



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES

FEBRUARY/MARCH 2018

MARKING GUIDELINES

MARKS: 300

These marking guidelines consist of 47 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
DBE Moderator:	Turquoise

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

3. Comprehensive marking guidelines have been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct, but:

- Uses a different expression from that which appears in the marking guidelines
- 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 the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.

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

9. Incorrect numbering of answers to questions or sub questions in SECTIONS A and B will be severely penalised. Therefore, correct numbering is strongly recommended in all sections.
10. No additional credit must be given for repetition of facts. Indicate with an 'R'.
11. Note that no marks will be awarded for indicating Yes/No in evaluation type questions requiring substantiation or motivation. (Applicable to SECTIONS B and C)
12. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
- 12.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** *'COIDA eliminates time and costs spent√ on lengthy civil court proceedings.√'*
- 12.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. *'COIDA eliminates time and costs spent√ on lengthy civil court proceedings√, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.√'*
- NOTE:** 1. The above could apply to 'analyse' as well.
2. Note the placing of the tick (√) in the allocation of marks.
13. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guidelines and the context of each question.

Cognitive verbs, *such as:*

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

14. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

15. **SECTION B**

15.1 If, for example, FIVE facts are required, mark the candidate's FIRST FIVE responses and ignore the rest of the responses. Indicate by drawing a line across the unmarked portion or use the word 'Cancel'.

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

15.2 If two facts are written in one sentence, award the candidate FULL credit. Point 15.1 above still applies.

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

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

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

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

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

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

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

16. **SECTION C**

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

16.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body and a conclusion?	2
Analysis and interpretation	Is the candidate able to break down the question into headings/sub-headings/interpret it correctly to show understanding of what is being asked? Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	2
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Marks to be allocated using this guide: No relevant facts: 0 (Two '-S') Some relevant facts: 1 (One '-S') Only relevant facts: 2 (No '-S') Option 1: Where a candidate answers 50% or more of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis. Option 2: Where a candidate answers less than 50% of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 3: Where a candidate answers less than 50% of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.	2
Originality	Is there evidence of examples, recent information, current trends and developments?	2
TOTAL FOR INSIGHT:		8
TOTAL MARKS FOR FACTS:		32
TOTAL MARKS FOR ESSAY (8 + 32)		40

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

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

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

- 16.5 Mark all relevant facts until the SUB MAX/MAX mark in a subsection has been attained. Write SUB MAX/MAX after maximum marks have been obtained.
- 16.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

CONTENT	MARKS
Facts	32 (max.)
L	2
A	2
S	2
O	2
TOTAL	40

- 16.7 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.)
- 16.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 16.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guidelines.
- 16.10 16.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 16.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (√) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy√, where businesses aim to introduce new products into existing markets.'√
This will be informed by the nature and context of the question, as well as the cognitive verb used.
- 16.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guidelines, will not necessarily apply to each question. This would also depend on the nature of the question.

SECTION A**QUESTION 1**

1.1	1.1.1	D√√		
	1.1.2	C√√		
	1.1.3	B√√		
	1.1.4	A√√		
	1.1.5	D√√		
	1.1.6	D√√		
	1.1.7	B√√		
	1.1.8	C√√		
	1.1.9	B√√		
	1.1.10	A√√	(10 x 2)	(20)
1.2	1.2.1	National Skills √√		
	1.2.2	leader√√		
	1.2.3	grievance√√		
	1.2.4	RSA Retail Savings Bonds√√		
	1.2.5	quality management√√	(5 x 2)	(10)
1.3	1.3.1	I √√		
	1.3.2	H√√		
	1.3.3	A√√		
	1.3.4	G√√		
	1.3.5	B√√	(5 x 2)	(10)

TOTAL SECTION A: 40**BREAKDOWN OF MARKS**

QUESTION 1	MARKS
1.1	20
1.2	10
1.3	10
TOTAL	40

SECTION B

Mark the **FIRST THREE** questions in this section **ONLY**.

QUESTION 2: BUSINESS ENVIRONMENTS**2.1 Types of integration strategies**

- Forward vertical integration✓
- Backward vertical integration✓
- Horizontal integration✓

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

2. Award a maximum of **ONE (1)** mark for 'vertical integration'.

(3 x 1) (3)

2.2 Types of business environments and control

BUSINESS ENVIRONMENT	EXTENT OF CONTROL
(a) Micro✓	Full control✓✓
(b) Market✓	Little control/No control, but can influence✓✓
(c) Macro✓	No control✓✓
(3 x 1) (3)	Sub max (6)

NOTE: 1. The answer does not have to be in tabular format.

2. Mark the first **THREE (3)** business environments only.

3. The extent of control must be linked to the business environment.

4. Do not award marks for the extent of control if the business environment is not mentioned.

Max (9)

2.3 BCEA provisions for leave**2.3.1 Sick leave**

- Workers are entitled to 30 days/6 weeks paid leave✓ in a 3 year/36 months cycle.✓
- During the first six months of employment✓, workers are entitled to 1 day of paid sick leave for every 26 days worked.✓
- A medical aid certificate should be submitted✓ for absence from work for more than 2 consecutive days.✓
- Any other relevant answer related to the BCEA provisions for sick leave.

Sub max (2)

2.3.2 Annual leave

- An employee is entitled to a minimum of 1 day✓ for every 17 days worked.✓
- An employee is entitled to 21✓ consecutive days of annual leave.✓
- Any other relevant answer related to the BCEA provisions for annual leave.

Sub max (2)

2.3.3 Maternity leave

- Pregnant employees are entitled to at least 4✓ consecutive months of leave.✓
- A pregnant employee may not be allowed to perform work✓ that is hazardous to her or her child.✓
- Any other relevant answer related to the BCEA provisions for maternity leave.

Sub max (2)

Max (6)

2.4 COIDA

- 2.4.1 Compensation for Occupational Injuries and Diseases Act, 1997 (Act 61 of 1997)/
Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993)/
Compensation for Occupational Injuries and Diseases Act/COIDA.√√ (2)

Motivation:

An employee of Barker Incorporated lost his hand due to an injury sustained while performing his duties/Management is refusing to submit the claim to the Compensation fund/They did not register the employee with the Commissioner of the Compensation Fund.√ (1)

NOTE: Do not award marks for the motivation if the Act was identified incorrectly.

Max (3)

2.4.2 Penalties for non-compliance

- Barker Incorporated can be fined√ for refusing to lodge the claim/contravening the Act.√
- BI can be forced to make large payments√ if it did not take the necessary precautions according to the Act.√
- BI can be forced to pay any recovery costs√ required by the Compensation Fund.√
- The employee may take BI to court√ for not registering him/her with the Commissioner of the Compensation Fund.√
- If BI is found guilty of any misconduct√, they will have to pay large penalties/face imprisonment.√
- Any other relevant answer related to penalties for non-compliance with COIDA.

