



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

NOVEMBER 2018

**BUSINESS STUDIES
MARKING GUIDELINES**

MARKS: 300

This marking guideline consists of 41 pages.

NOTES TO MARKERS

1. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
2. 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 memorandum
 - Comes from another source
 - Original
 - A different approach is used

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

3. 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).
4. The word 'Submax' is used to facilitate the allocation of marks within a question or sub-question.
5. 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.
6. 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.
7. In an indirect question, the theory as well as the response must be relevant and related to the question.
8. 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.
9. No additional credit must be given for repetition of facts. Indicate with an R.
10. 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).

11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
- 11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** 'COIDA eliminates time and costs spent ✓ on lengthy civil court proceedings.' ✓
- 11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance, candidates are also expected to support their responses with more depth, e.g. 'COIDA eliminates time and costs spent ✓ on lengthy civil court proceedings, ✓ because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.' ✓

NOTE:

1. The above could apply to 'analyse' as well.
 2. Note the placing of the tick (✓) in the allocation of marks.
12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guidelines and the context of each question.

Cognitive verbs, such as:

- 12.1 Advise, name, state, mention, outline, motivate, recommend, suggest, (list not exhaustive) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.
- 12.2 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.
13. Mark only the **FIRST** answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

14. SECTION B

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

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

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

14.3 If candidates are required to provide their own examples/views, brainstorm this to come up with alternative answers.

14.4 Use of the cognitive verbs and allocation of marks:

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

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

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

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

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

15. SECTION C

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, body, proper paragraphing 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, recency of information, current trends and developments?	2
TOTAL FOR INSIGHT:		8
TOTAL MARKS FOR FACTS:		32
TOTAL MARKS FOR ESSAY (8 + 32)		40

NOTE:

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

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

- 15.4 The breakdown of marks is indicated at the end of the suggested answer/ marking guidelines to each question.
- 15.5 Mark all relevant facts until the SUB MAX/MAX mark in a subsection has been attained. Write SUB MAX/MAX after maximum marks have been obtained.
- 15.6 At the end of each essay, indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

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

- 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 sub-headings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought.
(See MARKS 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 memorandum.
- 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 memo, will not necessarily apply to each question. This would also depend on the nature of the question.

SECTION A: COMPULSORY**QUESTION 1**

- 1.1 1.1.1 D ✓✓
 1.1.2 C ✓✓
 1.1.3 A ✓✓
 1.1.4 A ✓✓
 1.1.5 B ✓✓
 1.1.6 C ✓✓
 1.1.7 B ✓✓
 1.1.8 D ✓✓
 1.1.9 D ✓✓
 1.1.10 B ✓✓ (10 x 2) (20)
- 1.2 1.2.1 acquisition ✓✓
 1.2.2 co-operative ✓✓
 1.2.3 workplace forum ✓✓
 1.2.4 Jungian ✓✓
 1.2.5 Interview ✓✓ (5 x 2) (10)
- 1.3 1.3.1 G ✓✓
 1.3.2 F ✓✓
 1.3.3 A ✓✓
 1.3.4 E ✓✓
 1.3.5 D ✓✓ (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 Business environments**

- Micro ✓
- Market ✓
- Macro ✓

NOTE: Mark the first THREE (3) only.

(3 x 1) (3)

2.2.1 Secondary ✓✓

Submax. (2)

Motivation:

Angle Furniture Manufacturer (AFM) specialises in manufacturing of office furniture ✓

Submax. (1)

Max. (3)

2.2.2 Challenges of the micro environment

Challenges of the micro environment	Motivation
(a) Lack of vision and mission ✓✓	The management of AFM developed unclear goals which confuse staff about the direction of the business. ✓
(b) Lack of adequate management skills ✓✓	AFM decided to promote Zuko and Sophia as managers even though they do not have the necessary skills to execute their task effectively. ✓
(c) Unions, strikes and go-slows ✓✓	Some employees decided to go on strike after consulting with their unions as they felt that the appointment process was not transparent and fair. ✓
Submax. (6)	Submax. (3)

Max. (9)

2.2.3 Function of trade unions

- Protecting the interest of workers ✓✓
- Representing the interest of general society and minority groups through media and negotiations ✓✓
- Influencing government decisions ✓✓
- Influencing management for better working conditions, salaries and benefits ✓✓
- Representing employees corporately and individually ✓✓
- Improving the material benefits of their members ✓✓
- Advancing the interest of members ✓✓
- Providing legal and financial advice. ✓✓
- Providing benefits and educational facilities to its members ✓✓

- Supporting gender equality ✓✓
- Protecting members in times of retrenchments and disciplinary hearings ✓✓
- Protecting the interests of their members during disciplinary procedures ✓✓
- Any other relevant answer related to the functions of trade unions

Max. (6)

2.3 Differences between strikes and go-slows

STRIKES	GO-SLOWS
- Temporary collective refusal ✓ of employees to work ✓	- The employees still carry on with their work, ✓ but at a much slower pace than normal ✓
- A collective, organised cessation of work by employees ✓ to force the employers to accept their demands ✓	- The employees aim to disrupt ✓ the workplace/production ✓
- Any other relevant answer related to strikes	- Any other relevant answer related to go-slows
Submax. (2)	Submax. (2)

Max. (4)

- NOTE:**
1. The answer does not have to be in a tabular format but the distinction must be clear.
 2. Award a maximum of TWO (2) marks if the distinction is not clear./Mark either strikes or go-slows only.

2.4 Ways business can adapt to the challenges of the macro environment

2.4.1 Information management

- Information must be found/recorded/stored/easily retrieved ✓ and effectively used. ✓
- Businesses need to implement an effective information management system which is accessible ✓ and useful to all staff. ✓
- Any other relevant answer related to information management as a method to adapt to challenges of the business environments.

Submax. (4)

2.4.2 Organisational design and flexibility

- Businesses need to be flexible in their organisational design ✓ and strategies so that they can compete in a changing market. ✓
- Organisation design is a process to integrate people/information/technology of an organisation ✓ in order to improve the profitability of the business. ✓
- Change the organisational design ✓ to adapt to a specific challenge ✓
- Any other relevant answer related to organisational design and flexibility as a method to adapt to challenges of the business environments.

Submax. (4)

Max. (8)

2.5 Ways businesses form power relationships

- Build around BBEE ✓ and empowerment of employees. ✓
- Ability of a person's power to influence ✓ others' thoughts, actions or choices. ✓
- Every party to a relationship possesses a degree of power, ✓ i.e. power to strike ✓/demand payment ✓/order material etc. ✓
- Strategic alliances/Agreement ✓ between businesses leading to mutual benefits. ✓
- Strategic allies do not want to lose ✓ mutual benefits. ✓
- Strategic allies consider suggestions ✓ made by businesses in the alliance. ✓
- Persuasion of large investors ✓ has power to influence other businesses. ✓
- Secure goodwill of investors ✓ and listen to suggestions of investors. ✓
- Influence on company representatives ✓ through agent or intermediary. ✓
- Intermediaries influence customers by handing out free samples ✓ and by recommendation of certain products by specialists/investors. ✓
- Any other relevant answer related on ways businesses form power relations.

