



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

SENIOR CERTIFICATE EXAMINATIONS/ NATIONAL SENIOR CERTIFICATE EXAMINATIONS

BUSINESS STUDIES

2019

MARKING GUIDELINES

MARKS: 300

These marking guidelines consist of 50 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 subjects at schools/institutions of learning

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

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

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

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

- Uses a different expression from that which appears in the marking 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 subquestion.
6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.
7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
8. In an indirect question, the theory as well as the response must be relevant and related to the question.

9. Correct numbering of responses to questions is recommended in SECTION A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.
10. No additional credit must be given for repetition of facts. Indicate with an 'R'.
11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:

11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** *'COIDA eliminates time and costs spent√ on lengthy civil court proceedings.'*√

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

NOTE: 1. The above could apply to 'analyse' as well.
2. Note the placing of the tick (√) in the allocation of marks.

12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking 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 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, justify, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.

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

14. **SECTION B**

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

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

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

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

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

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

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

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

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

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

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

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

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

- 15.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)
- 15.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 15.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guidelines.
- 15.10 15.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 15.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks(√) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy,√ where businesses aim to introduce new products into existing markets.'√
- This will be informed by the nature and context of the question, as well as the cognitive verb used.
- 15.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guidelines, will not necessarily apply to each question. This would also depend on the nature of the question.

SECTION A**QUESTION 1**

1.1	1.1.1	B√√		
	1.1.2	D√√		
	1.1.3	A√√		
	1.1.4	C√√		
	1.1.5	B√√		
	1.1.6	A√√		
	1.1.7	D√√		
	1.1.8	C√√		
	1.1.9	B√√		
	1.1.10	C√√	(10 x 2)	(20)
1.2	1.2.1	tables√√		
	1.2.2	compulsory√√		
	1.2.3	skills development levy√√		
	1.2.4	quality performance√√		
	1.2.5	specification√√	(5 x 2)	(10)
1.3	1.3.1	E√√		
	1.3.2	I√√		
	1.3.3	H√√		
	1.3.4	A√√		
	1.3.5	J√√	(5 x 2)	(10)

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

QUESTION 1	MARKS
1.1	20
1.2	10
1.3	10
TOTAL	40

SECTION B**Mark the FIRST THREE answers only.****QUESTION 2: BUSINESS ENVIRONMENTS****2.1 Components of PESTLE analysis**

- Political✓
- Economical✓
- Social✓
- Technological✓
- Legal✓
- Environmental✓

NOTE: Mark the first FOUR (4) only.**(4 x 1) (4)****2.2 Purpose of LRA**

- Provides a framework/structure for labour relations between employers/ employees/trade unions/employer organisations.✓✓
- Promotes/Facilitates collective bargaining at the workplace/at sectorial level.✓✓
- Promotes workplace forums to accommodate employees in decision making.✓✓
- Provides for the right to lock-out by the employer as a reaction to lengthy strikes.✓✓
- Promotes fair labour practice between the employers and employees.✓✓
- Clarifies the transfer of employment contracts between the existing and new employers.✓✓
- Promotes simple procedures for the registration of trade unions/employer organisations.✓✓
- Advances economic development/social justice/labour peace to ensure that the workplace maintains the basic rights of employees.✓✓
- Establishes the Commission for Conciliation, Mediation and Arbitration (CCMA) for dispute resolutions./Makes provision for settling labour disputes.✓✓
- Establishes Labour Courts and Labour Appeal Courts.✓✓
- Any other relevant answer related to the purpose of the LRA.

Max (8)**2.3 Consumer rights**

2.3.1 Right to choose✓✓

2.3.2 Right to privacy and confidentiality✓✓

2.3.3 Right to equality in the consumer market place✓✓

2.3.4 Right to fair value/good quality and safety✓✓

(8)

2.4 Legislation

2.4.1 National Credit Act/National Credit Act, 2005 (Act 34 of 2005)/
NCA✓✓ (2)

Motivation

The management of MFS always conducts a financial affordability assessment of each client who applies for a loan. /

Mohammed Financial Services opened a money market department which grants loans to their customers.✓ (1)

NOTE: Do not award marks for the motivation if the Act was incorrectly identified. Max (3)

2.4.2 Other ways to comply with the NCA

- Businesses should register✓ with the National Credit Regulator.✓
- Obtain credit records/checks of clients✓ before granting loans.✓
- Submit an annual compliance report✓ to the National Credit Regulator.✓
- Conduct credit check with a registered credit bureau✓ and consult with National Credit Register.✓
- Businesses 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.✓
- Offer applicants✓ pre-agreement statements.✓
- Disclose all costs✓ of a loan✓/No hidden costs✓ should be charged/added.✓
- Any other relevant answer related to other ways in which businesses can comply with the NCA.

NOTE..1: Do not award marks for conducting a financial affordability assessment to clients who apply for loans.

2 Accept relevant facts if the NCA was incorrectly identified as an answer in Question 2.4.1. Max (8)

2.5 Types of intensive strategies

2.5.1 Market penetration✓✓

- Businesses focus on selling existing products into existing market to increase their market share.✓
- Businesses use market research on existing clients to decide how improve their marketing mix.✓
- Aggressive marketing campaigns such as lowering/reducing prices are used to attract potential/existing clients.✓
- Embark on an intensive advertising campaign to increase awareness and customer loyalty.✓
- Employ more sales staff to improve sales services.✓
- Any other relevant answer related to a description of market penetration as an intensive strategy.

