



# **basic education**

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Department:  
Basic Education  
**REPUBLIC OF SOUTH AFRICA**

## **SENIOR CERTIFICATE EXAMINATIONS**

**BUSINESS STUDIES**

**2016**

**MEMORANDUM**

**MARKS: 300**

**This memorandum consists of 49 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/Black/Blue
Chief Marker:	Pink
Internal Moderator:	Orange

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 question should appear in the left-hand margin next to the appropriate question number.
8. In an indirect question, the theory as well as the response must be relevant and related to the question.

9. Incorrect numbering of answers to questions or subquestions in SECTION 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 'Cancel'.

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

14.2 If two facts are written in one sentence, award the candidate FULL credit. Point 14.1 above still applies.

14.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers.

14.4 **Use of the cognitive verbs and allocation of marks:**

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

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

The 'fact' and 'explanation' are given separately in the memorandum 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 SECTIONS B and C in particular (where applicable).**

15. **SECTION C**

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

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

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, body, proper paragraphs and a conclusion?	<b>2</b>
Analysis and interpretation	Candidate's ability to break down the question/interpret it correctly to show understanding of what is being asked.	<b>2</b>
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/No '-S')  NB: If there are no '-S' indicated, award the maximum of TWO (2) marks.	<b>2</b>
Originality	Examples, recency of information, current trends and developments.	<b>2</b>
<b>TOTAL FOR INSIGHT:</b>		<b>8</b>
<b>TOTAL MARKS FOR FACTS:</b>		<b>32</b>
<b>TOTAL MARKS FOR ESSAY (8 + 32)</b>		<b>40</b>

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

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.

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

- 15.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)
- 15.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 15.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the 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    C✓✓  
             1.1.2    D✓✓  
             1.1.3    C✓✓  
             1.1.4    A✓✓  
             1.1.5    B✓✓  
             1.1.6    D✓✓  
             1.1.7    C✓✓  
             1.1.8    B✓✓  
             1.1.9    D✓✓  
             1.1.10   A✓✓ (10 x 2)    (20)
- 1.2      1.2.1    providing transport✓✓  
             1.2.2    debenture holders✓✓  
             1.2.3    ten✓✓  
             1.2.4    fronting✓✓  
             1.2.5    environmental✓✓ (5 x 2)    (10)
- 1.3      1.3.1    E✓✓  
             1.3.2    G✓✓  
             1.3.3    F✓✓  
             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
<b>TOTAL</b>	<b>40</b>

**SECTION B**

Mark ONLY the FIRST THREE answers.

**QUESTION 2: BUSINESS ENVIRONMENTS****2.1 Business environment and extent of control**

<b>BUSINESS ENVIRONMENT</b>		<b>EXTENT OF CONTROL</b>	
2.1.1	Micro✓✓ (2)	Full control✓	(1)
2.1.2	Market✓✓ (2)	Little/Limited control/Influence✓	(1)
2.1.3	Macro✓✓ (2)	No control✓	(1)

**NOTE:** Do not award marks for extent of control if the business environment is not correctly identified.

**Max (9)**

**2.2 Differences between National Skills Development Strategy and Human Resources Development Strategy**

<b>National Skills Development Strategy</b>	<b>Human Resources Development Strategy</b>
- Encourages good quality training in the workplace✓ to ensure on-going development of skills.✓	- Addresses skills shortages✓ in the South African workforce.✓
- Provides for the participation of government✓, organised business and labour.✓	- Aims at achieving faster economic growth/higher employment levels✓ and reduced levels of poverty.✓
- Improves social development✓ through economic development.✓	- Promotes social development/social justice✓ and helps to alleviate poverty.✓
- Indicates how Sector Education and Training Authorities (SETAs)✓ should use the money allocated from the Skills Development Levy.✓	- Develops short term✓ and long term workforce skills.✓
- Increases/Improves access✓ to training programmes.✓	- Improves✓ the supply of skills.✓
- Builds/Provides✓ career/vocational guidance/training centres.✓	- Increases employee participation✓ in lifelong learning.✓
- Any other relevant answer related to the National Skills Development Strategy.	- Any other relevant answer related to Human Resources Development Strategy.
Sub max (4)	Sub max (4)

**NOTE:** The answer does not have to be in tabular format but differences must be clear.

**Max (8)**



**2.3 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/Porters Five Forces model.✓
- Formulate alternative strategies✓ to respond to the challenges.✓
- Develop (an) action plan(s)✓, including the tasks to be done/deadlines to be met/resources to be procured✓, etc.
- Implement selected strategies✓ by communicating it to all stakeholders/organising the business's resources/motivating staff.✓
- Continuously evaluate✓, monitor✓, measure strategies✓ in order to take corrective action.✓
- Any other relevant answer related to a description of the strategic management process.

**OR****OPTION 2**

- Review✓ vision statement.✓
- Analyse/Re-examine✓ mission statement.✓
- Conduct an analysis✓ using models such as SWOT/PESTLE/Porter's Five Forces.✓
- 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)****2.4 Porter's Five Forces model****Power of buyers✓**

- Refers to the number of buyers and their ability to influence prices.✓
- Customers who buy in bulk can bargain for a price in their favour.✓
- Pots-n-Pans Kitchens must assess how easy it is for their buyers/customers to drive prices down.✓
- If Pots-n-Pans Kitchens is dealing with a few powerful buyers, they are often able to dictate their terms to the business.✓
- If customers can do without Pots-n-Pans' products, then they have more power to determine the prices and terms of sale.✓
- The management of Pots-n-Pans Kitchens should conduct a market research to collect more information about their buyers.✓
- Any other relevant answer related to the power of buyers.

Sub max (2)

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

- It refers to the ability of other/new businesses to enter the market and sell/offer similar goods/services for the first time.✓
- Threats of new entrants are determined by high set-up costs/specialised knowledge/expert skills/trading licence/legal requirements✓, etc.
- High barriers to entry/Difficulty to enter the kitchenware market will discourage other businesses to enter Pots-n-Pans' market.✓
- Any other relevant answer related to the threats of new entrants/barriers to entry the market. Sub max (2)

**Competitive rivalry**✓

- Competitors are businesses selling the same/similar products or rendering the same/similar services.✓
- Competitive rivalry refers to the number of competitors and their ability to control the market.✓
- Pots-n-Pans Kitchens needs to establish the number of other businesses in the area selling similar products and the quality of services offered by competitors.✓
- If Pots-n-Pans Kitchens' competitors have unique products or services, they will have greater power to influence the kitchenware market.✓
- They should compile a competitor's profile of each kitchenware business in the market to determine their own strength and that of the competitors.✓
- Any other relevant answer related to competitive rivalry. Sub max (2)

**Power of suppliers**✓

- Suppliers include factories/other providers of goods/services that Pots-n-Pans Kitchens would buy in order to operate their business.✓
- Pots-n-Pans Kitchens should assess the power of their suppliers in influencing prices.✓
- The more powerful suppliers there are, the less control the business has over them.✓
- Suppliers that deliver high quality kitchenware may have power over Pots-n-Pans Kitchens.✓
- Any other relevant answer related to the power of suppliers. Sub max (2)

**Threat of substitutes/alternatives**✓

- Substitute products/services are different products/services that satisfy the same needs of consumers and can be used to replace one another.✓
- Pots-n-Pans Kitchens should establish whether the sellers of substitute products have improved their products/sell lower quality goods at lower prices.✓
- If kitchenware is easily substituted, it weakens the power of Pots-n-Pans Kitchens in the market.✓
- Substitute products may cause the business to lose its market share.✓
- If Pots-n-Pans Kitchens sells unique products they will not be threatened by substitute products.✓
- Pots-n-Pans Kitchens should do a market research to assess if customers are using substitute products/services and determine reasons for using substitutes.✓
- It is important that Pots-n-Pans Kitchens changes/improves the design and quality of their products to remain competitive.✓
- Any other relevant answer related to the threat of substitutes.

Sub max (2)

**Max (10)**

**2.5 Legislation**

2.5.1 Skills Development Act, 1998 (Act 97 of 1998)/Skills Development Act/SDA√

**(1)****2.5.2 Actions regarded as discriminatory by the Skill Development Act**

- '... only young employees are given the opportunity to learn new skills.'√
- 'Female employees are excluded from attending training.'√

**NOTE: Only allocate marks for responses that are quoted from scenario.****(2 x 1) (2)****2.5.3 Positive impact of the Skills Development Act (SDA) on Thulane Traders/ businesses**

- Thulane Traders (TT) may have an increased number of skilled employees√ in skills that are scarce.√
- Improves productivity√ in the workplace.√
- TT may be globally√ more competitive.√
- Higher investment in education and training in the labour market√ increases profits/return on investment.√
- TT's focus on social investment√ may be redirected to other challenges.√
- Employees' quality of life may improve√ as they will be more employable/ promoted to senior/managerial positions.√
- Improves work prospects√ and labour mobility.√
- Self-employment√ and entrepreneurship are promoted.√
- On-going skills development, learning and the acquisition of new skills are encouraged√ to sustain the improvement of skills development.√
- Any other relevant answer related to the positive impact of the SDA on Thulane Traders/businesses.