Max. (6)

2.6.1 Socio-economic issues

- Strikes ✓
- Poverty ✓
- Unemployment ✓
- Crime ✓
- HIV/Aids ✓

NOTE: Mark the first THREE (3) only.

(3 x 1) (3)

2.6.2 Impact of crime on FI

- Huge financial losses ✓ as the businesses have to secure their premises with burglar bars, security cameras and security guards ✓
- Business also loses money ✓ due to stolen stock. ✓
- It affects the employees; ✓ they feel threatened and scared to be at work ✓ and this affects their work performance ✓ and results in decreased productivity. ✓
- Businesses do not get the best employees ✓ available as the people are too scared to work in that area. ✓
- Customers are too scared to shop in that area ✓ so it is a decrease in profits for the business. ✓
- Insurance and security costs ✓ become expensive. ✓
- Smaller businesses often cannot afford insurance ✓ and then have to replace the stolen goods themselves at greater loss. ✓
- Lower profits affect the decision to expand ✓ and employ more people/ pay higher wages. ✓
- Businesses lose skilled people ✓ resulting in a decline in productivity ✓
- Crime causes increase in health costs of employees ✓ due to injuries or stress. ✓
- Discourages foreign investment ✓ and reduces tourism ✓
- Crime brings about unfair competition ✓ from stolen goods resold at a lower price. ✓
- Any other relevant answer related to the impact of crime on businesses.

Max. (6)

2.6.3 Ways that FI can address HIV/Aids

- Develop counselling programmes for infected/affected persons/ employees. √√
- Conduct workshops on HIV/Aids programmes/campaigns. √√
- Roll out anti-retroviral (ARV) treatment programmes (ART) for the infected employees. √√
- Encourage employees to join HIV/Aids support groups. √√
- Develop strategies to deal with stigma and discrimination. √√
- Participate in the HIV/Aids prevention programmes implemented in the community. √√
- Support non-governmental organisational/community based organisation/ NPC HIV/Aids initiatives. √√
- Any other relevant answer related to addressing HIV as socio-economic issues.

Max. (6)

2.7 Purpose of the Labour Relations Act (LRA)

- Provides a framework where employees, trade unions and employers work together √ to discuss matters relating to employment, e.g. wages, conditions of employment. √
- Promotes orderly negotiations and employee participation √ in decision making in the workplace. √
- Promotes resolution √ of labour disputes. √
- Promotes fair √ employment practices. √
- Outlines the relationship √ between employees and employers. √
- Provides simple procedures √ for the registration of trade unions and employers' organisations. √
- Regulates the rights of trade unions and facilitates √ collective bargaining. √
- Regulates the effectiveness of bargaining councils √ and statutory councils. √
- Allows workplace forums √ where employees may participate in decision making. √
- Establishes the Commission for Conciliation, Mediation and Arbitration (CCMA) to resolve labour disputes √ through statutory conciliation, mediation and arbitration. √
- Endorses the right to strike against retrenchments, √ and facilitates labour disputes. √
- Clarifies the transfer √ of contracts of employment procedures. √
- Establishes Labour Courts and Labour Appeal Courts √ to deal with labour issues. √
- Offers codes √ of good practice. √
- Deals with √ strikes and lockouts and workplace forums. √
- Establishes workplace forums to promote √ the interest of all employees in the workplace whether they belong to a trade union or not. √
- Any other relevant answer related to the purpose of the Labour Relations Act

Max. (6)

[60]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	3
2.2.1	3
2.2.2	9
2.2.3	6
2.3	4
2.4	8
2.5	6
2.6.1	3
2.6.2	6
2.6.3	6
2.7	6
TOTAL	60

QUESTION 3: BUSINESS VENTURES**3.1 Success factors**

- Sustainability ✓
- Profitability ✓
- Customer base ✓
- Any other relevant answer related to the success factors of a business venture

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

3.2.1 Quotation from the scenario

She took a calculated risk by resigning from her teaching post / she opened her own homework centre ✓

Max. (1)

3.2.2 Qualities of an entrepreneur

- Committed ✓
- Perseverance ✓
- Ability to adapt quickly ✓
- Desire for responsibility ✓
- Good management and leadership ✓
- Confidence in the ability to succeed ✓
- High levels of energy ✓
- Passion ✓
- Organisational skills ✓
- Willpower to overcome obstacles ✓
- Opportunity-seeking ✓
- Dreamer with clear visions ✓
- Patience ✓
- Good communication skills ✓
- Ambitious ✓
- Enthusiastic ✓
- Hard worker ✓
- Honest ✓
- Any other relevant answer related to the qualities of an entrepreneur

NOTE: 1. Mark the first FOUR (4) only.

2. Do not award mark for 'taking calculated risks'.

(4 x 1) (4)

3.3 Factors to consider before starting a business

- Culture of the organisation ✓✓
- Ensure the code of conduct is in place ✓✓
- Provision for on-going training ✓✓
- Possible environmental changes ✓✓
- Possible risk factors ✓✓
- Planning and minimising the environmental impact on the business ✓✓
- Action plan to satisfy the needs of customers ✓✓
- Cutting of costs on unnecessary waste and expenditure ✓✓
- The sources of raw materials/suppliers ✓✓
- The sources of funding that the business would use ✓✓
- The form of ownership that will be used by the business ✓✓
- The registration of the business ✓✓
- The location/business premises to be used ✓✓
- Consumer services ✓✓
- Possibility of business growth ✓✓
- Possibility of saving costs ✓✓
- Any other relevant answer related to the factors that must be considered before starting a business.

NOTE: Mark the first FOUR (4) only.

(4 x 2) (8)

3.4 3.4.1 Meaning of an action plan

- An action plan is a record of activities ✓ showing how those activities will be organised ✓ to achieve the goals set out in the business plan. ✓
- Is a planning and a monitoring tool ✓ that specifies what tasks must be done by whom, when and with what resources ✓ in order to reach specific goals. ✓
- Is a process that will help to focus ideas ✓ and to decide on the steps to achieve a particular goal. ✓
- Any other relevant answer related to meaning of action plan.