Strategy (2)

Description (1)

Sub max (3)

2.5.2 **Market development**√√

- It is a growth strategy where businesses aim to sell its existing products in new markets.√
- Businesses target consumers in a potential market that is outside of its normal target market.√
- Increase sales of existing products through the development of new markets.√
- Restructure pricing policies to cater for customers of all income levels.√
- Any other relevant answer related to a description of market development as an intensive strategy.

Strategy (2)
Description (1)
Sub max (3)

2.5.3 **Product development**√√

- It is a growth strategy where businesses aim to introduce new products into existing markets.√
- Businesses generate new ideas/develop new products/services.√
- Businesses conduct test marketing/market research to establish whether new products will be accepted by existing customers.√
- New products may be different/of a higher quality than those of competitors.√
- Any other relevant answer related to a description of product development as an intensive strategy.

Strategy (2)
Description (1)
Sub max (3)

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

Max (9)

2.6 **Challenges of business environments and extent of control**

CHALLENGES 2.6.1	BUSINESS ENVIRONMENT 2.6.2	EXTENT OF CONTROL 2.6.3
(a) His employees' lack good customer service.√	Micro√√	Full control√
(b) He lost most of his customers to Florah Bakeries.√	Market√√	Limited control/Little influence√
(c) SB had to replace some of its stolen equipment due to the high crime rate in their area.√	Macro√√	No control√
Max (3)	Max (6)	Max (3)

- NOTE:**
1. **Mark the first challenge for each environment only.**
 2. **If the business environment is not linked to the challenge, mark the challenge only.**
 3. **Award full marks for the business environment even if the challenge is not quoted in full.**
 4. **The extent of control must be linked to the business environment.**
 5. **Do not award marks for the extent of control if the business environment is not mentioned.**
 6. **Order may be different.**

2.7 Porter's Five Forces model

2.7.1 Bargaining power of suppliers/Power of suppliers

- Suppliers include factories/providers of goods/services that businesses would obtain/buy from in order to operate their business.√√
- Suppliers that deliver high quality product may have power over the business.√√
- A business must assess the power of the suppliers in influencing prices.√√
- The more powerful the suppliers, the less control the business has over them.√√
- The smaller the number of suppliers, the more powerful they may be as the choice of suppliers may be limited √√
- The business should identify the kind of power its suppliers have in terms of the quality of products/services/reliability/ability to make prompt deliveries, √√ etc.
- Any other relevant answer related to the bargaining power of suppliers/power of suppliers.

Max (4)

2.7.2 Threat of substitution/Substitutes

- Substitute products or services are different products/services that at least partly satisfy the same needs of consumers and can be used to replace one another. √√
- Businesses should establish whether the sellers of substitute products have improved their products/sell lower quality goods at lower prices.√√
- If business products are easily substituted, they may weaken their power in the market.√√
- Substitute products may cause the business to lose its market share completely.√√
- If the business sells unique products they will not be threatened by substitute products.√√
- Businesses should do market research to assess if customers are using substitute products/services and determine reasons for using substitutes.√√
- It is important that businesses change/improve the design and quality of their products to remain competitive.√√
- Any other relevant answer related to the threat of substitution/substitutes.

Max (4)

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	4
2.2	8
2.3	8
2.4.1	3
2.4.2	8
2.5	9
2.6.1	3
2.6.2	6
2.6.3	3
2.7.1	4
2.7.2	4
TOTAL	60

QUESTION 3: BUSINESS VENTURES**3.1 Examples of non-insurable risks**

- Nuclear weapons/war✓
- Changes in fashion✓
- Improvement in technology✓
- Irrecoverable debts✓
- Financial loss due to bad management✓
- Possible failure of a business✓
- Shoplifting during business hours✓
- Loss of income if stock is not received in time/Time that elapses between the ordering and delivery of goods. ✓
- Any other relevant examples of non-insurable risks.

NOTE: Mark the first FIVE (5) only.**(5 x1)****(5)****3.2 Functions of the JSE**

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

Max (8)

3.3 Distinction between insurance and assurance

INSURANCE	ASSURANCE
- Based on the principle of√ indemnity.√	- Based on the principle of√ security/certainty.√
- The insured transfers the cost of potential loss√ to the insurer at a premium.√	- The insurer undertakes to pay an agreed sum of money√ after a certain period has expired/on the death of the insured person, whichever occurred first.√
- It covers a specified event√ that may occur.√	- Specified event is certain√, but the time of the event is uncertain.√
- Applicable to short term insurance.√	- Applicable to long term insurance.√
- Example: Property insurance/money in transit/theft/burglary/fire,√ etc.	- Example: Life insurance/endowment policies/retirement annuities,√ etc.
- Any other relevant answer related to insurance.	- Any other relevant answer related to assurance.
Sub max (4)	Sub max (4)

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

Max (8)

3.4 Success and/or failure of a Private company (Pty) Ltd

	SUCCESS FACTORS	AND/OR	FAILURE FACTORS
3.4.1 Management	- Shareholders can vote for/appoint√ the most capable directors to manage their company.√		- Some shareholders may not exercise their voting rights√ resulting in choosing the wrong person as a director.√
	- Managed at least by one competent√ highly skilled director.√		- Directors may sometimes act in their own interest√, not in the company's best interest.√
	- The management of the company can improve√ since directors are accountable to shareholders.√		- Large management structures√ can result in decision-making taking time.√
	- Any other relevant answer related to the contribution of management to the success of a private company.		- Any other relevant answer related to the contribution of management to the failure of a private company.

