the market share.√√
- Any other relevant answer related to the contribution of the quality of performance of the marketing function to the success of the business.

NOTE: Mark the first FIVE (5) only.

Any (5 x 2) (10)

10.5 Conclusion

- Although quality is important in both small and large businesses, large businesses are more likely to have a formal quality control/management systems that functions well.√√
- It is important that large businesses have proper systems for managing quality, e.g. TQM, quality circles√√, etc.
- Any other relevant conclusion related to total quality management, quality circles and marketing function.

Max (2)

[40]

BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	Max 32
Impact of TQM on large businesses	24	
Benefits of a good quality management system	12	
Quality of performance of the marketing function	10	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality/Examples		2
TOTAL MARKS		40

LASO - For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

TOTAL SECTION C: 80

GRAND TOTAL: 300