Max. (4)

3.4.2 Importance/Advantages of an action plan

- It enables projects to be completed ✓ within the specified time ✓
- It helps the person responsible for achieving certain goals ✓ to be organised. ✓
- It is a control measure against which standards and performance ✓ can be measured. ✓
- It prioritises activities ✓ according to importance. ✓
- It turns plans ✓ into actions. ✓
- Identify problems ✓ that could occur. ✓
- Acts as a monitoring tool ✓ that makes it possible to check Progress. ✓
- Any other relevant answer related to the importance/advantages of an action plan.

Max. (8)

3.4.3 Sources of financing

- Equity capital (own funds) ✓✓/Money the owners of a business invest in the business/Owner's savings/Shares issued, Retained profit. ✓✓
- Debt/loans ✓✓/Money that has been borrowed ✓✓
- Loans from family or friends. ✓✓
- Bank loans. ✓✓
- Mortgage ✓✓/a particular type of bank loan that is used to buy property. ✓✓
- Debenture ✓✓/the company borrows money from the public. ✓✓
- Lease/Hire purchase ✓✓/involves monthly payments by the business for use of vehicles or equipment. ✓✓
- Overdraft ✓✓/a bank allows a business to take out more money than it has in its bank account. ✓✓
- Trade credit ✓✓ suppliers who provide goods and services to the business are often willing to wait a certain period for payment. ✓✓
- Other sources:
 - o 'Grants ✓✓/money' made available by government for small developing businesses. ✓✓
 - o 'Venture capital ✓✓/wealthy' business people who want to invest in promising small businesses in return for a profit share in the business. ✓✓
 - o 'Angel funding ✓✓/financing' is given for an ownership share in the business at its start-up. ✓✓
- Any other relevant answer related to the sources of funding

NOTE: Mark the first FOUR (4) only.

(4 x 2)

(8)

3.5 Differences between private and public company

PRIVATE COMPANY	PUBLIC COMPANY
- 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
Submax. (6)	Submax. (6)

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

2. Award a maximum of SIX (6) marks if differences are not clear. /Mark either private company or public company only.

Max. (12)

3.6 Benefits of establishing a company over other forms of ownership

- A company has its own legal status ✓ and is protected unlike sole proprietors and partnerships. ✓
- A company has continuity ✓ of existence. ✓
- Shareholders' private assets are protected ✓ as they have limited liability. ✓
- Companies have legal constraints ✓ and more accountability than sole proprietors and partnerships. ✓
- A company may have more investors ✓ to fund the setting up of the business. ✓
- Shareholders are able to buy ✓ and sell shares freely in a public company. ✓
- Shareholders share in the profits of the company ✓ through dividends. ✓
- The company is managed by a qualified ✓ and competent board of directors. ✓
- A company is less likely to use consultants ✓ as it has a larger pool of skills and expertise. ✓
- Companies have a better ✓ cash flow. ✓
- Directors do not have to take out personal loans ✓ to grow the business. ✓
- Company shares can be ✓ transferred /bought/sold. ✓
- Companies have tax benefits ✓ other enterprises do not have. ✓
- Any other relevant answer related to the benefits of establishing a company over other forms of ownership.

Max. (8)

3.7 Reasons why an entrepreneur may decide to purchase an existing business

- The buyer can investigate the past record of the company, the profit and finances. ✓✓
- Easier to raise finance if the business has a good history/image. ✓✓
- Immediate cash flow as there are already established customers. ✓✓
- Market research has already been done and there is an established customer base. ✓✓
- Distribution, supply links and staff are already established/established networks/experienced staff. ✓✓
- The market is not being further divided by an extra business ✓✓
- Many problems have already been solved. ✓✓
- Any other relevant answer related to why an entrepreneur may decide to purchase an existing business.

NOTE: Mark the first TWO (2) only.

(2 x 2)

(4)
[60]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	3
3.2	5
3.3	8
3.4.1	4
3.4.2	8
3.4.3	8
3.5	12
3.6	8
3.7	4
TOTAL	60

QUESTION 4: BUSINESS ROLES**4.1 Stages of team development**

- Forming ✓
- Storming ✓
- Norming ✓
- Performing ✓
- Mourning/Adjourning ✓
- Any other relevant answer related to the stages of team development

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

4.2 4.2.1 Causes of conflict from the scenario

- Shortage of resources ✓
- Poor communication ✓
- Constant changes ✓

NOTE: Mark the first THREE (3) only.

(3 x 1) (3)

4.2.2 Functions/Roles of workplace forum to resolve conflict

- To promote the interests ✓ of all employees in the workplace. ✓
- To promote efficiency in the workplace ✓ through co-operation. ✓
- To be consulted by an employer ✓ and to reach consensus about working conditions. ✓
- To participate in decision-making ✓ related to working conditions. ✓
- Any other relevant answer related to the functions/roles of the workplace forum to resolve conflict.

Max. (8)

4.3 Contemporary conflict management theory

- Conflict is a normal consequence of human interactions ✓ and the process of change. ✓
- Conflict can be transformative ✓ and lead to positive organisational change. ✓
- Conflict should be managed ✓ through the use of conflict management skills. ✓
- Management uses its skills to negotiate and collaborate ✓ in order to achieve a win-win situation. ✓
- Conflicts are inevitable ✓ between human beings. ✓
- Conflicts are often ✓ beneficial. ✓
- Conflicts are the natural ✓ result of change. ✓
- Conflicts can ✓ and should be managed. ✓
- Any other relevant answer related to the contemporary conflict management theory.

Max. (6)

4.4 4.4.1 Meaning of stress and crisis**Stress**

- The body's reaction ✓ to a change ✓ that requires a physical, mental or emotional adjustment or response. ✓
- The adverse reaction ✓ people have to excessive pressures ✓ or other types of demands placed on them at work. ✓
- Is the way the body reacts ✓ to situations ✓ that a person finds difficult to control. ✓
- Any other relevant answer related to defining stress.

Submax. (2)

Crisis

- Is a time ✓ of intense difficulty, trouble, or danger. ✓
 - An event ✓ that can within a short period of time, ✓ harm the business's stakeholders, its property, finances or its reputation. ✓
 - Any other relevant answer related to defining a crisis. Submax. (2)
- Max. (4)

4.4.2 Causes of stress

- Work overload ✓✓
 - Long working hours ✓✓
 - Time pressures ✓✓
 - Deadlines/incompetent managers ✓✓
 - Unpleasant/Dangerous tasks ✓✓
 - Lack in participation in decision-making/control ✓✓
 - Lack of promotion opportunities ✓✓
 - Weak and careless supervision ✓✓
 - Bullying/harassment/violence ✓✓
 - Poor communication/leadership ✓✓
 - Any other relevant answer related to causes of stress in the business environment
- Max. (6)