Max (4)

	SUCCESS FACTORS	AND/OR	FAILURE FACTORS
3.4.2 Capital	- Large amount of capital can be raised√ since there is no limit on the number of shareholders.√		- It cannot grow into a very large business√ since it cannot invite the public to buy shares.√
	- The company can access long term capital√ and therefore has good long term growth opportunities.√		- Restrictions on transferability of shares√ may not attract financially strong investors.√
	- Even though shares are not freely transferable√, large private companies can raise considerable amount of capital.√		- Large amount of capital cannot be obtained√ as capital contribution is only limited to private shareholders.√
	- Any other relevant answer related to the contribution of capital to the success of a private company.		- Any other relevant answer related to the contribution of capital to the failure of a private company.

- NOTE:**
- 1. The answer does not have to be in tabular format.**
 - 2. Mark either success AND/OR failure of each factor.**
- Max (4)**

3.5 Compound interest

3.5.1 Definition

- Interest is calculated every period√ on the 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 definition of compound interest.
- Max (2)**

3.5.2 Calculation of compound interest

Option 1

$$\begin{aligned} \text{Year 1: } & R500\,000 \times 12\% = R60\,000\sqrt{} \\ \text{Year 2: } & R560\,000 \times 12\% = R67\,200\sqrt{} \\ \text{Year 3: } & R627\,200 \times 12\% = R75\,264\sqrt{} \\ \text{Total interest} & = R202\,464\sqrt{\sqrt{}} \end{aligned}$$

OR

Option 2

$$\begin{aligned} \text{FORMULA: } & P \times (1+r)^n\sqrt{} \\ R500\,000 \times & (1+12/100)^3\sqrt{} \\ R500\,000 \times & (1.12)^3 = R702\,464\sqrt{} \\ \text{Total interest} & = R702\,464 - R500\,000 \\ & = R202\,464\sqrt{\sqrt{}} \end{aligned}$$

Max (5)

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

3.5.3 Simple interest√√ (2)

3.6 Leadership styles

3.6.1 Leadership styles from the scenario

	LEADERSHIP STYLE	MOTIVATION
Cindy	Transactional√√	Cindy, the production manager, offers rewards to motivate employees who meet set targets.√
Tom	Charismatic√√	Tom, the marketing manager, uses charm to influence his team to work hard.√
	Sub max (4)	Sub max (2)

- NOTE:**
1. Do not award marks for the motivation if the leadership styles were incorrectly identified.
 2. Award marks for leadership styles even if the quote is incomplete. **Max (6)**

3.6.2 Impact of the charismatic leadership style on businesses

Positives/Advantages

- Expert at selling business vision√ and achieve excellent results.√
- Employees are motivated√ as the leader is energetic/inspiring.√
- Inspires loyalty/hard work√ among employees.√
- Any other relevant answer related to the positive impact/advantages of the charismatic leadership style.

AND/OR

Negative/Disadvantages

- Leader believes more in himself/herself√ than the team.√
- Projects can collapse√ if the leader leaves the team.√
- Leaders are intolerant of challenges/changes√ and regard themselves as irreplaceable.√
- Leader's emotions may often be more important√ that the purpose of the team.√
- Any other relevant answer related to the negative impact/disadvantages of the charismatic leadership style.

NOTE: Accept relevant facts if the charismatic leadership style was incorrectly identified as an answer in Question 3.6.1.

Max (8)

3.7 Effectiveness of interactive whiteboards/smart boards as a visual aid

Positives/Advantages

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

AND/OR

Negatives/Disadvantages

- Can only be used by a presenter who knows√ the unique features of the interactive whiteboard/smart boards and uses it to its full potential.√
- Cannot be connected to any computer√ as a special software license is needed to be able to use it.√
- Technical challenges may render it ineffective√, e.g. loss of signal while using it.√
- Any other relevant answer related to the negatives/disadvantages of interactive whiteboards/smart boards as a visual aid.

Max (8)
[60]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	5
3.2	8
3.3	8
3.4.1	4
3.4.2	4
3.5.1	2
3.5.2	5
3.5.3	2
3.6.1	6
3.6.2	8
3.7	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 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√
- Any other relevant answer related to human rights in the workplace.

NOTE: Mark the first FIVE (5) only. (5 x1) (5)

4.2 Causes of conflict

- 4.2.1 Inter-team rivalry/Competition√√
- 4.2.2 Lack of proper/poor communication/ Lack of management/ Poor leadership.√√
- 4.2.3 Limited/Lack of resources/Poor organisation √√
- 4.2.4 Workload/Deadlines/Work pressure √√

Max (8)

4.3 Problem solving technique

- 4.3.1 Delphi technique√√ (2)

Motivation

Management requested experts to suggest ways on how to solve their business problems.√ (1)

NOTE: Do not award marks for the motivation if the problem solving technique was incorrectly identified. Max (3)

4.3.2 **Advantages of the Delphi technique**

- Saving on costs√ as experts are not brought together.√
- Experts will give clear ideas/solutions√ on how to improve on low productivity/ profitability.√
- Panel members/Experts can give new information√ on problems.√
- Information received from experts√ can be kept confidential.√
- It reduces noise levels in an office environment√ since there is no group discussion.√
- Panel members/Experts need to reach consensus√, so that the best solution is found.√
- All experts are given an equal opportunity to give their opinions√, so no-one dominates the process.√
- Any other relevant answer related to the advantages of the Delphi technique.
- **NOTE: Accept relevant facts if the problem solving technique was incorrectly identified as an answer in Question 4.3.1.**

Max (8)4.3.3 **Ways to create an environment that stimulates creative thinking in the workplace**

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

NOTE: 1. The emphasis is on 'ways NA create an environment that stimulates creative thinking' not advantages.