Max (6)

2.5 Strategic management process

2.5.1 Industrial analysis tools

INDUSTRIAL ANALYSIS TOOLS	QUOTE
SWOT analysis√√	- Many workers arrive late for work.√
Porter's Five Forces√√	- The new Dawn Hotel charges lower prices for similar services.√
PESTLE analysis√√	- RSH is located in an area where the unemployment rate is high.√
(3 x 2) (6)	Sub max (3)

- NOTE:**
1. Mark the first THREE (3) industrial analysis tools only.
 2. Award a maximum of TWO marks if the industrial analysis tool is repeated.
 3. The quoted challenge must be linked to each correct industrial analysis tool.
 4. Do not award marks for quotes if the industrial analysis tools were not mentioned.

Max (9)

2.5.2 Conduct of the strategic management process**OPTION 1**

- RSH should have a clear vision, a mission statement and measurable/realistic objectives in place.√√
- 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 business resources/motivating staff.√√
- RSH should continuously evaluate, monitor, measure strategies in order to take corrective action.√√
- Any other relevant answer related to the conduct of the strategic management process.

OR**OPTION 2**

- RSH should review their vision statement.√√
- Analyse/Re-examine mission statement.√√
- 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.√√
- RSH should take corrective action√ to ensure goals/objectives are met.√√
- Any other relevant answer related to the conduct of the strategic management process.

- NOTE:**
1. The steps may be in any order.
 2. Do not award marks for 'conducting an environmental scan'.
 3. Award a maximum of TWO (2) marks for the industrial analysis tools if they were not listed in QUESTION 2.5.1.

Max (6)**2.6 Recommendations for compliance with the Employment Equity Act (EEA)**

- Guard against discriminatory appointments.√√
- Assess the racial composition of all employees, including senior management.√√
- Ensure that there is equal representation of all racial groups in every level of employment.√√
- Promote equal opportunities and fair treatment.√√
- Clearly define the appointment process, so that all parties are well informed.√√
- Use certified psychometric tests to assess applicants/employees to ensure that suitable candidates are appointed.√√
- Ensure that diversity/inclusivity in the workplace is achieved.√√
- Implement affirmative action measures to redress disadvantages experienced by designated groups.√√
- Prepare an employment equity plan in consultation with employees.√√
- Implement an employment equity plan.√√
- Submit the employment equity plan to the Department of Labour.√√

- Assign one or more senior managers to ensure implementation and monitoring of the employment equity plan.√√
- Eliminate barriers that have an adverse impact on designated groups.√√
- Accommodate people from different designated groups.√√
- Retain/Develop/Train designated groups, including skills development.√√
- Regularly report to the Department of Labour on progress in implementing the plan.√√
- Any other relevant answer related to ways in which businesses could comply with EEA.

Max (8)**2.7 Impact of the Skills Development Act (SDA) on businesses****Positives/Advantages**

- Increases the number of skilled employees√ in areas where these skills are scarce.√
- Improves productivity√ in the workplace.√
- Business could become globally√ more competitive.√
- Increases investment in education and training√ in the labour market.√
- Higher investment in education and training in the labour market√ increases profits/return on investment.√
- 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 businesses.

AND/OR**Negatives/Disadvantages**

- The SDA process is prescriptive and requires a large amount of paperwork and administration√ which can cost time and money.√
- Skills Development Levy could be an extra burden√ to financially struggling businesses.√
- It may be monitored and controlled by government departments√ that do not have education and training as their key priorities.√
- The SETAs may not be well organised√ and many courses offered by companies may not have unit standards that relate to the course content.√
- Many service providers that offer training services√ are not SAQA accredited.√
- Many businesses may not support√ this government initiative.√
- Implementation of the SDA√ can be difficult to monitor and control.√
- Employees are expected to attend learnerships during work hours√ which could affect the production process/productivity.√
- Costly for businesses√ to employ a person to implement, manage and control learnerships.√
- The time and money spent on improving employee skills is wasted√ if they leave the business.√
- Any other relevant answer related to the negative impact of SDA on businesses.

Max (10)
[60]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	3
2.2	9
2.3.	6
2.4.1	3
2.4.2	6
2.5.1	9
2.5.2	6
2.6	8
2.7	10
TOTAL	60

QUESTION 3: BUSINESS VENTURES**3.1 Visual aids**

3.1.1 PowerPoint/Data projector√√

3.1.2 Tables√√

3.1.3 Video-conferencing/Skype√√

(3 x 2) (6)**3.2 Factors to consider during a presentation**

- Establish credibility by introducing yourself as the presenter at the start.√√
- Mention/Show most important information first.√√
- Make the purpose/main points of the presentation clear at the start of the presentation.√√
- Use suitable section titles/headings/sub-headings/bullets.√√
- Summarise the main points of the presentation to conclude the presentation.√√
- Stand in a good position/upright, where the audience can clearly see the presenter/presentation.√√
- Avoid hiding behind equipment.√√
- Do not ramble on at the start, to avoid losing the audience/their interest.√√
- Capture listeners' attention/Involve the audience with a variety of methods, e.g. short video clips/sound effects/humour√√, etc.
- Maintain eye contact with the audience.√√
- Be audible to all listeners/audience.√√
- Vary the tone of voice/tempo within certain sections to prevent monotony.√√
- Make the presentation interesting with visual aids/anecdotes/examples/Use visual aids effectively.√√
- Use appropriate gestures, e.g. use hands to emphasize points.√√
- Speak with energy and enthusiasm.√√
- Pace yourself/Do not rush or talk too slowly.√√
- Keep the presentation short and simple.√√
- Conclude/End with a strong/striking ending that will be remembered.√√

- Ensure that the audience will leave with/take away specific information/benefits.√√
- Include a statement/quote that will allow a professional/striking ending.√√
- Manage time effectively to allow time for questions.√√
- Any other relevant answer related to factors to be considered during a presentation.

NOTE: 1. Only accept factors to be considered DURING the presentation.
2. Mark the first FOUR (4) only.

(4 x 2) (8)

3.3 Differences between the democratic and autocratic leadership styles

DEMOCRATIC	AUTOCRATIC
<ul style="list-style-type: none"> - The leader involves employees√ in the decision making process.√ - Clear/Two way communication√ ensures group commitment to final decision(s).√ - People-oriented√, as employee's feelings and opinions are considered.√ - Workers feel empowered√ as they are involved in the decision-making process.√ - Useful when the leader depends on the inputs√ of experienced followers.√ - Handles conflict situations by involving followers√ in finding the best solution.√ - Any other relevant answer related to the democratic leadership style. <p style="text-align: right;">Sub max (4)</p>	<ul style="list-style-type: none"> - A leader takes all decisions alone√ without involving employees.√ - Line of command/communication is clear√ as it is top-down/followers know exactly what to do.√ - Task-orientated√ as the opinions of employees are not considered.√ - New employees feel confident/safe√ as strong leadership is provided.√ - Useful in a crisis/urgent situation√, e.g. after an accident/meeting tight deadlines.√ - Handles conflict situations by telling followers√ what they should do.√ - Any other relevant answer related to the autocratic leadership style. <p style="text-align: right;">Sub max (4)</p>

NOTE: 1. The answer does not have to be in tabular format, but the differences must be clear.
2. Award a maximum of FOUR (4) marks if differences are not clear/
Mark either the democratic or autocratic style only.