4.4.3 Ways businesses can deal with businesses-related crisis

- Businesses should respond appropriately and quickly to lessen the effects of the crisis situation. ✓✓
 - Prevent/try to stop the crisis from happening ✓✓
 - Assess/If the crisis happens, face up to it and quickly find out what has happened without over-reacting. ✓✓
 - Plan/Identify and prioritise the actions required ✓✓
 - Evaluate the damage/situation. ✓✓
 - Inform/Provide accurate and correct information ✓✓
 - Support/Guide others through the situation by providing training and support. ✓✓
 - Resolve any conflict of interest. ✓✓
 - Be sensitive to the people concerned. ✓✓
 - Regain control/Manage the situation in a calm manner until the crisis is over. ✓✓
 - Obtain expert advice if the crisis falls outside the business' scope of expertise. ✓✓
 - Any other relevant answer related to ways that businesses can deal with business-related crises
- Max. (6)

4.5 Rights-based approach as theory of ethics

- Ethics and behaviour are motivated ✓ by promoting the rights of people. ✓
 - Basic rights of people are identified and protected ✓ e.g. right to freedom and life. ✓
 - Aims ✓ at promoting and protecting human rights. ✓
 - Focuses on whether the decision ✓ is right or wrong. ✓
 - Focuses on process ✓ and outcomes. ✓
 - Works towards outcome ✓ and process goals. ✓
 - Recognises that rights can only be realised ✓ with empowerment. ✓
 - Any other relevant answer related to rights-based approach.
- Max. (8)

4.6 4.6.1 **Ways in which Eastern Cape Hardware assists abused women and children**

- Group counselling ✓
- Legal advice ✓
- Entrepreneurial programmes ✓

NOTE: Mark the first THREE (3) only.

Max. (3)

4.6.2 **Citizenship roles and responsibilities of ECH**

- Social responsibility ✓
- Environmental sustainability ✓
- Economic prosperity ✓
- Product stewardship ✓
- Procurement ✓
- Product access ✓
- Dualistic economy, apartheid legacy, poverty and HIV/Aids ✓
- Any other relevant answer related to the citizenship roles and responsibilities that ECH need to perform within the business environment

NOTE: Mark the first FOUR (4) only.

Max. (4)

4.6.3 **Role that ECH can play in social and economic development of communities**

- Offering training ✓ to community members. ✓
- Involvement ✓ in community upliftment programmes. ✓
- Offering counsellors ✓ to council HIV and Aids patients and affected families to help them cope emotionally. ✓
- Involvement in feeding schemes ✓ to distribute food donated by businesses. ✓
- Active role ✓ in social welfare projects in the community. ✓
- Help to solve ✓ environmental problems. ✓
- Funding education ✓ by providing scholarships and bursaries ✓
- Encouraging employee ✓ volunteering. ✓
- Educational development ✓ of staff. ✓
- Funding ✓ local literacy programme. ✓
- Any other relevant answer related to role that ECH can play in development of communities.

Max. (8)

[60]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2.1	3
4.2.2	8
4.3	6
4.4.1	4
4.4.2	6
4.4.3	6
4.5	8
4.6.1	3
4.6.2	4
4.6.3	8
TOTAL	60

QUESTION 5: BUSINESS OPERATIONS**5.1 Aspects in an employment contract**

- Personal details of the employee ✓
- Details of the business/employer, e.g. name/address, ✓ etc.
- Job title/Position ✓
- Job description ✓
- Job specification ✓
- Date of employment/commencement of employment ✓
- Place where employee will spend most of his/her working time ✓
- Hours of work, e.g. normal time/overtime ✓
- Remuneration, e.g. weekly or monthly pay ✓
- Benefits/Fringe benefits/Perks/Allowances ✓
- Leave, e.g. sick/maternity/annual/adoption leave ✓
- Employee deductions (compulsory/non-compulsory) ✓
- Period of contract/Details of termination ✓
- Probation period ✓
- Signatures of both the employer and employee ✓
- List of documents that form part of the contract, e.g. appointment letter/code of conduct/ethics ✓
- Disciplinary policy, e.g. rules and disciplinary procedure for unacceptable behaviour ✓
- Any other relevant answer related to the aspects that should be included in the employment contract

NOTE: 1. Mark the first FOUR (4) only.

2. Allocate a maximum of ONE (1) mark for each aspect when examples are used.

(4 x 1) (4)

5.2 Purpose of induction

- Introduce new employees to management/colleagues ✓ to establish relationships with fellow colleagues at different levels. ✓
- Create opportunities for new employees ✓ to experience/explore different departments. ✓
- Explain safety regulations and rules, ✓ so that new employees will understand their role/responsibilities in this regard. ✓
- Communicate information ✓ about the products/services of Siphon Traders ✓
- Allow new employees the opportunity to ask questions ✓ that will put them at ease/reduce insecurity/anxiety/fear ✓
- Make new employees feel welcome ✓ by introducing them to their physical work space. ✓
- Give new employees a tour/information ✓ about the layout of the building/office ✓
- Improve skills ✓ through in-service training. ✓
- Familiarise new employees ✓ with the organisational structure/their supervisors ✓
- Ensure that employees understand their roles/responsibilities ✓ so that they will be more efficient/productive. ✓
- Communicate business policies ✓ regarding ethical/professional conduct/procedures/employment contract/conditions of employment, ✓ etc.
- Any other relevant answer related to the purpose of induction.

Max. (8)

5.3 5.3.1 External recruitment ✓

Submax. (1)

Motivation:

The post was advertised in the local newspaper. ✓✓

Submax. (2)

Max. (3)

5.3.2 Role of the applicant/interviewee during the interview

- Greet the interviewer by name ✓ with a solid handshake and a friendly smile. ✓
- Listen carefully to the questions ✓ before responding. ✓
- Make eye contact ✓ and have good posture/body language ✓
- Show confidence ✓ and have a positive attitude/be assertive ✓
- Be inquisitive ✓ and show interest in the business. ✓
- Ask clarity seeking ✓ questions. ✓
- Show respect ✓ and treat the interview with its due importance. ✓
- Be honest about mistakes ✓ and explain how you dealt with it. ✓
- Know your strengths and weaknesses ✓ and be prepared to discuss it. ✓
- Any other relevant answer related to the role of the applicant/interviewee during the interview.

Max. (8)

5.3.3 Placement procedure

- HA should outline the specific responsibilities of the new position, including the expectations/skills required for this position. ✓✓
- Determine the successful candidate's strengths/weaknesses/interests/skills by subjecting him/her to a range of psychometric Tests. ✓✓
- Determine the relationship between the position and the competencies of the new candidate. ✓✓
- Any other relevant answer related to the placement procedure

Max. (6)

5.4 Aspects of production planning

- Planning ✓
- Routing ✓
- Scheduling ✓
- Loading ✓
- Any other relevant answer related to the aspects of production planning.