**Max (6)****2.6 Implications of BBBEE pillars on businesses****2.6.1 Ownership**

- Businesses should include black people√ in shareholding/partnerships/ franchises.√
- Exempted microenterprises (EMEs) with a black ownership of 50% or more√ have a better BEE rating/score.√
- More opportunities are created for black people√ to become owners/entrepreneurs.√
- Businesses sometimes find it difficult√ to attract suitable black business partners/shareholders.√
- Many black people cannot afford shares/contributions√ to partnerships.√
- Any other relevant answer related to the implication of ownership as a BBBEE pillar on businesses.

**Sub max (4)****2.6.2 Management**

- Appointing black people√ in senior executive positions/management.√
- Ensuring black female√ representation in management.√
- When businesses sell 25% of their shares to black investors to become directors√, the business will score points in both management and ownership.√
- Due to a shortage of skilled black managers/directors√, some businesses may find it difficult to make appointments.√
- Any other relevant answer related to the implication of management as a BBBEE pillar on businesses.

**Sub max (4)****Max (8)**

**2.7 Impact of COIDA on employers and employees****Positives/Advantages**

- Promotes safety√ in the workplace.√
- Creates a framework√ for acceptable employment practices/safety regulations.√
- Supply administrative guidelines/mechanisms√ for dealing with/processing claims.√
- Eliminates time and costs spent√ on lengthy civil court proceedings.√
- Employers are protected from financial burden should an accident occur in the workplace√ provided that the employer was not negligent.√
- Claiming 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.√
- Covers all employees at the workplace√ if both parties meet all the necessary safety provisions in the Act.√
- Employees do not contribute√ towards this fund.√
- 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 dependent(s) will receive financial support.√
- Employees receive medical assistance√ provided there is no other medical assistance.√
- Any compensation to an employee/the family√ is exempt from income tax.√
- Any other relevant answer related to the positive impact/advantages of COIDA on employers and employees.

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

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

**Max (8)**  
**[60]**

**BREAKDOWN OF MARKS**

<b>QUESTION 2</b>	<b>MARKS</b>
<b>2.1</b>	<b>9</b>
<b>2.2</b>	<b>8</b>
<b>2.3</b>	<b>8</b>
<b>2.4</b>	<b>10</b>
<b>2.5.1</b>	<b>1</b>
<b>2.5.2</b>	<b>2</b>
<b>2.5.3</b>	<b>6</b>
<b>2.6.1</b>	<b>4</b>
<b>2.6.2</b>	<b>4</b>
<b>2.7</b>	<b>8</b>
<b>TOTAL</b>	<b>60</b>

**QUESTION 3: BUSINESS VENTURES****3.1 Leadership style**

3.1.1 Transactional leadership style√√ **(2)**

3.1.2 **Impact of transactional leadership style on Fancy Clothing/business**  
**Positives/Advantages**

- Encourages employees to work hard√ because they will receive rewards.√
- Improves employees' productivity√ and morale.√
- Business goals and objectives can be achieved√ as employees are motivated.√
- Employees know√ what are expected of them.√
- Disciplinary action procedures√ are well communicated.√
- Any other relevant answer related to the positive impact/advantages of Patrick's transactional leadership style on Fancy Clothing/businesses.

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

- Employees may become bored/lose creativity√ as they have to follow rules/procedures.√
- A transactional leader will have to monitor the work performance of employees√ to ensure that expectations are met.√
- Managing/controlling employees√ may be time-consuming.√
- Some employees may be demoralised/unmotivated√ if they fail to reach/meet targets despite having worked very hard.√
- Not suitable for team work as all team members can be punished√ for poor performance caused by one team member.√
- Any other relevant answer related to the negative impact/disadvantages of Patrick's transactional leadership style on on Fancy Clothing/businesses.

**Max (8)**

3.2 **Distinction between management and leadership**

<b>Leadership</b>	<b>Management</b>
- Influences√ human behaviour.√	- Guides√ human behaviour.√
- Communicates√ by means of interaction/behaviour/vision/values/charisma.√	- Communicates through management functions√, e.g. line function√
- Encourages new ideas√ to increase productivity.√	- Administers plans/programs/tasks√ to reach targets.√
- Inspires staff to trust√ and support each other.√	- Controls systems and procedures√ to get the job done.√
- Focuses on what√ and why.√	- Focuses on how√ and when.√
- Does the right things.√	- Does things right.√
- Focuses on the horizon√ to take long-term decisions.√	- Focuses on the bottom line√ to take short-/medium-/long-term decisions.√
- Leaders are born√ with natural/instinctive leadership skills.√	- A person becomes a manager√ because he/she is appointed in the position/trained/qualified.√
- Guides/Leads people√ to become active participants.√	- Manages the process of getting things done√ by exercising authority.√
- Have power/influence√ because of his/her knowledge/intelligence/skills.√	- Have power/authority√ because of the position into which they are appointed.√
- Always trying to find more efficient ways√ of completing tasks.√	- Enforce rules on subordinates√ to ensure that tasks are completed.√
- Motivational/Inspirational√ in their approach.√	- Instructional√ in their approach.√
- People orientated.√	- Task orientated.√
- Lead by example/respect.√	- Manage by planning/organising/leading/ control.√
- Any other relevant answer related to leadership.	- Any other relevant answer related to management.
Sub max (4)	Sub max (4)

- NOTE:** 1. The answer does not have to be in tabular format but the distinction must be clear.  
2. Award a maximum of FOUR (4) marks if the distinction is not clear.

**Max (8)**

### 3.3 Types of preference shares

#### Participating preference shares ✓✓

Shareholders:

- are guaranteed minimum fixed dividends. ✓
- are entitled to share in any surplus company profits. ✓
- receive higher dividends when the company performs well. ✓
- have preferential rights over ordinary shares on repayment when the company closes down. ✓
- Any other relevant answer related to a description of participating preference shares.

Sub max (3)

#### Cumulative preference shares ✓✓

Shareholders are:

- entitled to receive minimum fixed dividends. ✓
- compensated for past dividends that were not paid out when profits were too low to declare dividends/Receive dividends not previously paid out. ✓
- Any other relevant answer related to a description of cumulative preference shares.

Sub max (3)

#### Non-cumulative preference shares ✓✓

- Shareholders are not compensated for past dividends that were not paid out when profits were low. ✓
- Any other relevant answer related to a description of non-cumulative preference shares.

Sub max (3)

#### Redeemable preference shares ✓✓

- Shares can be redeemed/bought back at the option of the issuing company, either at a fixed price on a specified date/over a certain period of time. ✓
- Any other relevant answer related to a description of redeemable preference shares.

Sub max (3)

#### Convertible preference shares ✓✓

- Shares can be converted into a predetermined number of ordinary shares on the date specified when the preference shares were issued. ✓
- Any other relevant answer related to a description of convertible preference shares.