Max (8)

3.4 Meaning of compound interest

- Interest is calculated in every period√ on original/principal amount plus interest.√
- Interest is added to the original/principal amount√ and interest is earned on interest for each defined period.√
- As interest is added to the investment√, the capital increases.√
- Any other relevant answer related to the meaning of compound interest.

Max (4)

3.5 Insurance**3.5.1 Examples of insurable risks quoted from the scenario**

- Theft✓
- Damage✓
- Fire✓
- Burglary✓

NOTE: Mark the first THREE (3) only.**(3 x 1) (3)****3.5.2 Non-insurable risk**

- These risks are not insured by insurance companies✓ as insurance cost/risks are too high/remains the responsibility of the business.✓

Sub max (2)

Example

- Losses caused by war.✓
- Most risks occurring between placing orders and receiving goods.✓
- Changes in fashion.✓
- Losses caused by marketing malpractices by the business.✓
- Advancement in technology/new machinery invention.✓
- Any other relevant answer related to examples of non-insurable risks.

NOTE: Mark the FIRST example only.

Sub max (1)

Max (3)**3.5.3 Importance of insurance for businesses**

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

Max (8)

3.6 Benefits of UIF**- Unemployment benefits**√√

- Employees, who become unemployed/retrenched due to restructuring/an expired contract, may claim within six months after becoming unemployed.√
- Unemployed employees may only claim, if they contributed to UIF.√
- Unemployed employees enjoy these benefits until the allocated funds are exhausted.√
- If a worker voluntarily terminates his/her contract, he/she may not claim.√
- No tax is payable on unemployment benefits.√
- Any other relevant answer related to unemployment benefits of UIF.

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

- Illness benefits√√

- Employees may receive these benefits if they are unable to work for more than 14 days without receiving a salary/part of the salary.√
- Employees may not claim these benefits if they refuse medical treatment.√
- Any other relevant answer related to illness benefits of UIF.

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

- Maternity benefits√√

- Pregnant employees receive these benefits for up to 4 consecutive months.√
- If an employee had a miscarriage, she can claim for up to six weeks/42 days.√
- Any other relevant answer related to maternity benefits of UIF.

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

- Adoption benefits√√

- Employees may receive these benefits if they adopt a child younger than two years.√
- Employees who take unpaid leave/may receive part of their salary while caring for the child at home.√
- Only one parent/partner may claim.√
- Any other relevant answer related to adoption benefits of UIF.

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

- Dependants' benefits√√

- Dependants may apply for these benefits if the breadwinner, who has contributed to UIF dies.√
- The spouse of the deceased may claim, whether he/she is employed or not.√
- Any other relevant answer related to dependants' benefits of UIF.

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

- NOTE:** 1. **Mark the first THREE (3) only.**
2. **The benefit could be integrated into the explanation.**

(3 x 3) (9)

3.7 Forms of ownership

3.7.1 Sole trader/Sole proprietorship√√

Sub max (2)

Motivation:

'Mapule is the only owner of the business/is (also) responsible for all business risks'.√

Sub max (1)

NOTE: Do not award marks for the motivation if the form of ownership was not correctly identified.

Max (3)

3.7.2 Success and/or failure factors of a sole trader

	SUCCESS	FAILURE
Division of profits	- Owner receives all profits√ from the business.√	- Profits may not be large enough√ for expansion.√
	- The owner may use profit√ to expand the business.√	- Profits may not cover√ all business debts√/Owner may decide√ not to expand.√
	- Any other relevant answer related to the influence of the division of profits on the success of a sole trader.	- Any other relevant answer related to the influence of the division of profits on the failure of a sole trader.

Sub max (4)

	SUCCESS	FAILURE
Legis-lation	- It is easy/inexpensive√ to start.√	- Business may only qualify for more loans√ if they are licenced√/Loans√ are not easily obtainable.√
	- There are limited regulatory requirements√ regarding the name of the business.√	- Business has no legal entity/unlimited liability√ and the owner can be sued/held responsible for the debts of the business.√
	- It is not compulsory√ to have financial statements audited.√	- Business has no continuity√ as it depends on the life of the owner.√
	- Any other relevant answer related to the influence of legislation on the success of a sole trader.	- Any other relevant answer related to the influence of legislation on the failure of a sole trader.

Sub max (4)

Max (8)

**NOTE: 1. The answers do not have to be in tabular format.
2. The success and/or failure factors must relate to sole trader/sole proprietorship.**

[60]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	6
3.2	8
3.3	8
3.4	4
3.5.1	3
3.5.2	3
3.5.3	8
3.6	9
3.7.1	3
3.7.2	8
TOTAL	60

QUESTION 4: BUSINESS ROLES**4.1 Human rights in the workplace**

- Privacy✓
- Respect/Dignity✓
- Equity✓
- Freedom of speech and expression✓
- Information✓
- Freedom of association✓
- Free choice of a trade/occupation/profession✓
- Labour rights/Freedom of assembly/Right to protest✓
- Freedom of thought and religion✓
- Health care/food/water and social assistance✓
- Fair labour practices✓
- Access to Labour Court/institutions✓
- Education and training/universal right to basic education✓
- Safety/Security and Protection/Life✓
- Freedom of slavery, servitude or forced labour✓
- Vote✓
- Freedom of movement✓
- Children's rights✓
- Freedom to choose your own language/participate in own cultural life✓

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

4.2 Unethical or unprofessional business practice

- 4.2.1 Unethical✓✓
- 4.2.2 Unprofessional✓✓
- 4.2.3 Unprofessional✓✓
- 4.2.4 Unethical✓✓
- 4.2.5 Unethical✓✓

Max (10)

4.3 Disadvantages of CSI for communities

- Distribution of scarce CSI resources to selected beneficiaries in the community√ may cause problems such as discrimination.√
- The benefits of the programmes may not filter to the intended persons√ within the community.√
- Programmes that do not satisfy all the needs√ of the community may be rejected.√
- Hand-out programmes discourage locals from taking their own initiative√ by making them dependent on social investment programmes.√
- Sustaining projects after businesses withdraw their assistance√ are often difficult without the right expertise.√
- Spending money on CSI programmes could imply that the business has to recover costs by increasing its prices√ which may have a negative impact on the community/ economy.√
- Any other relevant answer related to the disadvantages of CSI for the community.