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

5.5 Characteristics of mass production

- Products are made in large quantities ✓ and are identical or standardised. ✓
- Products move along assembly lines/automatic conveyor belts ✓ through a series of workstations. ✓
- There is division of labour, ✓ workers are low or semi-skilled and carry out repetitive tasks. ✓
- Special, single-purpose machines are used ✓ use of technology and robotics is also common. ✓
- Products need a large, ✓ regular demand. ✓
- Machines are to be well arranged ✓ and balanced so that there is a continuous flow of goods and effective use of floor space in the factory. ✓
- Any other relevant answer related to the characteristics of mass production.

Max. (8)

5.6 Ways to comply with the Occupational Health and Safety Act

- Employers who employ more than twenty employees must appoint at least one health and safety representative for every 100 employees ✓✓
- Ensure health and safety of persons at work and during the use of plants and machinery ✓✓
- Workers must be provided with protective gear to protect themselves against dangerous situations ✓✓
- First-aid boxes must be available at the workplace and in the factory ✓✓
- Machinery must be maintained at regular intervals and repaired promptly ✓✓
- Any other relevant answer related to ways in which businesses can comply with the Occupational Health and Safety Act, (No 85 of 1993).

Max. (6)

5.7 5.7.1 **Sales promotion** ✓

Submax. (1)

Motivation:

They are considering a joint promotion ✓✓

Submax. (2)

Max. (3)

5.7.2 **Purpose of sales promotion**

- Promote an increase ✓ in sales. ✓
- Stimulate consumers' interest ✓ in a business's products. ✓
- Informing consumers ✓ about a product. ✓
- Persuade consumers ✓ to buy the product. ✓
- Remind the target market ✓ about the availability of the product. ✓
- Any other relevant answer related to the purpose of sales promotions.

Max. (4)

5.8 **Advantages of electronic marketing**

- Consumers are worldwide ✓ and can shop anytime that they want ✓
- Ability to market services ✓ at a low cost ✓
- Easier to establish how effective an advertising campaign is, ✓ by getting a response to advertising ✓
- Customers can be greeted with targeted offers, ✓ due to customer database being linked to the website ✓
- Having a reputation for being easy to engage with, ✓ by having a social media presence ✓
- Is immediate and easy, ✓ only a few clicks away from completing a purchase ✓
- Has the ability to sell ✓ anything online ✓
- Any other relevant answer related to the advantages of electronic marketing

Max. (6)

[60]**BREAKDOWN OF MARKS**

QUESTION 5	MARKS
5.1	4
5.2	8
5.3.1	3
5.3.2	8
5.3.3	6
5.4	4
5.5	8
5.6	6
5.7.1	3
5.7.2	4
5.8	6
TOTAL	60

QUESTION 6: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS****6.1 Types of ethical misconduct**

- 6.1.1 Sexual harassment ✓✓
 6.1.2 Corruption ✓✓
 6.1.3 Mismanagement of funds ✓✓ (3 x 2) (6)

6.2 Ways in which businesses can lobby for mutual trust

- Processes of influencing legislation ✓ or parliamentary decision-making. ✓
- Acquiring public support ✓ for an issue. ✓
- Protesting against ✓ the enforcement of a new law ✓
- Grassroots lobbying ✓ appealing to the public to influence the decision of the government. ✓
- Direct lobbying ✓ by contracting government directly to try and influence legislation. ✓
- Hedging to try to reduce risk ✓ when unsure of possible price fluctuation. ✓
- Purchase same or similar product from different markets ✓ at the same time ✓
- Bargaining sessions between organisation and trade unions ✓ to seek win-win situation. ✓
- Adhere to the guidelines ✓ of regulators and supervisory bodies. ✓
- Any other relevant answer related to ways in which businesses can lobby for mutual trust.

Max. (6)

6.3 Ways businesses can be involved in the macro environment

- Collective bargaining/lobbying, representatives of business community use opportunity to discuss matters of mutual interest with government officials ✓✓
- Private-public partnership, business can enter into mutually beneficial partnerships with the government and business can benefit from government policies ✓✓
- Privately owned services to the community or country business make use of government owned assets (harbour) and decide to keep the area clean (service) ✓✓
- Job creation, businesses will receive a subsidy or tax reduction and have more trained workers ✓✓
- Increased involvement in social responsibility initiatives, business gets involved in socio-economic issues through training and communication in the workplace project ✓✓
- Government tenders offered by the government and in response businesses will submit a formal offer to supply specified goods and services ✓✓
- Expansion into Africa, businesses get involved in the supply chain to get products from industrial countries to African countries ✓✓
- Taking the lead in technology, by spending money on research in the development of their products ✓✓
- Any other relevant answer related to ways in which businesses can be involved in the macro environment

Max. (4)

BUSINESS VENTURES**6.4 Planning tools**

6.4.1 Timelines ✓✓

6.4.2 Gantt chart/Work breakdown structure ✓✓ (2 x 2) (4)

6.5 Advantages of leasing

- The business gains the use of the asset with less initial expenditure ✓ than needed if the asset were purchased. ✓
- The business can acquire the latest technology ✓ without having to invest large amounts of capital. ✓
- The business does not have to carry the risk ✓ of expensive equipment becoming obsolete. ✓/The leased items are returned ✓ to the lessee at the end of the term of the lease. ✓
- For the lessee the lease payments ✓ are tax deductible. ✓
- Leasing improves the cash flow ✓ of the business. ✓
- Leasing is regarded as an expense to the lessee ✓ and therefore is not regarded as debt. ✓
- Leases are usually easier to obtain ✓ and have more flexible terms than loans for buying equipment. ✓
- The lessor normally covers ✓ the maintenance and replaces any damaged parts or equipment. ✓
- The asset can be returned ✓ to the lessor when it is no longer needed ✓
- Makes budgeting and planning easier ✓ and it provides better control over cash flow. ✓
- Any other relevant answer related to the advantages of leasing.

Max. (10)

BUSINESS ROLES**6.6 Difference between ethics and professionalism**

ETHICS	PROFESSIONALISM
- Set of standards ✓ of expected behaviour ✓	- Knowledge and skills ✓ of a profession ✓
- Set of values ✓ that are morally acceptable ✓	
- Acceptable ✓ to society/group/community ✓	- Used for the good ✓ of the employees/individuals ✓
- Forms part of the employees' ✓ code of conduct ✓	- Apply a code of conduct ✓ set by the profession or business ✓
- Focus is on developing a moral compass ✓ to use in decision making ✓	- Focus is on upholding the reputation ✓ of the business/ profession ✓
- Seeks to avoid harm ✓ while promoting benefit to others ✓	- Conforms to a specific standard in terms of quality and competence ✓ while also being legal and ethical ✓
- Any other relevant answer related to ethics	- Any other relevant answer related to professionalism
Submax. (4)	Submax. (4)

- NOTE:**
1. The differences must be clear.
 2. Answer does not have to be in tabular format.
 3. Award a maximum of FOUR (4) marks if the differences are not clear./Mark either ethics or professionalism **only**.