Sub max (3)

**NOTE: Mark the first TWO (2) types of preference shares only.**

Types (4)  
Description (2)  
**Max (6)**

**3.4 Partnership**  
**Success or failure factors of a partnership**

Criteria	Success	Failure
<b>3.4.1 Management</b>	<ul style="list-style-type: none"> <li>- Partners are actively involved in management✓ and may use the ideas of other partners.✓</li> <li>- Partners have access to expertise of other partners✓ when tough decisions have to be made.✓</li> <li>- Not all partners need to be actively involved in management✓ and would rather appoint competent managers.✓</li> <li>- Any other relevant success factor on management of a partnership.</li> </ul>	<ul style="list-style-type: none"> <li>- Decision making can be time-consuming✓ as all partners have to be in agreement.✓</li> <li>- Some management tasks may be neglected✓, as one partner may leave it to others to complete.✓</li> <li>- Partners may disagree on how to run the business✓, which may lead to tension between them.✓</li> <li>- Partners are agents of the partnership✓ and bad management decisions may be forced onto other partners.✓</li> <li>- Any other relevant failure factor on management of a partnership.</li> </ul>
	Sub max (4)	
<b>3.4.2 Taxation</b>	<ul style="list-style-type: none"> <li>- Partnerships pay VAT only on relevant products sold/services rendered✓ which reduces tax administration.✓</li> <li>- The partnership does not pay income tax✓, only the partners in their personal capacities.✓</li> <li>- Any other relevant success factor on taxation of a partnership.</li> </ul>	<ul style="list-style-type: none"> <li>- High-earning partners pay more tax✓, which may discourage other partners from joining the partnership.✓</li> <li>- Partners may withdraw more cash to reduce their tax burden✓ which may cause cash flow problems for the partnership.✓</li> <li>- Any other relevant failure factor on taxation of a partnership.</li> </ul>
	Sub max (4)	

**Max (8)**

**3.5 Insurance**

3.5.1 Average clause✓ **(1)**

3.5.2  $\frac{\text{Insured amount}}{\text{Market value}} \times \text{Loss/Damages}$ ✓

$$= \frac{800\,000}{1\,000\,000} \times 400\,000$$

$$= R320\,000$$
**(5)**

- NOTE:**
1. Allocate full marks (5) if the answer is correct and no workings are shown.
  2. If workings were shown correctly, but the final answer is wrong, award a maximum of THREE marks.
  3. If the answer is incorrect, award a maximum of TWO marks for the understanding of concept and method.
  4. If there are no workings shown and the answer is incorrect, allocate a ZERO mark.



**3.5.3 Reasons for insurance of business property**

- Protects business property against storm damage/fire/burglary/any unforeseen insurable circumstances/risks.√√
- Keeps high re-instatement costs under control.√√
- Ensures peace of mind as the risk of loss is shifted to the insurer.√√
- Creditors may require insurance on property prior to the approval of a bond.√√
- Any other relevant answer related to reasons for insurance on business property.

**NOTE:** 1. **Reasons for Insurance must relate to business property.**  
2. **Mark the first TWO (2) reasons only.**

(Any 2 x 2) **(4)**

**3.6 Presentation****3.6.1 Advantages of a PowerPoint presentation**

- Graphic programmes have the capacity to convey ideas and support what the presenter says.√√
- Easy to combine with sound/graphs/charts.√√
- 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/retains their interest throughout the presentation.√√
- Slides may be used to enhance facts/summarise information.√√
- Any other relevant answer related to the advantages of a PowerPoint presentation.

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

**Max (8)**

**3.6.2 Factors to be considered during the actual presentation**

- Make eye contact with all the audience and face all directions of the audience.√√
- Be audible to all listeners/audience.√√
- Adjust your voice level/tone to avoid monotony.√√
- Add some humour in your presentation.√√
- Use visuals effectively to enhance the presentation.√√
- State the aims/main points of the presentation in the introduction.√√
- Mention the most important information first.√√
- Summarise the presentation in the conclusion. √√
- Stand upright during the presentation/Avoid hiding behind the presentation equipment.√√
- Pace yourself/Do not rush or talk too slowly/Keep it short and simple.√√
- Make appropriate use of gestures, e.g. hands to emphasize points.√√
- Any other relevant answer related to factors to be considered during the actual presentation.

**Max (10)**  
**[60]**

**BREAKDOWN OF MARKS**

<b>QUESTION 3</b>	<b>MARKS</b>
<b>3.1.1</b>	<b>2</b>
<b>3.1.2</b>	<b>8</b>
<b>3.2</b>	<b>8</b>
<b>3.3</b>	<b>6</b>
<b>3.4.1</b>	<b>4</b>
<b>3.4.2</b>	<b>4</b>
<b>3.5.1</b>	<b>1</b>
<b>3.5.2</b>	<b>5</b>
<b>3.5.3</b>	<b>4</b>
<b>3.6.1</b>	<b>8</b>
<b>3.6.2</b>	<b>10</b>
<b>TOTAL</b>	<b>60</b>

**QUESTION 4: BUSINESS ROLES****4.1 Diversity issues in the workplace**

- Poverty✓
- Inequality✓
- Race✓
- Gender✓
- Language✓
- Age✓
- Disability✓
- Religion/Faith✓
- Culture✓
- Any other relevant answer related to diversity issues in the workplace.

**NOTE: Mark first SIX (6) only.****(Any 6 x 1) (6)****4.2 Problem solving techniques**

- 4.2.1 Brainstorming✓✓
- 4.2.2 Force-field analysis✓✓
- 4.2.3 Nominal group technique✓✓
- 4.2.4 SCAMPER✓✓
- 4.2.5 Empty-chair technique✓✓

**(10)****4.3 Conflict****4.3.1 Causes of conflict**

- '... workers find it difficult to tolerate each other's beliefs and values.'✓
- 'Many fight over the use of the business's limited resources.'✓
- '... some ignore business rules.'✓
- 'Management refuses to address the workers' concerns...'✓

**NOTE: Only allocate marks for responses that are quoted directly from the scenario.****(Any 4 x 1) (4)****4.3.2 Ways to address causes of conflict****Difficulty to tolerate each other's beliefs and values**

- Encourage employees to participate in cultural events organised by the business to raise awareness on others beliefs and values.✓✓
- TT may organise brainstorming sessions where employees from diverse backgrounds can be exposed to each other's beliefs and values.✓✓
- Show equal respect for all languages/religion/beliefs/values represented in TT.✓✓
- Any other relevant answer related to ways Trevor Tyres (TT) may address different beliefs and values as a cause of conflict. Sub max (2)

**Many workers fight over the use of limited resources**

- Distribute resources equally/fairly amongst all employees.✓✓
- Secure funds to buy more resources.✓✓
- Revise company budget to allocate funds/resources equally/fairly for special/cultural events.✓✓
- Any other relevant answer related to ways Trevor Tyres (TT) may address limited resources as a cause of conflict. Sub max (2)

**Some employees ignore business rules**

- Enforce strict adherence to the rules of the business by acting on non-compliance.√√
- Take disciplinary measures against employees who break the rules.√√
- Explain the importance of adhering to the business rules/procedures in achieving TT's goals/objectives.√√
- Any other relevant answer related to ways Trevor Tyres (TT) may address ignorance of the business rules as a cause of conflict. Sub max (2)

**Management refuses to address workers' concerns**

- Communication channels between management and employees should be open.√√
- Establish structures to handle employee complains/grievances.√√
- Employees' suggestion box should be available for anyone to make inputs/suggestions anonymously.√√
- Any other relevant answer related to how Trevor Tyres (TT) may address the refusal of management to address workers' concerns as a cause of conflict. Sub max (2)

**NOTE: 1. The recommendation must be linked to the cause of conflict identified in the scenario.**

**2. Allocate marks for only ONE (1) recommendation per cause.**

**Max (8)**

4.4 **Stages of team development****- Forming stage**√√

- Individuals gather information/impressions about each other and the scope of the task/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 team members/There may be power struggles for the position of the 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 to 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/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/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/working as a team towards a goal 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.**

Stages (8)  
Explanation (4)  
**Any (4 x 3) (12)**

#### 4.5 Implication of human rights for businesses

##### 4.5.1 Privacy

- Businesses may not violate the rights√ of employees and clients.√
- Businesses should not provide personal information√ about employees/clients to anyone else.√
- Information on employees who have disclosed their HIV/Aids status/any chronic illness√ must be kept confidential.√
- It is illegal to read other people's e-mails/record conversations√ unless stated clearly and upfront.√
- Any other relevant answer related to the implication of privacy as a human right on businesses. Sub max (2)

**4.5.2 Equity**

- Businesses 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.√
- Relevant legislation√ should be applied fairly on all levels.√
- Managers should ensure that no employee suffers√ because of discrimination.√
- Any other relevant answer related to the implication of equity as a human right on businesses. Sub max (2)

**4.5.3 Freedom of speech and expression**

- Businesses should allow open communication channels√ between management and employees.√
- Employees should be given a platform to raise their grievances√ without any victimisation.√
- An employee should not be punished/discriminated against√ for voicing his/her opinion.√
- Any other relevant answer related to the implication of freedom of speech and expression as a human right on businesses. Sub max (2)

**4.5.4 Safety, security and protection of life**

- Employees should work in a safe working environment√ free from hazardous products/areas.√
  - Provide workers with protective clothing√, e.g. gloves and footwear√, etc.
  - Comply to safety legislation√ such as OHS/COIDA√, etc.
  - Take precautionary measures√ to ensure employees and their belongings are safe in the workplace.√
  - Any other relevant answer related to the implication of safety/security and protection of life as a human right on businesses. Sub max (2)
- Max (8)**