Max (8)**4.4 Implications of equality, respect and dignity for businesses**

- Businesses should treat all their employees equally√, regardless of their race/ colour/age/gender/disability√, etc.
- All workers should have access√ to equal opportunities/positions/ resources.√
- Employers and employees need to comply with legislation√ with regard to equal opportunities/human rights in the workplace.√
- Businesses should develop equity programmes/promote strategies√ to ensure that all employees are treated equally regardless of status/rank/power.√
- Mission statement should include√ values of equality/respect.√
- Training/Information/Business policies√ should include issues such as diversity/ discrimination/harassment.√
- Employers should respond swiftly and fairly√ to reported incidents of discrimination in the workplace.√
- Ensure that employees work in an environment√ that is conducive to safety/ fairness/free from embarrassment.√
- Orders/Tasks should be given respectfully√ and allow the recipient/employee to have a say in the manner in which the task should be performed.√
- Treat workers with respect/dignity√ by recognising work well done/the value of human capital.√
- Any other relevant answer related to the implications of equality, respect and dignity for businesses.

Max (6)

4.5 King Code principles

POOR CORPORATE GOVERNANCE 4.5.1	KING CODE PRINCIPLE 4.5.2	APPLICATION 4.5.3
Shareholders discovered from whistle blowers that the company's poor performance is a result of a lack of competency in the board of directors.√	Transparency√√	<ul style="list-style-type: none"> - Regular audits should be done to determine the effectiveness of the business.√√ - Auditing and other reports must be accurate/available to shareholders/employees.√√ - Business deals should be conducted openly so that there is no hint/sign of dishonesty/corruption.√√ - Staffing and other processes should be open and transparent.√√ - Employees/Shareholders/Directors should be aware of the employment policies of the business.√√ - Any other relevant application of transparency as a King Code principle. <p style="text-align: right;">Sub max (4)</p>
The directors of DFS are denying this allegation.√	Accountability√√	<ul style="list-style-type: none"> - There must be regular communication between management and the stakeholders like shareholders.√√ - Company should appoint internal and external auditors to audit financial statements.√√ - The board should ensure that the company's ethics are effectively implemented.√√ - Any other relevant application of accountability as a King Code principle. <p style="text-align: right;">Sub max (4)</p>
(2 x 1) (2)	(2 x 2) (4)	Max (8)

- NOTE:**
1. The answer does not have to be in tabular format.
 2. Mark the first TWO (2) examples and principles in QUESTIONS 4.5.1 and 4.5.2 respectively.
 3. Award a maximum of TWO (2) marks if application is based on the examples of poor corporate governance quoted in QUESTION 4.5.1.
 4. Award TWO (2) marks for the King Code principle identified in QUESTION 4.5.2, if the example of poor corporate governance was not directly quoted, but based on the scenario.
 5. The application in QUESTION 4.5.3 must link to the correct King Code principle in QUESTION 4.5.2.

4.6 Impact of Delphi technique**Positives/Advantages**

- Business may use a group of experts√ without bringing them together.√
- The experts will give the business clear ideas/solutions√ on how to improve on productivity/profitability.√
- Information received from experts√ can be used to solve complex business problems.√
- Experts may give honest/credible opinions√ as they do not have a direct/personal interest in the business.√
- Conflict may be avoided√ especially if all employees are knowledgeable and well qualified.√
- Dominating employees may not take over the process√ as they do not form part of the problem solving process.√
- It reduces noise levels in an office environment√ since there is no group discussion.√
- Any other relevant answer related to the positives/advantages of the Delphi technique.

AND/OR**Negatives/Disadvantages**

- It is an expensive technique to use√ due to high administrative costs.√
- May be time consuming/complicated√ to analyse data received from experts.√
- Not all experts are willing/interested√ to give feedback/complete questionnaires.√
- Some experts might not have an in-depth knowledge√ of certain topics.√
- Experts' suggestions may not be considered by some employees√ so consensus may not be reached.√
- Any other relevant answer related to the negatives/disadvantages of the Delphi technique.

Max (8)**4.7 Ways in which businesses could protect the environment and promote human health in the workplace**

- Laws and regulations should be adhered to so that profits are not generated at the expense of the environment.√√
- Pollution and other environmental issues should always be considered in all business activities, e.g. safe disposal of waste/dumping of toxic waste√√, etc.
- Become involved in environmental awareness programmes.√√
- The environment can be protected by altering production techniques in favour of cleaner and greener technologies.√√
- Water for human consumption should be tested before it is used.√√
- Promote nature conservation by looking after natural resources.√√
- Minimise pollution, by re-using, reducing and recycling.√√
- Reduce consumption of goods/services which are environmentally unfriendly.√√
- Register/Engage with recognised institutions/bodies that promote green peace.√√
- Physical working conditions should always be worker friendly, safe and promote occupational health.√√
- Physical working conditions, e.g. adequate lighting/ventilation should be available and functional.√√

- Machines must be serviced/maintained regularly.√√
- Educate people about hygiene issues.√√
- Encourage employees to do regular health checks.√√
- Any other relevant answer related to ways in which businesses could protect the environment and promote human health.

NOTE: No sub max for environment and human health.

**Max (10)
[60]**

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2	10
4.3	8
4.4	6
4.5.1	2
4.5.2	4
4.5.3	8
4.6	8
4.7	10
TOTAL	60

QUESTION 5: BUSINESS OPERATIONS

5.1 Aspects to be included in an induction programme

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

NOTE: Mark the first FIVE (5) only.

(5 x 1) (5)

5.2 Purpose of an interview

- Obtains information about the strengths and weaknesses√ of each candidate.√
- Helps the employer in choosing/making an informed decision√ about the most suitable candidate.√
- Matches information provided by the applicant√ to the job requirements.√
- Creates an opportunity where information√ about the business and applicant can be exchanged.√
- To determine a candidate's suitability√ for the job.√
- Evaluate the skills√ and personal characteristics of the applicant.√
- Any other relevant answer related to the purpose of an interview as an activity of the human resources function.

Max (6)

5.3 Screening as part of the selection procedure

- Check application documents√ against the requirements of the job.√
- Candidates who meet the minimum requirements√ are separated from others.√
- Do background/credit/reference checks of applicants√ who qualify for the job.√
- Prepare a shortlist√ of suitable candidates after screening.√
- Any other relevant answer related to screening as part of the selection procedure.

Max (4)

5.4.1 Methods of remuneration

METHODS OF REMUNERATION	MOTIVATION QUOTED FROM THE SCENARIO
Gail: Time-related√√	Gail is remunerated according to the number of hours spent at work√
Chris: Piecemeal/Piece rate/ Piece work√√	Chris according to the number of houses built√
Sub max (4)	Sub max (2)

- NOTE:** 1. The answer does not have to be in tabular format.
2. Do not award marks for the motivation quoted, if the methods of remuneration were not mentioned.

Max (6)

5.4.2 Reason for termination of contract quoted from the scenario

- Gail's employment contract has recently been terminated due to regular absence from work.√

(1)

5.4.3 Other reasons for termination of an employment contract

- Employer may no longer have work for redundant employees/cannot fulfil the contract/is restructuring.√√
- Employer may retrench some employees due to insolvency/may not be able to pay the employees.√√
- Employees decided to leave and resign voluntarily.√√
- An employee may have reached the pre-determined age for retirement.√√
- Any other relevant answer related to the termination of an employment contract.