2. Do not award marks for “encourage employees/staff to come up with new ideas”.

Max (6)

4.4 **Difference between decision making and problem solving**

DECISION MAKING	PROBLEM SOLVING
<ul style="list-style-type: none"> - It is often done by one person/a member of senior management✓ who makes it authoritarian.✓ - Various alternatives are considered✓ before deciding on the best one.✓ - It is part of the problem solving cycle✓ as decisions need to be taken in each step.✓ - Any other relevant answer related to decision making. <p style="text-align: right;">Sub max (2)</p>	<ul style="list-style-type: none"> - 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 problem solving. <p style="text-align: right;">Sub max (2)</p>

- NOTE:**
1. The answer does not have to be in tabular format.
 2. The difference does not have to link but must be clear.
 3. Award maximum of TWO (2) mark if the difference is not clear/Mark either decision making or problem solving only.
- Max (4)**

4.5 **Dealing with diversity issues in the workplace**4.5.1 **Culture**

- Businesses must be sensitive to special requirements for different cultural groups✓, e.g. allow day(s) off for cultural holidays/festivals.✓
 - Cater for special food/preparation methods✓ in the workers' canteen.✓
 - Businesses should acknowledge/respect✓ cultural differences of employees.✓
 - The business may not discriminate✓ against employees on the grounds of their cultural background.✓
 - Any other relevant answer related to how businesses could deal with culture as a diversity issue in the workplace.
- Max (4)**

4.5.2 **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. **Max (4)**

4.6 Socio-economic issues

4.6.1 Socio-economic issues from the scenario

- Unemployment√
- Poverty√

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

4.6.2 Impact of Corporate Social Investment on ZE as a business Positives/Advantages

- ZE/Businesses may attract experienced employees/increase the pool of skilled labour√ which could increase productivity.√
- Positive/Improved image√ as the business looks after employees/conducts itself in a responsible way.√
- May have a competitive advantage√, resulting in good publicity/an improved reputation.√
- Promotes customer loyalty√ resulting in more sales.√
- CSI projects√ may be used as a marketing strategy to promote their products.√
- ZE/Businesses enjoys the goodwill/support√ of communities.√
- CSI projects promote teamwork√ within businesses.√
- CSI helps to attract investors√ because of increased profits/income.√
- Gives ZE tax advantages√ such as tax reduction/-rebates.√
- Assists in solving socio-economic issues√ like poverty/unemployment√, etc.
- The government is less likely to enforce issues through legislation√ to businesses that voluntarily participate in CSI projects.√
- Employees feel as if they are making a difference√ in working for the business.√
- It helps to retain staff/lower staff turnover√ as employees' health and safety are considered.√
- Improves the health of its employees√ through focused CSI projects.√
- ZE/Businesses can become more community-based√ by working closely with the community to roll out skills development projects.√
- Any other relevant answer related to the positive impact/advantages of CSI on ZE as a business.

AND/OR

Negatives/Disadvantages

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

Max (8)

4.7 Ways in which businesses could contribute to the well-being of their employees

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

Max (8)

[60]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	5
4.2	8
4.3.1	3
4.3.2	8
4.3.3	6
4.4	4
4.5.1	4
4.5.2	4
4.6.1	2
4.6.2	8
4.7	8
TOTAL	60

QUESTION 5: BUSINESS OPERATIONS**5.1 Salary determination methods**

- Piece meal√
- Time related√

NOTE: Mark the first TWO (2) only.**(2x1) (2)****5.2 Roles of the interviewer when preparing for an interview**

- The interviewer should develop a core set of questions based on the skills/knowledge/ability required.√√
- Check the application/verify the CV of every candidate for anything that may need to be explained.√√
- Book and prepare the venue for the interview.√√
- Set the interview date/Ensure that all interviews take place on the same date, if possible.√√
- Inform all shortlisted candidates about the date and place of the interview.√√
- Notify all panel members conducting the interview about the date and place of the interview.√√
- Allocate the same amount of time to interview each candidate on the program.√√
- Any other relevant answer related to roles of the interviewer when preparing for an interview.