**4.6 Distinction between decision making and problem solving**

Decision making	Problem solving
<ul style="list-style-type: none"> <li>- It is often done by one person/a member of senior management√ who makes it authoritarian.√</li> <li>- Various alternatives are considered√ before deciding on the best one.√</li> <li>- It is part of the problem solving cycle√ as decisions need to be taken in each step.√</li> <li>- Any other relevant answer related to decision making.</li> </ul> <p style="text-align: right;">Sub max (2)</p>	<ul style="list-style-type: none"> <li>- Problems can be solved by a group/team√ or an individual team member.√</li> <li>- Alternative solutions are generated/identified√ and critically evaluated.√</li> <li>- Process of analysing a situation√ to identify strategies to bring about change.√</li> <li>- Any other relevant answer related to problem solving.</li> </ul> <p style="text-align: right;">Sub max (2)</p>

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

**Max (4)**

**4.7 Benefits of Corporate Social Investment (CSI) for businesses**

- May attract experienced employees/increase the pool of skilled labour which could increase productivity.√√
- The community feels more positive towards a business that cares for its employees/conducts itself in a responsible way.√√
- A business may have a competitive advantage, resulting in good publicity/ an improved reputation.√√
- Promotes customer loyalty resulting in increased sales/profit.√√
- Businesses may use CSI programmes as a marketing strategy to promote their products/image.√√
- May enjoy the goodwill and support of communities/attracts consumers.√√
- CSI programmes promote teamwork within businesses.√√
- CSI helps to attract investors.√√
- Businesses may receive tax advantages, such as tax reduction/rebates.√√
- Assists in solving socio-economic issues like poverty.√√
- If the corporate sector gets voluntarily involved in CSI, it is less likely that government will enforce the issue through legislation.√√
- Employees feel like they are making a difference in working for the business.√√
- It helps to retain staff/lower staff turnover as employees' health and safety are considered.√√
- Improves the health of its employees through focused CSI programmes.√√
- Businesses become more community-based by working closely with the community to roll out skills development projects.√√
- Any other relevant answer related to the benefits of CSI for businesses.

**Max (8)**  
**[60]**

**BREAKDOWN OF THE MARKS**

<b>QUESTION 4</b>	<b>MARKS</b>
<b>4.1</b>	<b>6</b>
<b>4.2</b>	<b>10</b>
<b>4.3.1</b>	<b>4</b>
<b>4.3.2</b>	<b>8</b>
<b>4.4.</b>	<b>12</b>
<b>4.5.1</b>	<b>2</b>
<b>4.5.2</b>	<b>2</b>
<b>4.5.3</b>	<b>2</b>
<b>4.5.4</b>	<b>2</b>
<b>4.6</b>	<b>4</b>
<b>4.7</b>	<b>8</b>
<b>TOTAL</b>	<b>60</b>

**QUESTION 5: BUSINESS OPERATIONS****5.1 Recruitment**

5.1.1 External recruitment. ✓✓ (2)

**Motivation**

- The business has advertised the vacancy in local newspapers/on the Internet. ✓ (1)
- Identification (2)  
Motivation (1)  
**Max (3)**

**5.1.2 Positives/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 also be used/paid to find candidates ✓ which saves time/costs. ✓
- Businesses are able to achieve their equity plan ✓ by recruiting according to equity targets set. ✓
- Any other relevant answer related to the positives/advantages of external recruitment.

**AND/OR****Negatives/Disadvantages of external recruitment**

- External sources may be expensive ✓, e.g. recruitment agencies' fees/publishing costs of advertisements in newspapers/magazines. ✓
  - Selection process may not be effective ✓ resulting in an incompetent candidate being chosen. ✓
  - Information on CVs/references ✓ may not be reliable. ✓
  - Recruitment process takes longer/is more expensive ✓ as background checks must be conducted. ✓
  - New candidates generally take longer ✓ to adjust to a new work environment. ✓
  - In-service training may be needed ✓ which decreases productivity during the time of training. ✓
  - Many unsuitable applications ✓ can slow down the selection process. ✓
  - Any other relevant answer related to the negatives/disadvantages of external recruitment.
- Max (8)**



5.1.3 Internal recruitment ✓ (1)

5.2 **Interviewing**

5.2.1 **Purpose of the 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/personal characteristics ✓ of the applicant. ✓
- Provides the applicant with the opportunity to find out more about the job/salary/working conditions ✓ and the business. ✓
- Any other relevant answer related to the purpose of an interview. **Max (4)**

5.2.2 **Role of the interviewee/applicant during an 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/applicant during an interview. **Max (6)**

5.3 **Differences between job description and job specification**

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

**NOTE:** 1. The answer does not have to be in tabular format but differences must be clear.  
 2. Award a maximum of TWO (2) marks if differences are not clear. **Max (4)**

**5.4 Fringe benefits****5.4.1 Examples of fringe benefits**

- Pension✓
- Medical aid✓
- Provident fund✓
- Housing/Car/Travelling/Clothing allowances/Allowances✓
- Unemployment Insurance Fund/UIF✓
- Leave✓
- Employee share option schemes✓
- Performance based incentives✓
- Issuing of bonus shares✓
- Access to discount products/service/company facilities✓
- A cafeteria that provides subsidised/free meals✓
- Any other relevant examples of fringe benefits.

**NOTE: Mark the first FOUR (4).****(4 x 1) (4)****5.4.2 Impact of fringe benefits on businesses****Positives/Advantages**

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

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

- Fringe benefits are additional costs✓ that may result in cash flow problems.✓
- Administrative costs increase✓ as benefits need to be correctly recorded for tax purposes.✓
- Decreases business profits✓, as incentive/package/remuneration costs are higher.✓
- It can create conflict/lead to corruption✓ if allocated unfairly.✓
- Workers only stay with the business for fringe benefits✓, and may not be committed/ loyal to the tasks/business.✓
- Any other relevant answer related to the negative impact/disadvantages of fringe benefits to businesses.

**Max (6)****5.5 Quality indicators of the marketing function**

- Acquiring a greater market share.✓✓
- Attracting customers by satisfying their needs/wants/building positive relationships.✓✓
- Adhering to ethical advertising practices when promoting products and services.✓✓
- Identifying the competitive advantage when differentiating products.✓✓
- Communicating effectively with customers to get feedback about their experiences of products/services sold/rendered.✓✓
- Making adjustments/changes to products/services based on feedback received from customers.✓✓
- Co-ordinating distribution with production and advertising strategies.✓✓
- Using pricing techniques to ensure a competitive advantage.✓✓

- Measuring gaps between customer expectations and their actual experiences in order to diagnose/address problems regarding the quality of products.√√
- Using aggressive advertising campaigns to sustain/increase the market share.√√
- Any other relevant answer related to the quality indicators of the marketing function.

**Max (8)****5.6 Benefits of a good quality management system**

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

**Max (8)****5.7 Advantages of total client satisfaction for large businesses**

- Large businesses use market research√ to measure/monitor customer satisfaction/analyse customer needs.√
- Continuously promote√ a positive business image.√
- May achieve a state of total customer satisfaction, if they follow sound business practices√ that incorporate all stakeholders.√
- May keep more customers/Higher customer loyalty√ which make it possible 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 satisfaction on large businesses.

**Max (8)****[60]****BREAKDOWN OF MARKS**

QUESTION 5	MARKS
5.1.1	3
5.1.2	8
5.1.3	1
5.2.1	4
5.2.2	6
5.3	4
5.4.1	4
5.4.2	6
5.5	8
5.6	8
5.7	8
<b>TOTAL</b>	<b>60</b>

**QUESTION 6: MISCELLANEOUS TOPICS****BUSINESS ENVIRONMENTS****6.1 Business Strategies**

6.1.1 Forward integration/Integration√√

6.1.2 Divestiture/Divestment/Defensive√√

6.1.3 Market penetration/Intensive√√

6.1.4 Conglomerate/Diversification√√

(4 x 2) (8)

**6.2 Types of leave****- Annual leave√√**

Workers are entitled to:

- 21 consecutive days' annual leave per year/One day for every 17 days worked/One hour for every 17 hours worked.√

Sub max (3)

**- Sick leave√√**

Workers are entitled to:

- Six weeks paid sick leave in a period of 36 months/1 day paid sick leave for every 26 days worked during the first six months of employment.√
- A medical certificate may be required before paying an employee who is absent for more than two consecutive days or who is frequently absent.√

Sub max (3)

**- Maternity leave√√**

- A pregnant employee is entitled to four consecutive months' leave.√
- A pregnant employee may not be allowed to perform work that is hazardous to her or her unborn child.√

**NOTE: Adoption leave may also be accepted.**

Sub max (3)

**- Family responsibility leave√√**

- Three to five (3 to 5) days paid leave per year on request√:
  - when employee's child is born/sick.√
  - in the event of the death of the employee's spouse/life partner/parent/adoptive parent/grandparent/child/adoptive child/grandchild/sibling.√
- An employer may require reasonable proof, before granting this leave.√
- Male employees are entitled to up to three/five day's paternity leave when the child is born.√

Sub max (3)

- Any other relevant answer related to annual/sick/maternity/family responsible leave as types of leave.