- NOTE:** 1. Mark the first TWO (2) only.
2. Do not accept *dismissal or misconduct due to absenteeism*.

(2 x 2) (4)

5.5 **Distinction 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 (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/ Mark job description or job specification only.

Max (8)

5.6 Business functions and quality indicators

BUSINESS FUNCTIONS 5.6.1	QUALITY INDICATORS 5.6.2
Purchasing function √√ (2)	<ul style="list-style-type: none"> - Hugo Shoe Factory should ensure that purchases are of the right quality, price and quantities and are available at the right time and place.√√ - Identify suitable suppliers who will be able to source and deliver quality goods and services.√√ - Maintain and implement an effective stock control system.√√ - Ensure that suppliers are paid on time.√√ - Involve suppliers in strategic planning, product design, material selection and the quality control process.√√ - Ensure that there is no break in production due to stock shortages.√√ - Minimise cash flow problems due to overstocking.√√ - Build relationships with suppliers so that they are in alignment with HSF's vision, mission and values.√√ - Have a thorough understanding of supply chain management.√√ - Any other relevant answer related to quality indicators of the purchasing function. <p style="text-align: right;">Sub max (6)</p>
Production function √√ (2)	<ul style="list-style-type: none"> - HSF should provide high quality services according to specifications.√√ - The production/operating processes of a business/ HSF is done through proper production planning and control.√√ - Products and services could be produced at the lowest possible cost to allow for profit maximisation.√√ - HSF should communicate the roles and responsibilities to the production workers.√√ - Products meet customers' requirements by being safe, reliable and durable.√√ - HSF should render good after-sales services/honour warrantees.√√ - Get accreditation from the SABS/ISO 9001 to ensure that quality products are being produced.√√ - Specify the product or service standards and take note of the factors that consumers use to judge quality.√√ - Empower workers to take pride in their workmanship.√√ - Monitor processes and find the root causes of production problems.√√ - Implement quality control systems to ensure that quality products are consistently being produced.√√ - HSF should utilise machines and equipment optimally.√√ - Accurately calculate the production costs.√√ - Any other relevant answer related to quality indicators of the production function. <p style="text-align: right;">Sub max (6)</p>
(2 x 2) (4)	Max (8)

NOTE:

1. The answer does not have to be in tabular format.
2. Mark the first TWO (2) business functions only.
3. Where the business functions were incorrectly/not identified, award a maximum of FOUR (4) marks [sub max 2 each] for the quality indicators in QUESTION 5.6.2 relevant to the scenario.

5.7 **Differences between quality control and quality assurance**

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

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

Max (8)

5.8 **Role of quality circles**

- Quality circles solve problems related to quality and implement improvements.✓✓
- Investigate problems and suggest solutions to management.✓✓
- Ensure that there is no duplication of activities/tasks in the workplace.✓✓
- Make suggestions for improving systems and processes in the workplace.✓✓
- Improve the quality of products/services/productivity through regular reviews of quality processes.✓✓
- Monitor/Reinforce strategies to improve the smooth running of business operations.✓✓
- Reduce costs of redundancy in the long run.✓✓
- Increase employees' morale/motivation.✓✓
- Any other relevant answer related to the role of quality circles in improving the quality of products and services.

Max (6)
[60]

QUESTION 5	MARKS
5.1	5
5.2	6
5.3	4
5.4.1	6
5.4.2	1
5.4.3	4
5.5	8
5.6.1	4
5.6.2	8
5.7	8
5.8	6
TOTAL	60

QUESTION 6: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

6.1 Pillars of BBEE

- 6.1.1 Management and control/Management√√
- 6.1.2 Ownership√√
- 6.1.3 Skills development√√
- 6.1.4 Employment equity√√

(4 x 2) (8)

6.2 Differences between market development and product development

MARKET DEVELOPMENT	PRODUCT DEVELOPMENT
- It is a growth strategy where businesses aim to sell its existing products√ in new markets.√	- It is a growth strategy where businesses aim to introduce new products√ into existing markets.√
- Business implements√ the idea of expanding/selling products/services in other areas.√	- Business improves the product line√ by adding different types of related products/services.√
- Finds new ways√ of distributing products/services.√	- Conduct test marketing/market research√ to establish whether new products will be accepted by existing customers.√
- Restructure pricing policies√ to cater for customers of all income levels.√	- Ensure that new products of a higher quality are more reasonably priced√ than those of competitors.√
- Any other relevant answer related to market development.	- Any other relevant answer related to product development.
Sub max (4)	Sub max (4)

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

2. Award a maximum of FOUR (4) marks if the differences are not clear/Mark product development or market development only.

Max (8)

BUSINESS VENTURES**6.3 Situational leadership theory**

- Different leadership characteristics√ are needed for different situations.√
- The task/situation dictates the leadership style that should be applied√, so leaders are adaptable/flexible/self-assured.√
- Relationships between leaders and employees√ are based on mutual trust/respect/loyalty/integrity/honesty.√
- Leaders have the ability to 'read' the situation√ and get the most suitable people in the right positions to complete tasks successfully.√
- It enables leaders to use different leadership styles√ to accomplish their goals.√
- Leaders analyse group members/objectives/time constraints√, then adopt a suitable/relevant leadership style.√
- May lead to conflict when leaders use different leadership styles√ when managing employees in different situations.√
- Its success depends on the kind of relationship√ that exist between the leader and followers/subordinates/employees.√
- Any other relevant answer related to the situational leadership theory.

Max (8)**6.4.1 Average clause √√****(2)****6.4.2 Calculation of average clause**

$\frac{\text{Insured amount}}{\text{Market value}} \times \text{Loss/Damage}$ √ (for formula)

$$= \frac{\text{R600 000}√}{\text{R800 000}} \times \text{R500 000}√$$

$$= \text{R375 000}√$$

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

Max (4)

BUSINESS ROLES**6.5 Components of Corporate Social Responsibility (CSR)**

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

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

6.6 Responsibility of workers in promoting human health and safety in the workplace

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

Max (4)

6.7 Ways in which businesses could contribute to the wellbeing of their employees

- Pay fair wages/salaries to the workers based on the nature of their work/the prevailing economic conditions in the market.✓✓
- Working conditions should include safety/medical/canteen facilities/benefits like housing/leave/retirement✓✓, etc.
- Pay fair bonuses, based on business earnings, as acknowledgement for hard work and commitment.✓✓
- Provide for employees' participation in decision making that affects them.✓✓
- Provide recreational facilities for employees.✓✓
- Offer annual physical/medical assessments to workers.✓✓
- Make trauma debriefing/counselling/assistance available to any employee who requires these services.✓✓
- Offer financial assistance in the case of any hardship caused by unexpected medical costs.✓✓
- Allow flexible working hours to enhance productivity.✓✓
- Offer support programmes for employees infected and affected by HIV/Aids.✓✓
- Make childcare facilities available on the premises for working mothers in the business.✓✓
- Start a nutritional programme so that employees can enjoy one meal per day to keep them in a healthy condition.✓✓

- Give time to staff to get involved in projects they choose/Allow staff to use some of the working hours to participate in the projects of their choice.√√
- Encourage employees to stay fit and healthy by getting them involved in health activities to minimize stress/substance abuse/obesity.√√
- Provide transport for employees who work unusually long hours.√√
- Establish coaching and mentoring programmes for junior employees.√√
- Conduct team-building sessions to improve employees' morale.√√
- Encourage employees to attend capacity-building workshops/training programmes/ staff-development programmes/team-development programmes.√√
- Any other relevant recommendations related to ways in which businesses could contribute to the wellbeing of their employees.