NOTE: Mark the first THREE (3) only.**(3 x 2) (6)****5.3 Recruitment/selection**

5.3.1 External recruitment√√

(2)

Motivation

Shakeel Cattle Farm advertised a vacancy in a newspaper.√

(1)

NOTE: Do not award marks for the motivation if the type of recruitment was incorrectly identified.**Max (3)****5.3.2 Selection procedure/steps that SCF followed**

- SCF conducted preliminary interviews to select suitable candidates.√
- Compiled a shortlist of five candidate.√
- A written offer was made to the best candidates.√

NOTE: Only award marks for responses that are quoted from the scenario.**Max (3)**

5.3.3 Other selection procedure/steps**Option 1**

- SCF should determine fair assessment criteria on which selection will be based.√√
- Use the assessment criteria to assess all CV's/application forms received during recruitment/Preliminary screening is done by sorting the applications received according to the criteria for the job.√√
- Check that applicants are not submitting false documents such as forged certificates/degrees.√√
- Make a preliminary list of all applicants who qualify for the post.√√
- SCF should screen and check references, e.g. check applicants' criminal records/credit history/social media√√, etc.
- Inform all applicants about the outcome of the application.√√
- Invite the shortlisted applicants/candidates for an interview.√√
- Shortlisted candidates may be subjected to various types of selection tests, e.g. skills test.√√
- Any other relevant answer related to any other selection procedure/steps that may be considered.

OR**Option 2**

- SCF should receive documents, e.g. application forms and sort it according to the criteria of the job.√√
- Evaluate CV's and create a shortlist/screen the applicant.√√
- Check information in the CV's and contact references.√√
- SCF should assess/Test candidates who have applied for senior positions/to ensure the best candidate is chosen.√√
- Conduct interviews with shortlisted candidates.√√
- Any other relevant answer related to any other selection procedure/steps that may be considered.

NOTE: 1. Procedure/Steps can be in any order.
2. Do not award marks for responses quoted in QUESTION 5.3.2.

Max (8)

5.4 Benefits of induction for businesses

- New employees who are familiar with the business's policies/procedures√ may easily adapt to his/her new work environment.√
- New employees learn more about the business√ and understand their role in the business/what is expected in the job.√
- Increased productivity√ and quality of service/performance.√
- Minimises the need√ for on-going training and development.√
- Better/More focused training may be provided√ based on the results obtained from the induction process.√
- New employees will understand rules/restrictions√ in the business.√
- New employees will know where everything is√ and who the supervisors/low- level managers are for better communication purposes.√
- New employees may feel part of the team√ resulting in positive morale/motivation.√
- Any other relevant answer related to the benefits of induction for businesses.

Max (8)**5.5 Total Quality Management****5.5.1 Benefits of a good quality management system from the scenario**

- She indicated that her employees are trained on regular basis.√
- Time and resources are also used efficiently.√

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

5.5.2 Other benefits of a good quality management system

- Effective customer services will be rendered√, resulting in increased customer satisfaction.√
- Productivity increases through proper time management√ and using high quality resources.√
- Products/Services are√ constantly improving.√
- Vision and mission/Business goals√ may be achieved.√
- The business may achieve a competitive advantage√ over its competitors.√
- Employers and employees will have a healthy working relationship√ which generally results in happy workers.√
- Increased market share/profitability may result√ in business growth/expansion.√
- Improved business image√, as there is less defects/faulty products/returns.√
- Any other relevant answer related to other benefits of a good quality management system.

NOTE: Do not award marks for responses quoted in QUESTION 5.5.1

Max (8)

5.6 Contribution of quality of performance to the success of a business**5.6.1 Administration function**

- Ensure a fast and reliable√ data capturing and processing systems.√
- Make reliable information√ available to management on time.√
- Make relevant information√ available for quick decision-making.√
- Handle complaints√ quickly and effectively.√
- Use modern technology√ efficiently.√
- Implement effective risk management policies√ to minimise business losses.√
- Quality assurance/Control/Evaluation√ is recorded accurately.√
- All documentation√ is kept neatly and orderly in a safe place.√
- Easy to recall/find√ information/documentation.√
- All systems and processes√ are documented.√
- Any other relevant answer related to how quality of performance in the administration function can contribute to the success of a business.

Max (6)**5.6.2 Marketing function**

- Acquire a greater market share√ through good customer service.√
- Win customers loyalty√ by satisfying their needs and wants/building positive relationships.√
- Adhere to ethical advertising practices√ when promoting products and services.√
- Identify competitive edge√ and conduct regular market research.√
- Differentiate products√ to increase the target market/profitability.√
- Communicate effectively with customers√ to get their feedback about their experiences of the products and services sold.√
- Ensure that the production and advertising strategies√ are aligned.√
- Use pricing techniques√ to ensure a competitive advantage.√
- Measure the gaps between customer expectations and their actual experiences√ so that problems regarding quality of products can be diagnosed and addressed.√
- Make adjustments and changes to products and services√ based on feedback received from customers.√
- Use aggressive advertising campaigns√ to sustain the market share.√
- Any other relevant answer related to how quality of performance in the marketing function can contribute to the success of a business.

Max (6)

5.7 Ways in which TQM can reduce the cost of quality

- Introduce quality circles/small teams of five to ten employees, who meet regularly to discuss ways of improving the quality of their work.√√
- Schedule activities to eliminate duplication of tasks/activities.√√
- Share responsibility for quality output between 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 the quality challenges/deviations, so that everyone can learn from past experiences.√√
- Reduce investment on expensive, but ineffective inspection procedures in the production process.√√
- Implement pro-active maintenance programmes for equipment/machinery to reduce/eliminate breakdowns.√√
- Any other relevant answer related to ways in which TQM can reduce the cost of quality.