**NOTE: Mark the first TWO (2) types of leave only.**Types (4)  
Explanation (2)  
**Max (6)**

**BUSINESS VENTURES****6.3 Insurance**

6.3.1 Unemployment Insurance Fund/UIF✓✓

**(2)**

6.3.2 Road Accident Fund/RAF✓✓

**(2)****6.4 Examples of insurable and non-insurable risks**

<b>Insurable risks</b>	<b>Non-insurable risks</b>
<ul style="list-style-type: none"> <li>- Theft✓</li> <li>- Burglary✓</li> <li>- Fidelity insurance✓</li> <li>- Money in transit✓</li> <li>- Fire✓</li> <li>- Storms/Wind/Rain/Hail✓</li> <li>- Damage to/Loss of assets/vehicles/equipment/buildings/premises✓</li> <li>- Injuries on premises✓</li> <li>- Any other relevant example of insurable risks.</li> </ul>	<ul style="list-style-type: none"> <li>- Nuclear weapons/-war✓</li> <li>- Changes in fashion✓</li> <li>- Improvement in technology✓</li> <li>- Irrecoverable debts✓</li> <li>- Financial loss due to bad management✓</li> <li>- Possible failure of a business✓</li> <li>- Shoplifting during business hours✓</li> <li>- Loss of income if stock is not received in time✓</li> <li>- Any other relevant example of non-insurable risks.</li> </ul>
Sub max (2)	Sub max (2)

**NOTE: 1. Mark the first TWO (2) of each type of risk.****Max (4)****6.5 Differences between private and public companies**

<b>Private companies</b>	<b>Public companies</b>
- May not offer shares✓ to the general public.✓	- Trades its shares publicly✓ on the Johannesburg Securities Exchange.✓
- Name must end✓ with Proprietary Limited/(Pty) Ltd.✓	- Name must end✓ with Limited/Ltd.✓
- Financial statements must be independently reviewed✓ but they need not be audited.✓	- Annual financial statements✓ need to be audited.✓
- Does not need to publish a prospectus✓ as it cannot trade its shares publicly.✓	- Have to register and publish✓ a prospectus with the CIPRO.✓
- The company is not required to raise✓ the minimum subscription/issue minimum shares.✓	- Must raise a minimum subscription prior✓ to commencement of the company.✓
- Any other relevant answer related to a private company.	- Any other relevant answer related to a public company.
Sub max (4)	Sub max (4)

**NOTE: 1. The answer must be in tabular format.****2. The differences must be clearly linked.****3. Award a maximum of FOUR (4) marks if differences are not clear.****Max (8)**

**BUSINESS ROLES****6.6 Characteristics of successful teams**

- Successful teams share a common goal√ as team members are part of the process of setting goals for the group.√
- Share a set of team values√ and implement group decisions.√
- Teams value the contributions of individual members√ and reach consensus on differences.√
- There is a climate of respect/trust√ and honesty.√
- Team members enjoy open communication√ and deal immediately with conflict .√
- Teams are accountable√ and members know the time frame for achieving their goals.√
- Teams pay attention to the needs√ of the individual team members.√
- Successful teams have sound√ intra-team relations.√
- Creates opportunities where team members can develop√, so that they learn from the experience of working in a team.√
- Regular reviews of team processes and progress√ may help to detect/solve problems sooner.√
- Balance the necessary skills/knowledge/experience/expertise√ to achieve team objectives.√
- Any other relevant answer related to the characteristics of successful teams.

**Max (6)****6.7 Ways in which businesses can deal with difficult people/personalities**  
**OPTION 1**

- Get perspective from others who have experienced the same kind of situation to be able to understand difficult employees.√√
- Act pro-actively if possible, as a staff/personnel problem is part of a manager's responsibilities.√√
- Regular meetings with supervisors/departmental heads should help to identify difficult/problem behaviour.√√
- Ask someone in authority for their input into the situation.√√
- Identify the type of personality which is creating the problem.√√
- Meet privately with difficult employees, so that there are no distractions from other employees/issues.√√
- Make intentions and reasons for action known, so that difficult person/people feel at ease.√√
- Employees should be told what specific behaviours are acceptable by giving details about what is wrong/unacceptable and also an opportunity to explain their behaviour.√√
- A deadline should be set for improving bad/difficult behaviour.√√
- The deadline date should be discussed with the difficult employee and his/her progress should be monitored/assessed prior to the deadline.√√
- Guidelines for improvement should be given.√√
- Do not judge the person, but try to understand him/her/Understand his/her intentions and why he/she reacts in a certain way.√√
- Keep communication channels open/Encourage employees to communicate their grievances to management.√√

- Build rapport/sound relations by re-establishing personal connection with colleagues, instead of relying on e-mails/messaging/social media.√√
- Help difficult employees to be realistic about the task at hand.√√
- Remain calm and in control of the situation to get the person(s) to collaborate.√√
- Treat people with respect, irrespective of whether they are capable/competent or not.√√
- Sometimes it may be necessary to ignore and only monitor a difficult person.√√
- Identify and provide an appropriate support program to address areas of weakness.√√
- Any other relevant answer related to how businesses can deal with difficult people/personalities.

**AND/OR****OPTION 2 (Personalities)**

<b>Type of personality</b>	<b>Strategy to deal with a personality</b>
- Complainer√	- Listen to the complaints but do not acknowledge them.√ - Interrupt the situation and move to the problem-solving process as soon as possible.√
- Indecisiveness√	- Guide them through alternatives.√ - Stay in control and emphasise the importance of making a decision.√ - Help them make the decision or solve the problem.√
- 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 the supervisor into their negativity.√ - Listen to them but do not agree with them.√
- Experts√	- Be firm and assertive.√ - Do not accuse them of being incorrect/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 steam.√ - Be firm, but do not attack them.√ - Do not allow them to be hostile towards others.√

**NOTES (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 (8)**

**BUSINESS OPERATIONS**

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

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

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

**2. Award a maximum of TWO (2) marks, if the distinction is not clear.**

**Max (4)**

**6.9 Business Functions**

- 6.9.1 Public Relations✓✓ (2)
- 6.9.2 Financial/Financing function✓✓ (2)
- 6.9.3 Administration function (Administration)/Management Information system/  
MIS/Information systems✓✓ (2)

**6.10 Application of a PDCA model/cycle**

- Businesses should identify the opportunity for improvement.✓✓
- Plan the method and approach.✓✓
- Decide whether new processes/changes are necessary.✓✓
- Implement the change on a small scale.✓✓
- Check whether the processes are working effectively.✓✓
- Use data to analyse results to determine whether change(s) made a difference.✓✓
- If the change was successful, implement it on a wider scale and continuously assess results.✓✓
- Revise the process/Take necessary actions if new systems are not working.✓✓
- Any other relevant answer related to how businesses can apply the PDCA model/cycle to improve the quality of their products.

**Max (6)**  
**[60]**

**BREAKDOWN OF MARKS**

QUESTION 6	MARKS
6.1	8
6.2	6
6.3	4
6.4	4
6.5	8
6.6	6
6.7	8
6.8	4
6.9	6
6.10	6
<b>TOTAL</b>	<b>60</b>

**TOTAL SECTION B: 180**



-  
**SECTION C**

Mark the only the first TWO (2) questions.