Max (6)**BUSINESS OPERATIONS****6.8 Examples of fringe benefits in the workplace**

- Medical Aid Fund/Health Insurance Fund√
- Pension Fund√
- Provident Fund√
- Funeral benefits√
- Car/Travel/Housing/Cellphone/Clothing allowance√
- Performance based incentives√
- Issuing of bonus shares√
- Staff discount/Free or low cost meal/Canteen facilities√
- Any other relevant example related to fringe benefits in the workplace.

NOTE: Mark the first FOUR (4) only.**(4 x 1) (4)****6.9.1 Aspects of employment contract quoted from the scenario**

- Remuneration√
- Details on the termination of his contract√
- Sign the employment contract√

NOTE: Mark the first two (2) only.**(2 x 1) (2)****6.9.2 Other aspects to be included in the employment contract**

- Job title√√
- Job description√√
- Working hours√√
- Overtime√√
- Normal place of work√√
- Leave√√
- Date of commencement of employment/Starting date√√
- Probation period√√
- Code of conduct and/or Code of ethics√√
- Disciplinary policy√√
- Signature of the employer√√
- Any other relevant answer related to aspects that should be included in the employment contract.

NOTE: 1. Mark the first TWO (2) only.**2. Do not award marks for responses quoted in QUESTION 6.9.1.****(2 x 2) (4)**

6.10 Impact of TQM on the reduction of the cost of quality

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

Max (6)
[60]

BREAKDOWN OF MARKS

QUESTION 6	MARKS
6.1	8
6.2	8
6.3	8
6.4.1	2
6.4.2	4
6.5	4
6.6	4
6.7	6
6.8	4
6.9.1	2
6.9.2	4
6.10	6
TOTAL	60

TOTAL SECTION B: 180

SECTION C

Mark the first TWO (2) questions in this section ONLY.

QUESTION 7 BUSINESS ENVIRONMENTS (LEGISLATION)**7.1 Introduction**

- The Consumer Protection Act (CPA) was introduced to redress the economic inequalities of the past.√
- CPA promotes and advances the social and economic welfare of consumers in South Africa.√
- The CPA applies to the promotion/sales of all goods and services.√
- The National Credit Act (NCA) deals mainly with regulating consumer credit.√
- The reason for the establishment of the NCA was to curb the high levels of consumer debt.√
- The NCA allows consumers to make informed decisions before buying on credit.√
- Any other relevant introduction related to the CPA/NCA.

(2 x 1) (2)

7.2 Consumer rights according to the CPA**7.2.1 Right to choose√√**

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

Right (2)

Discussion (2)

Sub max (4)

7.2.2 Right to privacy and confidentiality√√

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

Right (2)

Discussion (2)

Sub max (4)

7.2.3 Right to fair and honest dealings√√

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

Right (2)
Discussion (2)
Sub max (4)

7.2.4 Right to information about products and agreements/Right to disclosure and information√√

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

Right (2)
Discussion (2)
Sub max (4)

7.2.5 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.√
- Any other relevant answer related to the consumers' right to fair/responsible marketing/promotion according to the CPA.

Right (2)
Discussion (2)
Sub max (4)

7.2.6 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/ a written√ warranty.√
- Any other relevant answer related to the consumers' right to fair value/good quality and safety according to the CPA.

Right (2)
Discussion (2)
Sub max (4)

7.2.7 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 according to the CPA.

Right (2)
Discussion (2)
Sub max (4)

7.2.8 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 and reasonable terms and conditions according to the CPA.

Right (2)
Discussion (2)
Sub max (4)

7.2.9 Right to equality in the consumer market place√√

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

Right (2)
Discussion (2)
Sub max (4)

NOTE: Mark the first FOUR (4) only.

Max (16)

7.3 Purpose of the NCA

- Promotes the social√ and financial interests of South African consumers.√
- Promotes a fair/competitive√ credit market.√
- Promotes responsible granting of credit√ by credit providers.√
- Ensures that customers are well informed√ about what is included in their credit contracts.√
- Ensures that credit is equally available√ to all consumers.√
- Protects consumers from unfair business practices√ where credit is involved.√
- Protects lenders and borrowers from negligent lending practices√ that results in over-indebtedness for consumers.√
- Ensures that credit bureaux/credit providers/debt counsellors√ are registered to avoid consumer exploitation.√
- Creates national standards√ for the credit industry.√
- Any other relevant answer related to the purpose of the NCA.

Max (10)

7.4 Impact of the NCA on businesses**Positives/Advantages**

- Lower bad debts√ resulting in better cash flow.√
- Protects businesses√ against non-paying customers.√
- Increases cash sales√ because businesses only grant credit to qualifying customers/more customers are buying in cash.√
- Stamps out reckless lending√ and prevents businesses from bankruptcy.√
- Businesses do thorough credit checks√ and receive up-to-date documentation from the consumer as proof that they can afford the repayment/credit.√
- Credit bureau information is made available to businesses√ so that they can check the credit worthiness of consumers before granting credit.√
- Authorised credit providers√ may attract more customers.√
- Leads to more customers through credit sales√ as they are now protected from abuse.√
- The whole credit process is transparent√, e.g. both businesses and customers know their responsibilities.√
- Any other relevant answer related to the positives/advantages of the NCA for businesses.

AND/OR**Negatives/Disadvantages**

- A business must make sure that all attempts have been made to recover the debt√ before blacklisting the customer.√
- Debt collection procedures√ are more complex and expensive.√
- Credit providers cannot collect from consumers√ who are under debt reviews.√
- Credit which has been granted recklessly√ cannot be recovered.√
- Increases the administration burden√ on credit providers.√
- More working capital is needed√ as businesses cannot sell many goods on credit due to stricter credit application processes.√
- Fewer customers buy on credit√ as it is more difficult to obtain credit.√
- Businesses struggle to get credit√ such as bank loans/overdrafts.√
- Businesses that do not comply with the NCA√ may face legal action.√
- Any other relevant answer related to the negatives/disadvantages of the NCA for businesses.