Max (8)
[60]

BREAKDOWN OF MARKS

QUESTION 5	MARKS
5.1	2
5.2	6
5.3.1	3
5.3.2	3
5.3.3	8
5.4	8
5.5.1	2
5.5.2	8
5.6.1	6
5.6.2	6
5.7	8
TOTAL	60

QUESTION 6: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS****6.1 BCEA provisions from the statements**

6.1.1 Termination of employment√√

6.1.2 Overtime√√

6.1.3 Sick leave√√

6.1.4 Prohibition of Child- and Forced labour√√

(8)**6.2 Steps in evaluating a strategy**

- Examine√ the underlying basis of a business strategy.√
- Look forward and backward√ into the implementation process.√
- Compare the expected performance√ with the actual performance.√
- Measure business performance√ in order to determine the reasons for deviations and analyse these reasons.√
- Take corrective action√ so that deviations may be corrected.√
- Set specific dates√ for control and follow up.√
- Draw up a table√ of the advantages and disadvantages of a strategy.√
- Decide√ on the desired outcome.√
- Consider the impact of the implementation of a strategy√ in the internal and external environments of the business.√
- Any other relevant answer related to steps that businesses should follow when evaluating a strategy.

NOTE: The steps may be in any order.**Max (6)****BUSINESS VENTURES****6.3 Types of leadership theories**

- Leaders and Followers√
- Situational√
- Transformational√
- Transitional√

NOTE: Mark the first THREE (3) only.**(3x1) (3)****6.4 Forms of ownership****6.4.1 Forms of ownership from the scenario**

FORMS OF OWNERSHIP	MOTIVATION
Private company√√	Jones Beverages (Pty) Ltd.√
Public company√√	Jones Beverages Ltd/They can invite the public to buy shares in the business.√
Sub max (4)	Sub max (2)

NOTE: Do not award marks for the motivation if forms of ownership were incorrectly identified**Max (6)**

6.4.2 Advantages of a public company

- The business has its own legal identity✓ and can own assets/property.✓
- Easy to raise large amounts of capital for growth✓ through the issuing of shares to the public.✓
- Shareholders have a limited liability✓ for the debt of the company✓/Shareholders may only lose✓ the amount which they invested.✓
- Competent and knowledgeable directors✓ may be appointed by shareholders.✓
- Attracts small investors✓ as shares can be transferred freely/easily.✓
- No limitation on the number of shareholders✓, so growth/expansion is not limited.✓
- Additional capital can be raised✓ by issuing debentures to the public.✓
- The public has access to the company's financial information✓ as financial reports have to be published annually.✓
- The company keeps its shareholders/stakeholders regularly informed✓ about its performance/share values/future plans.✓
- Any other relevant answer related to the advantages of a public company.

NOTE: Do not award marks for responses quoted in QUESTION 6.4.1

Max (6)

BUSINESS ROLES**6.5 Responsibilities of employees in protecting the workplace environment**

- Employees 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✓✓, etc.
- Report unsafe/unhealthy conditions to relevant authorities/management.✓✓
- Report accidents to the employer as soon as possible.✓✓
- Use prescribed safety equipment.✓✓
- Inform the employer of any illness that may affect their ability to work.✓✓
- Any other relevant answer related to the responsibilities of employees in protecting the workplace environment.

NOTE: Mark the first TWO (2) only.

(2 x 2) (4)

6.6 Stages of team development

6.6.1 Storming✓✓

6.6.2 Performing stage/Working as a team towards a goal✓✓

6.6.3 Forming✓✓

Max (6)

6.7 Correct procedure deal with grievances

- An aggrieved employee must verbally report the incident/grievance to his/her supervisor/manager. √√
- Supervisor/ Manager need to resolve the issue within 3 to 5 working days. √√
- Should the employee and supervisor not be able to resolve the grievance, the employee may take it to the next level of management. √√
- The employee may move to a more formal process where the grievance must be lodged in writing/completes a business grievance form. √√
- He/She must receive a written reply in response to the written grievance. √√
- A grievance hearing/meeting must be held with all relevant parties present. √√
- Minutes of the meeting must be recorded and any resolution passed must be recorded on the formal grievance form. √√
- Should the employee not be satisfied, then he/she could refer the matter to the highest level of management. √√
- Minutes of this meeting should be filed/recorded and the outcome/decision must be recorded on the formal grievance form. √√
- Should the employee still not be satisfied, he/she may refer the matter to the CCMA. √√
- If the employee is still not satisfied, he/she may refer the matter to Labour Appeals Court who will make a final decision on the matter. √√
- Any other relevant answer related to the correct procedure to deal with grievances in the workplace.

NOTE: The procedure may be in any order.

Max (6)

BUSINESS OPERATIONS**6.8 Reasons for termination of an employment contract**

- Resignation√
- Dismissal/Misconduct√
- Retirement√
- Redundancy/Restructuring√
- Retrenchment√
- Incapacity due to ill health

NOTE: Mark the first FIVE (5) only.