Max. (8)

6.7 **Ways to conduct business professionally, responsibly, ethically and effectively**

- Businesses should treat all employees equally. √√
- Plan properly and put preventative measures in place. √√
- Pay fair wages/salaries which are in line with the minimum requirements of the BCEA/Remunerate employees for working overtime/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/ patent rights. √√
- Hiring honest/trustworthy accountants/financial officers with good credentials. √√
- Regular/Timeous payment of taxes. √√
- Draw up a code of ethics/conduct. √√
- Ongoing development and training for all employees √√
- Performance management systems/Appraisals should be in place √√
- Adequate internal controls/monitoring/evaluation. √√
- Any other relevant answer related to ways in which professional, responsible, ethical and effective business practices should be conducted.

Max. (6)

BUSINESS OPERATIONS

- 6.8 6.8.1 Penetration pricing √√
- 6.8.2 Promotional pricing √√
- 6.8.3 Competition based/competitive √√ (3 x 2) (6)

6.9 **Meaning of break-even point**

- The point where the business operates at neither a loss √ nor a profit. √
- The point where all the costs of the product √ are covered by the sales. √
- Any other relevant answer related to the meaning of break-even point.

Max. (2)

6.10 **Reasons for direct distribution methods**

- Manufacturer prefers to negotiate with the consumer √ because the manufacturer needs to demonstrate the product/provide after sales service. √
- Intermediaries are not willing √ to distribute the manufacturer's goods. √
- No auxiliary services √ are offered by the intermediaries. √
- Intermediaries cannot deliver the product to the consumer √ soon enough as the product is perishable. √
- Retailers and consumers prefer the manufacturer to supply directly to them √ because the products will be cheaper. √
- Any other relevant answer related to the reasons why manufactures may prefer to make use of direct distribution methods.

Max. (4)

6.11 Remuneration

PIECEMEAL/PIECE-RATE/PIECEWORK	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 took to complete 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 enterprises ✓ use this method. ✓
- Any other relevant answer related to piecemeal/piece rate/piece work remuneration.	- Any other relevant answer related to time related remuneration.
Submax. (2)	Submax. (2)

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

2. Allocate a maximum of TWO (2) marks if distinction is not clear./Mark either piecemeal or time-related remuneration.

Max. (4)
[60]

BREAKDOWN OF MARKS

QUESTION 6	MARKS
6.1	6
6.2	6
6.3	4
6.4	4
6.5	10
6.6	8
6.7	6
6.8	6
6.9	2
6.10	4
6.11	4
TOTAL	60

TOTAL SECTION B: 180

SECTION C**QUESTION 7: BUSINESS ENVIRONMENT****7.1 Introduction**

- The business environment consists of the micro, market and macro environments. ✓
- The market environment is part of the external business environment. ✓
- The business has limited control over the components/challenges of the market environment. ✓
- The challenges related to the components of the market environment are directly influenced by events in the macro environment. ✓
- Any other relevant introduction related to the market environment. (2 x 1) (2)

7.2 Components of the market environment

- Customers/buyers ✓ are the final users of the product/services. ✓
- Suppliers ✓ include factories/providers of goods/services that businesses would obtain/buy from in order to operate their business. ✓
- Intermediaries/agents ✓ who help to promote, sell and distribute products to consumers. ✓
- Competitors ✓ which sell the same/similar products/services may have a greater impact on the market of the business. ✓
- Regulators ✓ is a person/organisation with official power to control an activity and make sure that it is done in a satisfactory way/make rules by which the enterprise in the different industries must abide. ✓
- Strategic allies ✓ refers to two or more businesses that work together to allow them to obtain the expertise they lack from another business. ✓
- Unions ✓ are the employees' organisations that aim to improve working conditions of the labour force. ✓
- Any other relevant answer related to the components of the market environment.

Max. (8)

7.3 Challenges of the market environment**7.3.1 Shortages of supply ✓✓**

- Essential for a business to have a regular supply ✓ of all the materials that are inputs in the production process. ✓
- Any shortage ✓ can have a seriously negative effect on production and profits. ✓
- Dissatisfied customers can damage the reputation ✓ and threaten the future of the business. ✓
- The business needs to plan and communicate ✓ well so that any change in goods and services needed is fulfilled on time. ✓
- Any other relevant answer related to shortage of supply.

Challenge (2)
 Explanation (2)
 Submax. (4)

7.3.2 Strong competition ✓✓

- Other businesses which sell similar/substitute products ✓ pose a problem to/threaten the success of a business. ✓
- Consumers will buy ✓ from the business where they get the most value for their money. ✓
- If a business is not able to match the quality of service/products and the price of its competitors, ✓ it will be in real danger. ✓
- Businesses could find that they are unable to make sufficient profit ✓ when the demand is not high enough to support the supply of the same goods/ services. ✓
- The business must ensure that it differentiates itself from its competitors ✓ in order to gain a competitive advantage. ✓
- The challenges around competitors can be industry rivalry where businesses aim to sell more than competitors, ✓ new entrants with better products/cheaper or better substitutes. ✓
- Businesses should be aware of competitors ✓ and their prices/ influences/operation. ✓
- Any other relevant answer related to strong competition.

Challenge (2)
Explanation (2)
Submax. (4)

7.3.3 Changes in consumer behaviour ✓✓

- A business is dependent on its customers ✓ /to purchase its products. ✓
- Consumers are influenced by many factors ✓ / and are mostly unpredictable in their buying behaviour. ✓
- Consumers' preferences and tastes can change ✓ / as fashions change and as technology advances. ✓
- Changes in consumer behaviour, spending habits, tastes and preferences ✓ present an ongoing challenge to businesses. ✓
- The challenges include keeping up with changes in consumer tastes and demand by doing research, ✓ finding ways to influence consumer demand /and /conducting /advertising /campaigns /and consumer surveys. ✓
- Businesses should be aware of and understand changes in demand ✓ and the behavioural patterns of consumers and adjust accordingly. ✓
- Any other relevant answer related to changes in consumer behaviour.

Challenge (2)
Explanation (2)
Submax. (4)

7.3.4 Demographics and psychographic √√

- Consumers' attitude, interest, opinions and lifestyle √ determine the characteristics of the consumer. √
- It is difficult to determine the demographics/psychographics of the target market √ because they change frequently. √
- Business should be aware of the diversity of the markets √ and the cultural and social influences on the choices people they make. √
- The challenges include collecting/interpreting information about the target market √ and to use the data to develop a marketing strategy. √
- Business need to study the attitudes, tastes and desires √ of the market. √
- The demographics and psychographics can change quickly and businesses need to change just as quickly √ if they want to retain their customers. √
- Any other relevant answer related to demographics and psychographic.