Max (12)**7.5 Compliance to NCA**

- Credit providers must be registered with the National Credit Regulator.√√
- Businesses must submit an annual compliance report to the National Credit Regulator.√√
- Conduct affordability assessment to ensure the consumer has the ability to meet his/her obligation.√√
- Conduct a credit check with a registered credit bureau and could also consult the National Credit Register.√√
- Credit providers must have procedures in place to comply with the provision of the Financial Intelligence Centre Act (FICA).√√
-

- Verify the identity of clients, report suspicious transactions/train staff on their obligations in terms of FICA.√√
- Any other relevant answer related to ways in which businesses can comply with the NCA.

Max (8)

7.6 Conclusion

- The National Credit Act and Consumer Protection Act enable businesses and consumers to be well conversant with the terms and conditions of sales.√√
- The Acts create awareness and protection of consumer rights.√√
- The NCA prevents unfair credit marketing practices and promotes responsible credit granting.√√
- The CPA protects consumers against unscrupulous businesses and against contracts that include unfair terms.√√
- Any other relevant conclusion related to the NCA/CPA.

**Max (2)
[40]**

QUESTION 7: BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	Max 32
Consumer rights	16	
Purpose of NCA	10	
Impact of NCA on businesses	12	
Compliance to NCA	8	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO - For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

QUESTION 8: BUSINESS VENTURES (INVESTMENTS: SECURITIES)**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.√
- Entrepreneurs who started business ventures must show a return on their investment.√
- Unit trusts consist of a number of different shares and securities put together and managed by a fund manager.√
- The JSE is a formal market comprising of all the public companies that have been listed.√
- Shares represent the parts of the company that a person/group of people own.√
- Any other relevant introduction related to the JSE/shares/investment decisions/unit trusts.

(2 x 1) (2)**8.2 Functions of the JSE**

- Gives opportunities to financial institutions√, e.g. insurance companies invest their surplus 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 on the open market.√
- Strict investment rules√ ensure a disciplined/orderly market for securities.√
- Raises primary capital√ by encouraging new investments in listed companies.√
- Mobilises the funds√ of insurance companies and other institutions.√
- Regulates the market√ for trading in shares.√
- Plans, researches and advises√ on investment possibilities.√
- Ensures that the market√ operates in a transparent manner.√
- Provides protection for investors√ through strict rules/legislation.
- Encourages short-term√ investment.√
- Facilitates electronic trading√ of shares/STRATE.√
- Any other relevant answer related to the functions of the JSE.

Max (10)**8.3 Factors to be considered when making investment decisions****8.3.1 Return on Investment (ROI)**

- Refers to income from the investment√, namely interest/dividends/increased capital growth 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 over time.√
- The net after-tax return should be higher√ than the inflation rate.√
- Any other relevant answer related to ROI as a factor to be considered when making investment decisions.

Sub max (4)

8.3.2 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 an investor's personal needs.√
- Any other relevant answer related to the investment period as a factor to be considered when making investment decisions.

Sub max (4)

8.3.3 Liquidity

- An amount could be invested in a type of investment√ that can easily be converted to cash.√
- It 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 as a factor to be considered when making investment decisions.

Sub max (4)

Max (12)**8.4 Types of shares****8.4.1 Ordinary/Equity shares√√**

- Ordinary shares only receive dividends√ when profit is made.√
- Normally the higher the net profit√, the higher the dividend.√
- Shareholders are the last to be paid√, if the company is declared bankrupt liquidated.√
- Dividends vary from year to year according to profits made√ and are determined by the company/board of directors.√
- Shareholders have a right to vote√ at the Annual General Meeting/AGM.√
- Any other relevant answer related to ordinary shares.

Identification (2)

Description (2)

Sub max (4)

8.4.2 Founders' shares√√

- Issued to the founders√ and incorporators/promoters of the company.√
- They receive dividends√ after all other shareholders were paid.√
- Any other relevant answer related to founders' shares.

Identification (2)

Description (2)

Sub max (4)

8.4.3 Bonus shares√√

- Gifts/Payment in the form of shares√ to shareholders.√
- Issued as compensation√ for unpaid dividends.√
- Shareholders receive these shares√ without being required to pay for them.√
- Shareholders will own more shares√ and collect more dividends in the future.√
- Any other relevant answer related to bonus shares.

Identification (2)

Description (2)

Sub max (4)

8.4.4 Preference shares

- Some of these types of shares receive dividends regardless of whether a profit is made.
- A fixed rate of return is paid on this type of shares.
- Shareholders have a preferred claim on company assets in the event of bankruptcy/liquidation.
- These shares enjoy preferential rights to dividends/repayment over ordinary shares.
- Dividends are payable according to the type of preference share.
- Voting rights are restricted to particular circumstances/resolutions.
- Non-cumulative preference shareholders will not receive any outstanding dividends from previous years.
- Cumulative preference shareholders will receive outstanding dividends from previous years.
- Redeemable preference shares can be redeemed/bought back at the option of the issuing company on a pre-determined future date.
- Non-redeemable preference shares are only bought back when the company closes down for reasons other than bankruptcy.
- Convertible preference shares are converted to ordinary shares after a fixed period/on the date specified when the preference shares were issued.
- Non-convertible preference shares will not be converted into ordinary shares.
- Any other relevant answer related to preference shares.

Identification (2)

Description (6)

Sub max (8)

NOTE: Mark the first FOUR (4) only.**Max (16)****8.5 Effectiveness/Advantages of unit trusts as a good investment**

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

Max (8)

8.6 Conclusion

- A business that is managed successfully will make a number of investments over a period of time.√√
- Businesses should invest extra cash to generate more income rather than leaving it in the business's current account.√√
- Anyone can invest in unit trusts by investing a single lump sum/certain amount every month.√√
- After considering the various investment opportunities and risk factors, investors can make a calculated decision.√√
- Any other relevant conclusion related to the JSE/shares/investment decisions/unit trust.

Max (2)
[40]

QUESTION 8: BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	Max 32
Functions of the JSE	10	
Investment decisions	12	
Types of shares	16	
Effectiveness of unit trusts	8	
Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

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

Allocate 0 marks where requirements are not met at all.

QUESTION 9: BUSINESS ROLES (DIVERSITY AND CONFLICT MANAGEMENT)**9.1 Introduction**

- Diversity refers to the variety of people employed based on age/race/gender/ethnic groups/disabilities/material wealth/personalities/how employees see themselves and others.√
- Businesses employ people from different cultural backgrounds.√
- Businesses should have systems in place to support diversity issues.√
- Diversity in teams may lead to better ideas/solutions, but may also cause conflict.√
- Conflict is a result of differences in values and attitudes.√
- Effective conflict management may have a positive influence on team performance.√
- Poor conflict management may lead to team failure or the dissolution of a team.√
- Any other relevant introduction related to diversity and conflict in the workplace.