**QUESTION 7: BUSINESS ENVIRONMENTS (LEGISLATION)**

**7.1 Introduction**

- The CPA was promulgated/introduced to redress economic inequalities of the past.√
- It applies to consumers/buyers in South Africa.√
- It promotes the social/economic welfare of consumers in South Africa.√
- The Act impacts on almost every business sector in South Africa.√
- Consumers are regarded as recipients of goods and services.√
- Any other relevant introduction related to the Consumer Protection Act. **Max (2)**

**7.2 Purpose of the Consumer Protection Act (CPA)**

- Promotes fair/accessible and sustainable places for people to sell their products.√√
- Establishes national standards to protect consumers.√√
- Provides guidelines for better consumer information and to prohibit unfair business practices.√√
- Promotes responsible consumer behaviour.√√
- Promotes consistent laws relating to consumer transaction and agreement.√√
- Establishes a National Consumer Commission (NCC).√√
- Ensures that consumers have access to information they need to make informed choices.√√
- Promotes the rights and full participation of historically disadvantaged individuals as consumers.√√
- Ensures that consumers are not misled/deceived by suppliers of goods/ services.√√
- Promotes consumer safety by protecting them from hazardous products/ services.√√
- Strengthens a culture of consumer rights and responsibilities.√√
- Empowers consumers to take legal action if their rights are not upheld.√√
- Protects consumers against contracts that include unfair terms which limit the liability of suppliers.√√
- Protects consumers against unscrupulous businesses such as fly-by-night franchisors.√√
- Allows consumers and businesses to resolve disputes fairly.√√
- Any other relevant answer related to the purpose of the Consumer Protection Act. **Max (10)**

**7.3 Consumer rights**

**7.3.1 Right to choose**√√

Consumers have the right to:

- choose suppliers√ and goods.√
- shop around√ for the best prices.√
- reject goods that are not the same√ as the sample marketed.√
- cancel/renew√ fixed-term agreements.√
- request written√ quotations/cost estimates.√
- Any other relevant answer related to the consumers' right to choose.

Sub max (4)

**7.3.2 Right to privacy and confidentiality**√√

- Consumers have the right to stop/restrict√ unwanted direct marketing.√
  - They can object√ to unwanted promotional e-mails/telesales.√
  - They have the right to stop/lodge complaints√ about the sharing of their personal details.√
  - Any other relevant answer related to the consumers' right to privacy and confidentiality.
- Sub max (4)

**7.3.3 Right to fair and honest dealings**√√

- Suppliers may not use√ physical force or harass customers.√
  - Suppliers may not give√ misleading/false information.√
  - Businesses may not promote pyramid schemes√ and/or chain-letter schemes.√
  - Businesses may not overbook/oversell goods/services√ and then not honour the agreement.√
  - Any other relevant answer related to the consumers' right to fair and honest dealings.
- Sub max (4)

**7.3.4 Right to information about products and agreements/Right to disclosure and information**√√

- Contracts and agreements√ should be in plain language and easy to understand.√
  - Businesses should display prices√ which are fully inclusive disclosing all costs.√
  - Consumers may request the unit and bulk price√ of the same product.√
  - If two prices for the same product are displayed√, consumers should pay the lower price.√
  - Businesses should label products√ and trade descriptions correctly.√
  - Any other relevant answer related to the consumers' right to information/disclosure.
- Sub max (4)

**7.3.5 Right to fair/responsible marketing/promotion**√√

- Businesses should not mislead consumers√ on pricing, benefits/uses of goods.√
  - Consumers may cancel purchases made through direct marketing√ within five working days/cooling off-period.√
  - All information related to the country of origin/expiry dates/ingredients of the products√ should be disclosed/clearly labelled.√
  - Any other relevant answer related to the consumers' right to fair marketing/promotion.
- Sub max (4)

**7.3.6 Right to fair value/good quality and safety**√√

- Consumers have the right to demand√ quality service or goods.√
  - They have the right to return faulty items√ if the fault occurs within six months after purchasing the item.√
  - Consumers may receive an implied√ warranty or a written warranty.√
  - Any other relevant answer related to the consumers' right to fair value, good quality and safety.
- Sub max (4)

**7.3.7 Right to accountability from suppliers**✓✓

- Consumers have the right to be protected✓ in lay-by agreements.✓
  - Businesses should honour credit vouchers✓ and prepaid services.✓
  - Any other relevant answer related to the consumers' right to accountability from suppliers.
- Sub max (4)

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

- Businesses should provide consumers with written notices of clauses ✓ that may limit consumer rights.✓
  - Businesses may not market/sell goods✓ at unfair prices.✓
  - Any other relevant answer related to the consumers' right to fair/just/reasonable terms and conditions.
- Sub max (4)

**7.3.9 Right to equality in the consumer market place**✓✓

- Businesses should not limit✓ access to goods and services.✓
  - Quality of goods may not vary✓ when supplied to different consumers.✓
  - Businesses may not charge different prices✓ for the same goods/services.✓
  - No discrimination should occur✓ when businesses market products and services in different areas/places.✓
  - Any other relevant answer related to the consumers' right to equality in the consumer market place.
- Sub max (4)

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

**Max (16)**

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

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

**AND/OR**

**Negatives/Disadvantages**

- Businesses have to replace/repair faulty items/refund money√ if the fault occurs within six months after purchase.√
- They must disclose more information√ about their products and processes/services.√
- Confidential business information√ may become available to competitors.√
- Consumers can take advantage of businesses√ and return goods/complain when it is not necessary to do so.√
- Processes and procedures required by CPA√ can be expensive and time consuming.√
- Businesses may feel unnecessarily burdened√ by legal processes.√
- Penalties for non-compliance√ may be very high.√
- Staff need to be trained/Legal experts need to be consulted√, which can increase costs.√
- Many business documents need to be simplified/revamped at extra cost√, as consumers have a right to receive contracts in simple/understandable language.√
- Administration costs increase√, as legal contracts need to be worded in plain language/pitched at the level of the consumer.√
- Businesses may need insurance√ against claims from consumers√/Provisions in the Act increase the risks for unforeseen claims and law suits√, which also increase the risk for insurance companies in protecting businesses.√
- Supply chain management in stock levels will have to change√, 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/be able to report to the National Consumer Commission.√
- Any other relevant answer related to the negative impact/disadvantages of CPA on businesses.

**Max (12)****7.5 Practical ways to comply with the CPA**

- Disclose prices of all products on sale.√√
- Ensure that goods/services offered are standardised/of the same quality.√√
- Comply with the legal requirements of promotional competitions.√√
- Display the name of the business on all business documents, e.g. letterheads/invoices/contracts.√√
- All agreements must provide for a five-day cooling off period.√√
- Comply with requirements regarding the display of information on labels/packaging, e.g. smoking is hazardous for pregnant woman.√√
- Bundling of goods/services should benefit consumers, e.g. offering a cell phone and a tablet at a special price.√√
- Provide adequate training to staff on the CPA.√√
- Implement measures that will facilitate complaints, e.g. suggestion boxes.√√
- Any other practical way that business should implement to comply with the CPA.

**Max (8)**

**7.6 Conclusion**

- The CPA forces both businesses and consumers to act responsibly when doing business.√√
- Non-compliance by businesses may result in penalties/legal action.√√
- Any other relevant conclusion related to the CPA.

**Max (2)**  
**[40]**

**QUESTION 7: BREAKDOWN OF MARK ALLOCATION**

Details	Maximum	Total
Introduction	<b>2</b>	<b>Max 32</b>
Purpose of CPA	<b>10</b>	
Consumer rights	<b>16</b>	
Impact of CPA on businesses	<b>12</b>	
Compliance by businesses	<b>8</b>	
Conclusion	<b>2</b>	
<b>INSIGHT</b>		<b>8</b>
Layout	<b>2</b>	
Analysis, interpretation	<b>2</b>	
Synthesis	<b>2</b>	
Originality/Examples	<b>2</b>	
<b>TOTAL MARKS</b>		<b>40</b>

LASO - For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

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

- Investors have a range of investment opportunities to choose from.√
  - They measure these investment opportunities against criteria for good investment.√
  - Investors set financial goals and consider different factors when making these decisions.√
  - The Johannesburg Security Exchange (JSE) is a formal market comprising of all the public companies that have been listed.√
  - The National Treasury of South Africa issues RSA Retail Savings Bonds/ Government Retail Bonds to the general public.√
  - Any other relevant introduction related to investment in shares on the JSE/RSA Retail Savings Bonds/Government Retail Bonds.
- Max (2)**

**8.2 Factors to be considered when making investment decisions****8.2.1 Return on Investment (ROI) √√**

- Refers to income from the investment√, namely interest, dividends or capital appreciation (growth/increase) on the original amount invested.√
  - Generally, there will be a direct link√ between risk and return.√
  - The return should be expressed√ as net after-tax gains on the investment.√
  - Returns can be in the form of capital gains√ where the asset appreciates in value.√
  - The net after-tax return should be higher√ than the inflation rate.√
  - Any other relevant answer related to ROI.
- Sub max (4)

**8.2.2 Risk√√**

- Refers to the chance that the invested amount may reduce in value/lost in total over a period of time√, due to unforeseen circumstances.√
  - The higher the potential return√, the higher the risk of a potential loss.√
  - Example: investing in shares has a higher risk√ than investing in a fixed deposit.√
  - Any other relevant answer related to risk.
- Sub max (4)