Challenge (2)
Explanation (2)
Submax. (4)

7.3.5 Socio-cultural factors √√

- Social-cultural factors describe the common behaviour and attitudes √ of a particular society. √
- As society changes √ so will the cultural values and practices of individuals. √
- Business must be aware of change √ and that they can avoid threats and take advantage of the new opportunities that the change may present. √
- Business should be aware of social trends and influential campaigns √ that promote buying. √
- The challenge is to gather information about changes √ and to respond to them by adapting practices to maintain and increase its customer base. √
- Any other relevant answer related to socio-cultural factors

Challenge (2)
Explanation (2)
Submax. (4)

NOTE: Mark the first FOUR (4) only.

(4 x 4)
Max. (16)

7.4 Ways in which businesses can develop a strong relationship with their suppliers

- Management has to appoint ✓ someone reliable, ethical, a good negotiator and communicator. ✓
- Find and compare ✓ different suppliers. ✓
- Look at availability of suppliers ✓ and study their prices, quality service. ✓
- Deliver goods ✓ on time/in right quantities/right qualities/right price. ✓
- Choose a supplier ✓ that is B-BBEE compliant. ✓
- Businesses enter into contract ✓ with certain supplier of product or service. ✓
- Ensure suppliers ✓ are paid promptly. ✓
- Not abusing their relationship ✓ by consciously returning goods. ✓
- Any other relevant answer related to ways in which businesses can develop a strong relationship with their suppliers.

Max. (12)

7.5 Ways in which the business can differentiate itself from its competitors

- Offering a different product or service. ✓✓
- Offering a more personal service. ✓✓
- Having the lowest prices. ✓✓
- Having products of a superior quality. ✓✓
- Having well-trained and knowledgeable staff. ✓✓
- Any other relevant answer related to ways a business can differentiate itself from its competitors.

Max. (10)

7.6 Conclusion

- The market environment poses challenges to a business and the business has to pay careful attention to them because they are not as easy to manipulate as the challenges of the micro environment. ✓✓
- Business cannot control the market environment and therefore need to adapt to the challenges of the market environment. ✓✓
- Any other relevant conclusion related to the market environment.

Max. (2)

[40]

QUESTION 7: BREAKDOWN OF MARKS

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Components of the market environment	8	
Challenges of the market environment	16	
Ways to develop a strong relationship with suppliers	12	
Ways to differentiate itself from competitors	10	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

*LASO – For each component:

Allocate 2 marks if all requirements are met.

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

Allocate 0 marks where requirements are not met at all.

QUESTION 8: BUSINESS VENTURES**8.1 Introduction**

- Business managers need to present information about their business to stakeholders. ✓
- Visual aids combine pictures and sound that will enhance the quality of the presentation. ✓
- Visual aids can help to convey a large amount of facts in a short time. ✓
- Choosing the most effective visual aids should capture the attention of the directors and support the logical flow of the presentation. ✓
- The purpose of a verbal presentation is to exchange information as it involves speaking and listening for both the presenter and the audience/prospective buyer. ✓
- When responding to questions/remarks, the presenter should not be aggressive/defensive. ✓
- Any other relevant introduction related to presentations. (2 x 1) (2)

8.2 Types of visual aids

- Data projector/PowerPoint ✓✓
- Overhead projector ✓✓
- Interactive whiteboards/Smartboards ✓✓
- Hand-outs/flyers/brochures ✓✓
- Posters/signs/banners/portable advertising stands/flags ✓✓
- Flip charts/white boards ✓✓
- Tables/graphs/diagrams ✓✓
- Any other relevant answer related to types of visual aids

NOTE: Mark the first FOUR (4) only. (4 x 2) (8)

8.3 Factors to consider when composing a flyer

- Write a title ✓ that will attract the reader's attention. ✓
- Use graphics ✓ to attract attention. ✓
- Focus on the benefits ✓ of the products or services ✓
- Identify points ✓ clearly. ✓
- Keep it simple ✓ with white space. ✓
- Use text boxes ✓ if space allows. ✓
- Do not use ✓ too many words. ✓
- Let someone ✓ proofread the contents. ✓
- Use bright paper and black text ✓ if budget does not allow for colour printing. ✓
- Offer discount ✓ on the product or service. ✓
- Any other relevant answer related to factors to consider when composing a flyer.

Max. (14)

8.4 Steps in report writing

- Analyse the problem, ✓ prepare a written problem statement to clarify the task. ✓
- Anticipate the audience and issues, ✓ it could be distributed to people whom it was not intended for. ✓
- Prepare a work plan, ✓ start early and allow time for brainstorming and preliminary research. ✓
- Do research in order to gather data ✓ do not depend on the internet only. ✓
- Organise, analyse, interpret and illustrate the data, ✓ consider the purpose ✓
- Put together the first draft of the report, ✓ print the first draft and read sometime later. ✓
- Revise, proofread and evaluate, ✓ ask a colleague to read the report. ✓
- Any other relevant answer related to the steps in report-writing.

NOTE: Accept in any order.

Max. (12)

8.5 Ways to respond to feedback in a professional manner

- Mr Luke must stand up throughout the feedback session. ✓✓
- Be polite, confident and courteous/humorous when answering questions ✓✓
- Listen and then respond. ✓✓
- Make sure that you understand the question/s before responding. ✓✓
- Acknowledge good questions. ✓✓
- Rephrase questions if uncertain. ✓✓
- Do not get involved in a debate. ✓✓
- Do not avoid the question; if you do not know the answer, refer the question to the audience or the employees ✓✓ /Rectify if incorrect answers are given. ✓✓
- Address the whole audience and not only the person asking the question ✓✓
- Provide feedback as soon as possible after the observed event. ✓✓
- Be direct, honest, sincere. ✓✓
- Use simple language and support what you say with an example/ keep the answer short and to the point. ✓✓
- Presenter must encourage questions from the audience. ✓✓
- Do not allow any one member of the audience to dominate the discussion. ✓✓
- Note/write down the questions asked to be able to respond correctly. ✓✓
- Mr Luke should address questions in an orderly manner. ✓✓
- Any other relevant answer related to how Mr Luke may respond to feedback in a professional manner.

Max. (12)

8.6 Conclusion

- A well-prepared presentation creates a good impression and will attract potential investors. √√
- A good presentation promotes the image of the business/owner/management. √√
- Being professional during a presentation/feedback/questions session should contribute to the success of the presentation. √√
- All methods of presentation must be effectively used to retain the attention of the audience. √√
- Any other relevant conclusion related to presentation.