(5 x 1)

(5)

6.9 **Difference between quality control and quality assurance**

QUALITY CONTROL	QUALITY ASSURANCE
<ul style="list-style-type: none"> - System that ensures the desired quality is met√ by inspecting the final product.√ - Ensure that finished products√ meets the required standards.√ - Process of ensuring that products are consistently√ manufactured to high standards.√ - Checking raw materials/employees/ machinery/workmanship/products√ to ensure that high standards are maintained.√ - Any other relevant answer related to quality control. 	<ul style="list-style-type: none"> - Checks carried out during√ and after the production process.√ - Ensure that required standards√ have been met at every stage of the process.√ - Processes put in place to ensure that the quality of products/services/ systems adhere to pre-set standards√ with minimal defects/delays/short-comings.√ - Ensuring that every process is aimed to get the product 'right the first time'√ and prevent mistakes from happening.√ - Any other relevant answer related to quality assurance.
Sub max (2)	Sub max (2)

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

6.10 **Implications of the SDA on the human resources function**

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

Max (6)

BREAKDOWN OF MARKS

QUESTION 6	MARKS
6.1	8
6.2	6
6.3	3
6.4.1	6
6.4.2	6
6.5	4
6.6	6
6.7	6
6.8	5
6.9	4
6.10	6
TOTAL	60

TOTAL SECTION B: 180

SECTION C

Mark the first TWO (2) questions only.

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

- The Employment Equity Act (EEA) was introduced to redress the economic imbalances of the past.√
- The EEA applies to all employers, employees and people applying for jobs.√
- The aim of the Act is to ensure that transformation takes place in the workplace.√
- Labour inspectors have the power to issue compliance orders.√
- Employment policies and procedures must be aligned with the requirements of the Act.√
- Any other relevant introduction related to the purpose of the EEA/impact of EEA on businesses/consequences/penalties/practical ways in which businesses can comply with the EEA. **(2 x 1) (2)**

7.2 Purpose of the Employment Equity Act

- The EEA allows employees who do the same work to be paid equally.√√
- Eliminates discrimination on grounds of gender/race/disability in the workplace.√√
- Promotes equal opportunity and fair treatment in the workplace.√√
- Protects employees from victimisation if they exercise the rights given to them by the EEA.√√
- Promotes diversity in the workplace by ensuring that people of diverse backgrounds are appointed√√
- Ensures equal representation in the workplace through the implementation of affirmative action.√√
- Ensures equal representation of all population groups in the workplace.√√
- Any other relevant answer related to the purpose of the EEA.

Max (10)**7.3 Impact of the EEA on businesses****Positives/Advantages**

- Encourages consultation√ between employer and employees.√
- Motivates employees√ because the workforce is more diverse/representative/inclusive.√
- Creates a framework√ of acceptable employment practices/affirmative action measures.√
- Prevents unfair discrimination/discriminatory appointments√ as it ensures that the workforce represents the demographics of the country/promotes diversity in the workplace.√
- Motivates employees√ because everyone has the same employment opportunities.√
- Appointment process is clearly defined√, so all parties are well informed.√

- Promotes the implementation of affirmative action measures√ to redress the imbalance in employment.√
- Businesses are in a better position√ to negotiate contracts with the government.√
- Impacts positively√ on BEE ratings for businesses.√
- Any other relevant answer related to the positive impact/advantages of EEA on businesses.

AND/OR

Negatives/Disadvantages

- Increased administration burden√, as businesses must compile/submit employment equity reports every two years.√
- Expensive to train/employ someone√ who knows little about the Act.√
- Other groups may not respect the knowledge/skills/experience of an EEA appointment√ and may lead to conflict.√
- Fines/Penalties for non-compliant businesses√ may be expensive for the business.√
- Employers have to appoint one or more senior managers to ensure the implementation of the plan√, which increases salary expenditure.√
- Skilled people from designated groups may demand higher salaries√ which increase salary expenses.√
- Job hopping of skilled/trained EE appointees√ may increase staff turnover.√
- Diversity in the workplace√ may lead to conflict/unhappiness.√
- Businesses must submit a compliance certificate√ before they can conduct business with state businesses.√
- Businesses are sometimes pressurised to appoint an unsuitable person√ to meet EEA requirements.√
- Often positions go unfilled√ because there are no suitable EEA candidates.√
- Any other relevant answer related to the negative impact/disadvantages of the EEA on businesses.

Max (16)

7.4 Consequences/Penalties for non-compliance

- Labour inspectors may conduct onsite visits, to interview employees which can create a bad image for the business.√√
- A compliance order may be issued to businesses that do not comply with the EEA.√√
- Businesses may be brought before the Labour Court if compliance orders are not adhered to/no efforts made to reach targets.√√
- Labour inspectors may investigate/inspect/ask questions about complaints.√√
- Businesses may face heavy fines for non-compliance.√√
- They can be ordered to pay compensation and damages to the employee.√√
- Any other relevant answer related to the consequences/penalties for non-compliance with the EEA.

Max (8)

7.5 Practical ways in which businesses can comply with the EEA

- Businesses should 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.√√
- Clearly define the appointment process, so that all parties are well informed.√√
- Ensure that diversity/inclusivity in the workplace is achieved.√√
- Prepare an employment equity plan in consultation with employees.√√
- Compile employment equity plans that indicate how they will implement affirmative action.√√
- Ensure that affirmative action measures promote diversity in the workplace.√√
- Implement the employment equity plan.√√
- Implement affirmative action measures to redress disadvantages experienced by designated groups/Accommodate people from different designated groups.√√
- 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.√√
- Regularly report to the Department of Labour on progress in implementing the plan.√√
- Display a summary of the Act where employees can clearly see/have access to the document.√√
- Conduct medical/psychological tests fairly to employees/when deemed necessary.√√
- Ensure that the workplace represents the demographics of the country at all levels.√√
- Restructure/Analyse current employment policies/practices/procedures to accommodate designated groups.√√
- Retrain/Develop/Train designated groups through skills development programmes.√√
- Any other relevant answer related to practical ways in which businesses can comply with the EEA.