**8.2.3 Liquidity√√**

- An amount of capital could be invested in a type of investment√ that can easily be converted to cash.√
  - The term *liquidity* is used to describe the ease and speed√ with which investors can convert an investment into cash.√
  - Example: an investment in a savings account will be easier to convert into cash√ than an investment in a fixed deposit which is usually deposited for a fixed period of time.√
  - Any other relevant answer related to liquidity.
- Sub max (4)

**8.2.4 Taxation√√**

- A good investment√ will yield good after-tax returns.√
  - Income tax implications must be considered√ in order to ensure a high net after-tax return.√
  - Tax rates are not necessarily the same√ for different investments.√
  - Any other relevant answer related to taxation.
- Sub max (4)

**8.2.5 Inflation rate**

- Inflation refers to a decrease in the value of money due to rising prices.
  - People are affected by a high inflation rate, because their money/purchasing power decreases.
  - The return on investment should be higher than the inflation rate.
  - Inflation has a positive effect on some investments such as property and shares where the income will increase as inflation increases.
  - Any other relevant answer related to inflation rate.
- Sub max (4)

**8.2.6 Investment period**

- This refers to the duration of the investment which may influence the return on investment.
  - It can be short, medium and/or long term.
  - The investment period will depend on a customer's personal needs.
  - Any other relevant answer related to the investment period.
- Sub max (4)

**8.2.7 Investment planning factors**

- Investors should always consider the safest possible investment opportunities.
  - Some investments offer a low income on invested capital, but it could be a safer investment than one that promises a higher income.
  - Examine opportunities with a history of good return.
  - Divide investments between various investment options.
  - The method of calculating the interest/return on investment should be considered.
  - Any other relevant answer related to investment planning factors.
- Sub max (4)

**8.2.8 Budgets**

- Investors can determine the amount of surplus money that can be invested.
  - Investors must budget for unforeseen costs.
  - Budget should provide for contingency plans/investments/savings.
  - Any other relevant answer related to budgets.
- Sub max (4)

**8.2.9 Volatility/Fluctuations on investment markets**

- Fluctuation in national and international economic trends should be considered.
  - The level of volatility will determine the amount of returns.
  - Any other relevant answer related to the volatility/fluctuations of the market.
- Sub max (4)

**Max (16)**

**8.3 Functions of the Johannesburg Security Exchange (JSE)**

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

**Max (12)**

**8.4 Distinction between compound and simple interest**

<b>Compound interest</b>	<b>Simple interest</b>
- Interest earned on original amount invested√, as well as interest earned in previous period(s).√	- Interest earned on the original amount√ and not on the interest accrued.√
- The principal amount grows√ with the addition of interest to it.√	- The principal amount remains the same√ over the entire period of investment.√
- Interest is calculated on the higher principal amount√ and again added to it.√	- The interest is kept separate√ unless it is reinvested.√
- Yields high√ return on investment.√	- Yields less√ return on investment.√
- Total amount of interest earned on investment√ is high.√	- Total amount of interest earned on investment√ is less.√
- Any other relevant answer related to compound interest.	- Any other relevant answer related to simple interest.
Sub max (4)	Sub max (4)

- NOTE:** 1. The answer does not have to be in tabular format, but the distinction must be clear.  
2. Award a maximum of FOUR (4) marks, if the distinction is not clear.

**Max (6)**



### 8.5 Impact of RSA Retail Savings Bonds/ Government Retail Bonds on investors Positives/Advantages

- Guaranteed returns✓, as interest rate is fixed for the whole investment period.✓
- Interest rates✓ are market related.✓
- Investment may be easily accessible✓, as cash may be withdrawn after the first twelve months, subject to penalties.✓
- Low risk/Safe investment✓, as it is invested with the South African Government which cannot be liquidated.✓
- It is an affordable type of investment✓ for all levels of income earners including pensioners.✓
- Retail bonds are easily/conveniently obtained✓ electronically/from any Post Office/ Pick 'n Pay shop/directly from National Treasury.✓
- No charges/costs/commissions payable✓ on this type of investment.✓
- Interest is usually higher✓ than on fixed deposits.✓
- Retail bonds are listed✓ on the capital bond markets/on the JSE.✓
- Investors younger than 18 years/Minors may invest with the help of a legal guardian✓, which encourages saving from a young age.✓
- Any other relevant answer related to the positive impact/advantages of RSA Retail Savings Bonds/Government Retail Bonds on investors.

### AND/OR

### Negatives/Disadvantages

- Retail bonds cannot be ceded to banks✓ as security for obtaining loans.✓
- A minimum of R1 000 must be invested✓, which may be difficult for some small investors to accumulate.✓
- Retail bonds are not freely transferable✓ amongst investors.✓
- Investors need to have valid SA identification/should be older than 18 years✓ which may discourage foreigners/young people to invest.✓
- Penalties are charged for early withdrawals✓, if the savings is less than 12 months old.✓
- Any other relevant answer related to the negative impact/disadvantages of RSA Retail Savings Bonds/Government Retail Bonds on investors. **Max (12)**

### 8.6 Conclusion

- After considering the various investment opportunities and risk factors, investors can make a calculated decision.✓✓
- Investors should make investments from an early age to reap the benefits of wealth creation.✓✓
- Any other relevant conclusion related to investments in shares on the JSE/RSA Retail Savings Bonds/Government Retail Bonds. **Max (2)**

**[40]**

**QUESTION 8: BREAKDOWN OF MARK ALLOCATION**

<b>Details</b>	<b>Maximum</b>	<b>Total</b>
Introduction	<b>2</b>	<b>Max 32</b>
Investment decision factors	<b>16</b>	
Functions of the JSE	<b>12</b>	
Distinction between compound and simple interest	<b>6</b>	
Impact of RSA Retail savings bonds	<b>12</b>	
Conclusion	<b>2</b>	
<b>INSIGHT</b>		
Layout		<b>2</b>
Analysis, interpretation		<b>2</b>
Synthesis		<b>2</b>
Originality/Examples		<b>2</b>
<b>TOTAL MARKS</b>		<b>40</b>

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 (ETHICS AND PROFESSIONALISM)**

**9.1 Introduction**

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

**Max (2)**

**9.2 Professional, responsible and ethical business practices**

- Businesses should treat all employees equally.√√
- Plan properly and put preventative measures in place.√√
- Pay fair wages/salaries which is in line with the minimum requirements of the BCEA/Remunerate employees for working overtime and during public holidays.√√
- Engage in environmental awareness programmes/Refrain from polluting the environment, e.g. by legally disposing of toxic waste.√√
- Refrain from starting a venture using other businesses' ideas that are protected by law.√√
- Business decisions and actions must be clear/transparent to all stakeholders.√√
- Businesses should be accountable/responsible√ for their decisions and actions/patents rights.√√
- Pay tax regularly/Register with SARS to comply with the law.√√
- Any other relevant answer related to how professional, responsible and ethical business practice should be conducted.

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

**(Any 5 x 2) (10)**

**9.3 Distinction between professional and ethical behaviour**

<b>Professional behaviour</b>	<b>Ethical behaviour</b>
- Refers to what is right/wrong/acceptable√ in a business.√	- Refers to the principles of right and wrong/acceptable√ in society.√
- Set of standards√ of expected behaviour.√	- Conforms to a set of values√ that are morally acceptable.√
- Applying a code of conduct√ of a profession or business.√	- Forms part of a code of conduct√ to guide employees to act ethically.√
- Focuses on developing a moral compass√ for decision making.√	- Focuses on upholding the reputation√ of a business/profession.√
- Includes guidelines√ on employees' appearance/communication/attitude/responsibility√, etc.	- Involves following the principles of right or wrong√ in business activities/practices/dealings.√
- Any other relevant answer related to professional behaviour in a business.	- Any other relevant answer related to ethical behaviour in a business.
Sub max (4)	Sub max (4)

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

**2. Award a maximum of FOUR (4) marks, if the distinction is not clear.**

**Max (6)**

**9.4 Issues that could challenge ethical and professional behaviour in a business.****9.4.1 Pricing of goods in rural areas**

- Some businesses in the rural areas exploit their customers√ by adding much more than necessary to their prices.√
- Some consumers in rural areas have little economic power√ and are vulnerable to exploitation.√
- Business may form monopolies in rural areas√ and increase their prices unilaterally.√
- It may be common practice to pay higher prices for goods√ of inferior quality in rural areas.√
- Prices of goods in these areas are generally based√ on the personal characteristics of the consumer.√
- Any other relevant answer related to pricing of goods in rural areas as a challenge for ethical and professional business practice. Sub max (4)