(2 x 1) (2)**9.2 Benefits of a diverse work force**

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

Max (10)

9.3 Dealing with diversity issues in the workplace**9.3.1 Language**

- Business may specify that all communications should be in one specific language only and would expect employees to have a certain level of fluency in that language.√√
- Provide training in the official language of the business.√√
- Employ an interpreter so that everyone can fully understand what is being said in a meeting.√√
- All business contracts should be in an easy-to-understand language and should be available in the language of choice for the relevant parties signing the contract.√√
- No worker should feel excluded in meetings conducted in one language only.√√
- Any other relevant answer related to how business could deal with language as a diversity issue in the workplace.

Sub max (6)

9.3.2 Age

- Promotions should not be linked to age, but rather to a specific set of skills.√√
- A business may not employ children aged 15 or younger.√√
- The ages of permanent workers should vary from 18 to 65 to include all age groups.√√
- A business may employ a person who is older than the normal retirement age, provided that person is the most suitable candidate.√√
- Businesses must encourage older employees to help young employees to develop their potential.√√
- Young employees must be advised to respect and learn from older employees.√√
- The business should encourage employees to be sensitive to different perspectives of various age groups.√√
- Any other relevant answer related to how businesses could deal with age as a diversity issue in the workplace.

Sub max (6)

Max (12)**9.4 Causes of conflict in the workplace**

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

- Unrealistic deadlines/Heavy workloads√ lead to stress resulting in conflict.√
- Lack of agreement on mutual matters√, e.g. remuneration/working hours.√
- Unhealthy competition/Inter-team rivalry√ may cause workers to lose focus on team targets.√
- Lack of commitment√ which may lead to an inability to meet pre-set targets.√
- Any other relevant answer related to the causes of conflict in the workplace.

Max (12)**9.5 Handling conflict in the workplace**

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

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

Max (12)**9.6 Conclusion**

- Businesses should effectively deal with diversity to avoid bias/racism/stereotypes in the workplace.√√
- Businesses must acknowledge employees' differences and develop strategies to deal with these differences.√√
- Businesses should be able to identify positive and negative conflict so that they can develop suitable strategies to handle conflict in the workplace.√√
- Any other relevant conclusion related to diversity and conflict in the workplace.

Max (2)
[40]

QUESTION 9: BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	Max 32
Benefits of diversity	10	
Dealing with diversity issues	12	
Causes of conflict	12	
Handling conflict	12	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

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

Allocate 0 marks where requirements are not met at all.

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

- Quality management should not just be an inspection process, but become part of the culture of the business.√
- TQM is an integrated system and methodology applied throughout the business to design, produce and provide quality products/quality service to customers.√
- Total quality relates to products that totally satisfy customers' needs and expectations in every aspect on a continuous basis.√
- Everyone employed in a business has a role to play in ensuring that the needs of customers are satisfied.√
- Businesses should always provide employees with opportunities to increase their knowledge and skills by attending training programmes.√
- The main aim of the PDCA model is to ensure that businesses continuously improve their processes and systems so that they can get it right the first time.√
- Any other relevant introduction related to quality management.

(2 x 1) (2)

10.2 Negative impact on businesses/ZL if TQM is poorly implemented

- Lack of training/skills development√ may lead to poor quality products.√
- Decline in sales√, as returns from unhappy customer's increase.√
- Decline in productivity√, because of stoppages.√
- Investors could withdraw investment√, if there is a decline in profits.√
- Bad publicity√ due to poor quality products supplied.√
- High staff turnover√, because of poor skills development.√
- Unrealistic deadlines√ may not be achieved.√
- Businesses may not be able to make/afford the necessary changes√ that will satisfy customers' needs.√
- Loss of customers√ may lead to bankruptcy/closure.√
- Undocumented quality control systems/processes√ could result in error/deviations from pre-set quality standards.√
- Any other relevant answer related to the negative impact on businesses/ZL if TQM is poorly implemented.

Max (8)**10.3 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 easily 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 (10)**10.4 Impact of TQM elements on Zamalek LTD (ZL)****10.4.1 Total client/customer satisfaction****Positives/Advantages**

- ZL/A large business uses market research/customer surveys√ to measure/monitor customer satisfaction/analyse customers' needs.√
- Continuously promote√ a positive business image.√
- May achieve a state of total customer satisfaction, if businesses follow sound business practices√ that incorporate all stakeholders.√
- Strive to understand and fulfil customer expectations√ by aligning cross-functional teams across critical processes.√
- Ensures that cross-functional teams understand its core competencies√ and develop/strengthen it.√

- May lead to higher customer retention/loyalty√ and businesses may be able to charge higher prices.√
- ZL/Businesses may be able to gain access√ to the global market.√
- May lead to increased√ competitiveness/profitability.√
- Any other relevant answer related to the positive impact of total client/customer satisfaction as a TQM element on ZL.

AND/OR

Negatives/Disadvantages

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

Sub max (8)

10.4.2 Continuous skills development/Education and training

Positives/Advantages

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

AND/OR

Negatives/Disadvantages

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

Sub max (8)

Max (14)

10.5 Application of PDCA model/cycle in improving the quality of products

- Plan
 - o Zmalek Ltd/ZL should identify the problem and develop a plan for improvement to processes and systems.√√
 - o Answer questions√ such as 'What to do'/'How to do it'.√√
 - o Plan the new method and approach√ in order to improve the quality of their products.√√

Sub max (4)

- Do
 - o ZL should implement the change on a small scale.√√
 - o Implement the processes and systems as planned.√√

Sub max (4)

- Check/Analyse
 - o Use data to analyse the results of change.√√
 - o Determine whether it made a difference and what needs to be improved.√√
 - o Check whether the processes are working effectively.√√
 - o ZL should assess/test and establish if it is working/if things are going according to plan.√√

Sub max (4)

- Act as needed
 - o Implement the improvement to meet the needs of the business.√√
 - o Devise strategies on how to continually improve.√√
 - o If the change was successful, implement it on a wider scale.√√
 - o ZL should continuously revise the process until they get it right the first time.√√

Sub max (4)

- Any other relevant answer related to how ZL can apply the PDCA model/cycle to improve the quality of their products.

NOTE: 1. The steps could be integrated in the application.
2. Award a maximum of FOUR (4) marks for only mentioning the steps of the PDCA model.

Max (14)

10.6 Conclusion

- Businesses should put good quality management systems in place in order to remain sustainable and competitive in the market place.√√
- Total client satisfaction can be achieved through continuous and effective training programmes.√√
- Large businesses are more likely to have formal quality control/management systems that functions well.√√
- Businesses that implement the PDCA model have a competitive advantage as they keep abreast with the latest developments in the market.√√
- Any other relevant conclusion related to quality management.

Max (2)
[40]

QUESTION 10: BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	Max 32
Impact of poorly implemented TQM	8	
Benefits of a good quality management system	10	
Impact of total client satisfaction and continuous skills development	14	
Application of a PDCA model	14	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO - For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

TOTAL SECTION C: 80
GRAND TOTAL: 300