Max. (2)
[40]

QUESTION 8: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Types of visual aids	8	
Factors to consider when composing a flyer	14	
Steps in report writing	12	
Ways to respond to questions	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 9: BUSINESS ROLES**9.1 Introduction**

- Solving problems requires businesses to apply creative and critical thinking skills. ✓
- Businesses have to solve many problems as they confront the challenges of dynamic and complex business environments. ✓
- Businesses could use creative thinking techniques to solve business problems. ✓
- Creative thinking is the thought process that leads to original/novel/new ideas. ✓
- Businesses need to find ways to break away from routine thinking. ✓
- Any other relevant introduction related to problem solving and creative thinking.

(2 x 1) (2)

9.2 Meaning of problem solving**Problem solving**

- Problems can be solved by a group/ team ✓ or an individual team member. ✓
- Alternative solutions are generated/ identified ✓ and critically evaluated. ✓
- Process of analysing a situation ✓ to identify strategies to bring about change. ✓
- Any other relevant answer related to the meaning of problem-solving.

Max. (6)

9.3 Differences between routine thinking and creative thinking

ROUTINE THINKING	CREATIVE THINKING
<ul style="list-style-type: none"> - Regular, ordinary, ✓ conventional thinking. ✓ - Does not lead to new ideas ✓ or new patterns of thought, only imitates or perpetuates ✓ old patterns of thinking ✓ and leads to conclusions that have already been reached. ✓ - Any other relevant answer related to routine thinking. 	<ul style="list-style-type: none"> - The process used to come up ✓ with new/fresh ideas. ✓ - Using lateral thinking ✓ solves problems through reasoning ✓ to find solutions ✓ that are not immediately obvious/unusual solution. ✓ - Any other relevant answer related to creative thinking.
Submax. (4)	Sub max. (4)

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

2. Allocate a maximum of FOUR (4) marks if distinction is not clear./Mark either routine thinking or creative thinking.

Max. (8)

9.4 Advantages/Benefits of creative thinking

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

Max. (12)

9.5 Application of Delphi technique

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

Submax. (10)

Application of Force-field analysis

- Describe the current situation and the desired situation. √√
- Write a plan/proposal for change in the middle. √√
- List all the forces driving (positive) and resisting (negative) change. √√
- List all forces in support of the change in one column. √√
- Assign a score for each, from 1 (weak) to 5 (strong). √√
- Determine if change is viable. If not, check which resisting forces can be influenced/mitigated/avoided to make the change possible. √√
- If so, find ways to increase the forces for change and diminish the forces against change. √√
- Based on this outcome, come up with a strategy to help reduce the resisting forces and ensure that the changes can be done. √√
- Any other relevant answer related to the application of the Force-field analysis technique by businesses.

NOTE: Do not allocate marks for advantages and disadvantages as the question focuses on the process/application of the technique.

Submax. (10)

Max. (20)

9.6 Conclusion

- Constant changes in the market impact on business operations and so they need to adapt to them quickly and make quick/creative decisions. √√
- Creative thinking can help to solve business problems successfully. √√
- Businesses must know how to deal with problems that arise. √√
- Any other relevant conclusion related to problem solving and creative thinking.

Max. (2)

[40]

QUESTION 9: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Problem solving	6	
Differences between routine thinking and creative thinking	8	
Advantages of creative thinking	12	
Application of creative thinking techniques	20	
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**10.1 Introduction**

- Consumer goods consist of convenience, select or speciality goods. ✓
- Product design is the process of creating a new product to be sold by a business to its customers. ✓
- Packaging occurs when a product is placed in a container or wrapping. ✓
- A trademark is a symbol, word/s legally registered or established by use as representing a company or product. ✓
- Any other relevant introduction related to consumer goods, steps in the design process, packaging and trademarks

(2 x 1) (2)

10.2 Components of the product policy

- Product development ✓✓
- Design of the product ✓✓
- Packaging ✓✓
- Trademark ✓✓
- Any other relevant answer related to the components of the product policy

Max. (8)

10.3 Steps in the design of the product

Design and develop product idea ✓

- Identifying what needs consumers have ✓ and whether these needs are satisfied by current goods and services on the market. ✓

Select and sift product ideas ✓

- After several ideas are generated, each idea must be evaluated ✓ and the best idea selected. ✓
- The best idea will not be necessarily be the cheapest ✓

Design and test the product idea ✓

- After the best idea for the new product has been selected, the design must be sketched and worked out into a little more detail ✓
- The designer will come up with a basic 3D computer design that is detailed enough to ensure the idea will work ✓
- This is the step where an idea is either given the green light or not ✓

Analyse the profitability of the product concept ✓

- This step will determine whether the money ✓ that is going to be invested in the product will be profitable or not ✓

Design and test the physical product ✓

- If research shows that the product is going to be profitable, then the product concept is transformed ✓ into an actual product and the product is made for the first time ✓

Test marketing ✓

- The reactions of the consumers are tested to determine how consumers feel about the product ✓
- Customers being happy with the product will lead to a decision to go ahead and make the product ✓

Any other relevant answer related to the steps in product design.

NOTE: Accept in any order.

Max. (16)

10.4 Requirements of good packaging

- Must be eye-catching ✓ and attract the immediate attention of the Consumer. ✓
- Suit ✓ the product. ✓
- Suitably designed ✓ for the target market. ✓
- Distinguish ✓ itself from its competitors. ✓
- Support the image ✓ the business is trying to create. ✓
- Right for display purposes ✓ and meet the requirements of retailers. ✓
- Environmentally ✓ responsible. ✓
- Protect ✓ the content. ✓
- Easy to ✓ distribute, handle, transport and use. ✓
- Any other relevant answer related to the requirements of good packaging

Max. (12)

10.5 Importance of a trademark

- Forms the starting point ✓ for advertising the business and its products ✓
- Can extend its product range, ✓ because it is easy to market products under a well-known and popular trademark. ✓
- Can speed up a purchase transaction ✓ and increase sales. ✓
- Creates loyalty among consumers ✓ and makes it difficult for the consumer to choose substitutes. ✓
- Creates a product image ✓ that can be trusted by consumers. ✓
- Any other relevant answer related to the importance of a trademark

Max. (10)

10.6 Conclusion

- Businesses that do not design new products will soon be left behind ✓✓
- Packaging and trademarks can make a big difference in sales because unique, creative and promotional packaging catches consumers' attention ✓✓
- Any other relevant conclusion related to consumer goods, steps in the design process, packaging and trademarks.

Max. (2)

[40]

QUESTION 10: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Components of the product policy	8	
Steps in design process	16	
Requirements of packaging	12	
Importance of a trademark	10	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

*LASO – For each component:

Allocate 2 marks if all requirements are met.

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

Allocate 0 marks where requirements are not met at all.

TOTAL SECTION C: 80
GRAND TOTAL: 300