**Recommendations**

- Businesses should be fair and apply reasonable pricing.√√
- Access to rural areas should be increased, so that more products and a bigger variety is available.√√
- Consumers in rural areas should insist on prices being fair and report any unfair pricing.√√
- Entrepreneurship should be encouraged in these areas.√√
- Cost effective ways of transporting the products can be investigated.√√
- Suppliers can work together when delivering products to remote rural area.√√
- Any other relevant recommendation related to pricing of goods in rural areas as a challenge for ethical and professional business practice. Sub max (6)

**9.4.2 Sexual harassment**

- A violation of basic human rights that normally happen when someone in power abuses his/her power/position√, e.g. gesture/remark/action/suggestive behaviour which victimises the worker.√
- Sexual harassment is forbidden by law√, as a victim may charge someone who has victimised him/her in a sexual manner.√
- The affected party is normally reluctant to report the incident√ due to fear of victimisation.√
- Manager promises an increase in salary/ a promotion/Quid pro quo harassment√ in exchange for sexual favours.√
- Any other relevant answer related to sexual harassment as a challenge for ethical and professional business practice. Sub max (4)

**Recommendations**

- Implement internal complaints and disciplinary procedures.√√
- Educate employers on sexual harassment matters.√√
- Formulate a policy regarding sexual harassment.√√
- Create a good working environment where all employees' rights and dignity are respected.√√
- Internal investigation should be made in order to determine the seriousness of the harassment.√√
- Serious cases/matters on sexual harassment should be reported to the appropriate institutions such as the South African Police Services (SAPS).√√
- Ensure compliance with the law/business code of conduct.√√
- Any other relevant recommendation related to sexual harassment as a challenge for ethical and professional business practice. Sub max (6)

**9.4.3 Unauthorised use of funds**

- This form of fraud is the misuse of money without prior authorisation√ from a senior manager.√
- Fraud increases the cost of doing business/affects competition/discourages investors√ when prices are increased to absorb the losses.√
- Use of company assets√ for private use/personal gain.√
- Any other relevant answer related to unauthorised use of funds as a challenge for ethical and professional business practice. Sub max (4)

**Recommendations**

- Limit the number of employees having access to business funds/assets.√√
- Identify risk areas/ vulnerable areas.√√
- Implement/Introduce fraud prevention strategies.√√
- Conduct regular audits.√√
- Businesses must educate employees about the impact of fraud.√√
- Fraud prevention should be a collective responsibility of business and workers.√√
- Clear policies should be in place so that employees are aware of what is considered to be fraud.√√
- Any other relevant recommendation related to unauthorised use of funds as a challenge for ethical and professional business practice. Sub max (6)

Description: Max (12)

Recommendation: Max (18)

**Max (30)****9.5 Conclusion**

- A business code on ethics and conduct should improve relationships and eliminate unethical business practices.√√
- Employees who do not adhere to a code of ethics and conduct should be disciplined.√√
- Businesses can make use of good corporate governance to address issues that challenge ethical and professional behaviour.√√
- Any other relevant conclusion related to ethical and professional business practices. **Max (2)**

**[40]**

**QUESTION 9: BREAKDOWN OF MARK ALLOCATION**

<b>Details</b>	<b>Maximum</b>	<b>Total</b>
Introduction	<b>2</b>	<b>Max 32</b>
Professional, responsible and ethical business practice	<b>10</b>	
Distinction between ethical and professional behaviour	<b>6</b>	
Three Unethical issues: Description	<b>12</b>	
Recommendations	<b>18</b>	
Conclusion	<b>2</b>	
<b>INSIGHT</b>		
Layout		<b>2</b>
Analysis, interpretation		<b>2</b>
Synthesis		<b>2</b>
Originality/Examples		<b>2</b>
<b>TOTAL MARKS</b>		<b>40</b>

LASO – For each component:

Allocate 2 marks if all requirements are met.

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

Allocate 0 marks where requirements are not met at all.

**QUESTION 10: BUSINESS OPERATIONS (HUMAN RESOURCES)****10.1 Introduction**

- The objective of selection is to choose applicants who are more likely to succeed in the advertised positions.√
- The employer and the employee must draw up a legal/binding employment contract.√
- A good induction programme will enable the new employee to quickly settle in.√
- All appointment procedures should be conducted within the framework of the Employment Equity Act (EEA) to ensure fairness.√
- Any other relevant introduction related to selection/employment contract /induction programme and compliance with the EEA.

**Max (2)****10.2 Selection process**

- 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 preliminary list of all applicants√ who qualify for the post.√
- Screen and check references√, e.g. check applicants' criminal records/credit history/social media√, etc.
- Conduct preliminary interviews√ to identify suitable applicants.√
- 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 process when appointing new employees.

**NOTE: Procedure can be in any order.****Max (12)****10.3 Legal requirements of the employment contract**

- Employment contract is the written agreement√ between the employer and the employee.√
- It is a legally binding document√ even though certain aspects of the contract are negotiable.√
- It may not contain any requirements√ that are in conflict with the BCEA.√
- Parties involved√ must have contractual capacity.√
- The employer and the employee must both be satisfied√ with the conditions in the employment contract.√
- Neither the employee nor the employer may unilaterally√ change aspects of the employment contract.√
- It should include a code of conduct and/or a code of ethics√ for employees.√
- Specific details of the job/remuneration package√ should be clearly explained to employees/stipulated in the contract.√
- The human resources manager must explain the terms and conditions√ of the employment contract to employees if deemed necessary.√
- It should set out clearly√ the conditions of employment/duties/responsibilities of the employees.√
- It must stipulate what employee would receive√ in terms of benefits and labour legislation.√

- All business policies/procedures/disciplinary codes√ should form part of the employment contract.√
- Employers must allow employees to read through the conditions of service and code of conduct√ before they sign the contract.√
- New employees may also consult legal experts√ to help them understand the terms and conditions of the contract.√
- Any other relevant answer related to the legal requirements of the employment contract.

**Max (14)****10.4 Aspects that should be included in the induction programme**

- Safety regulations and rules.√√
- Overview of the business.√√
- Information about the business products/services.√√
- Tour of the premises and introduction to key people and close colleagues.√√
- Conditions of employment including working hours/leave application process/disciplinary procedures√√, etc.
- Administration details including systems/processes/logistics.√√
- Meeting with senior management who will explain the company's vision/values/and job description/daily tasks.√√
- Discussion of the employment contract and conditions of service.√√
- Discussion on personnel policies, e.g. private phone calls/Internet use√√, etc.
- Discussion on employees' benefits.√√
- Corporate social responsibility programmes.√√
- Any other relevant answer related to aspects that should be included in the induction programme.

**Max (12)****10.5 Compliance with the Employment Equity Act (EEA)**

- Joe must guard against discriminatory appointments.√√
- Assess the racial composition of all employees, including senior management.√√
- Ensure that there is equal representation of all racial groups in every level of employment.√√
- He must promote equal opportunities and fair treatment.√√
- Appointment process must be clearly defined, so that all parties are well informed.√√
- He may use certified psychometric tests to assess applicants/employees to ensure that suitable candidates are appointed.√√
- He must ensure that diversity/inclusivity in the workplace is achieved.√√
- Implement affirmative action measures to redress disadvantages experienced by designated groups.√√
- Prepare an employment equity plan in consultation with employees.√√
- Implement an employment equity plan.√√
- Submit the employment equity plan to the Department of Labour.√√
- Assign one or more senior managers to ensure implementation and monitoring of the employment equity plan.√√
- Eliminate barriers that have an adverse impact on designated groups.√√
- Reasonable accommodation of people from designated groups.√√
- Retain/Develop/Train designated groups, including skills development.√√
- Regular report to the Department of Labour on progress in implementing the plan.√√
- Any other relevant answer related to how Joe can comply with the Employment Equity Act (EEA) when making new appointments.

**Max (8)**



**10.6 Conclusion**

- Employees are the most important resource in any business and its success is strongly influenced by a good selection process and induction programme.√√
- An employment contract serves as proof of employment in the case of a dispute which ends up in a court of law.√√
- The EEA not only promotes and regulates affirmative action, but also gives guidance in conducting a fair appointment process.√√
- Any other relevant conclusion related to selection, employment contract, induction programme and compliance with EEA.

**Max (2)**  
**[40]**

**QUESTION 10: BREAKDOWN OF MARK ALLOCATION**

Details	Maximum	Total
Introduction	2	<b>Max 32</b>
Selection process	12	
Legal requirements of the employment contract	14	
Induction programme	12	
Compliance with EEA	8	
Conclusion	2	
<b>INSIGHT</b>		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality/Examples		2
<b>TOTAL MARKS</b>		<b>40</b>

LASO - For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

**TOTAL SECTION C: 80**  
**GRAND TOTAL: 300**