Max (12)**7.6 Conclusion**

- The EEA does not only promote and regulate affirmative action, but also gives guidance in conducting a fair appointment process.√√
- Businesses can access the skills and expertise of previously disadvantaged individuals.√√
- Businesses should take necessary steps/put practical measures in place to promote equal opportunities in the workplace.√√
- Penalties for non-compliance may have a negative financial implication for businesses.√√
- Any other relevant conclusion related to the purpose of the EEA/impact of EEA on businesses/consequences/penalties/practical ways in which businesses can comply with the EEA.

Max (2)
[40]

QUESTION 7: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Purpose of the EEA	10	
Impact of EEA on businesses	16	
Consequences/Penalties for non-compliance	8	
Compliance with EEA	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 some requirements are met.

Allocate 0 marks where requirements are not met at all.

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

- Shares represent a portion of the company that a person/group of people own.√
- Investors have a range of investment opportunities to choose from including ordinary and preference shares.√
- Investment opportunities are measured against criteria for good investment.√
- Investors set financial goals and make an informed decision after considering various investment factors.√
- An effective presentation is one in which the desired outcome is achieved.√
- Feedback enables the presenter to improve on his/her next presentation.√
- Any other relevant introduction related to ordinary shares/preference shares/investment decisions/factors during a presentation/areas of improvement.

(2 x 1) (2)**8.2 Differences between ordinary shares and preference shares**

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

- NOTE:**
1. The answer does not have to be in tabular format
 2. The difference does not have to link but must be clear.
 3. Award a maximum of SIX (6) mark if differences are not clear/Mark either ordinary shares or preference shares only.
- Max (12)**

8.3 Factors to be considered when making an investment decision

8.3.1 Risk

- Refers to the chance that the invested amount may reduce in value/lost in total over a period of time√, due to unforeseen circumstances.√
- The higher the potential return√, the higher the risk of a potential loss.√
- Example: investing in shares has a higher risk√ than investing in a fixed deposit.√
- Any other relevant answer related to risk as a factor to be considered when making an investment decision.

Sub max (4)

8.3.2 Taxation

- Refers to a compulsory payment√ made by citizens to the government. √
- A good investment√ will yield good after-tax returns.√
- Income tax implications must be considered√ in order to ensure a high net after-tax return.√
- Tax rates are not necessarily the same√ for different investments.√
- Any other relevant answer related to taxation as a factor to be considered when making an investment decision.

Sub max (4)

8.3.3 Investment period

- This refers to the duration of the investment√ which may influence the return on investment.√
- It can be short/medium/long term√ depending on the nature of an investment option.√
- The investment period will depend√ on an investor's personal needs/goals.√
- Any other relevant answer related to the investment period as a factor to be considered when making an investment decision.

Sub max (4)

Max (12)

8.4 Factors to be considered during a presentation

- Establish credibility√ by introducing yourself at the beginning of the presentation.√
- Do not ramble on at the start√, to avoid losing the audience/their interest.√
- Stand in a good position/upright√, where the audience can clearly see the presenter/presentation.√
- Make the purpose/main points of the presentation clear√ at the start of the presentation.√
- Use suitable section titles/headings/subheadings/bullets √ to simplify the presentation.√

- Mention/Show most important information first.
- Add some appropriate humour in the presentation.
- Avoid hiding behind equipment as it may give an impression of uncertainty.
- Capture listeners' attention/Involve the audience with a variety of methods, e.g. short video clips/sound effects/humour, etc.
- Make eye contact with the audience and look in all directions.
- Be audible to all listeners/audience to keep them focused.
- 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 and do not rush/talk too slowly.
- Keep the presentation short/simple to avoid repetition of facts.
- Manage time effectively to allow time for questions.
- Ensure that the audience will leave with/take away specific information/benefits.
- Summarise the main points of the presentation to conclude the presentation.
- Conclude/End with a strong/striking ending that will be remembered.
- Any other relevant answer related to factors to be considered during a presentation.

Max (12)

8.5 **Ways to improve on the next presentation**

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

Max (10)

8.6 Conclusion

- Shares can be sold to others for a higher price than it was purchased for.√√
- A business that is managed successfully will make a number of investments over a period of time.√√
- Investors can make informed/calculated decisions after considering various investment opportunities and risk factors.√√
- A well-prepared presentation creates a good impression and may attract potential investors.√√
- A good presentation promotes the image of the business/owner/management.√√
- Presentation of business information is one of the key aspects in communicating with various stakeholders.√√
- A presenter should consider both positive and negative feedback for future improvements.√√
- Any other relevant conclusion related to ordinary shares/preference shares/investment decisions/factors during a presentation/areas of improvement.

Max (2)
[40]

QUESTION 8: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Differences between ordinary and preference shares	12	
Factors to be considered when making an investment decision	12	
Factors to be considered during a presentation	12	
Ways to improve on the next presentation	10	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

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

Allocate 0 marks where requirements are not met at all.

QUESTION 9: BUSINESS ROLES (PROFESSIONALISM AND ETHICS)**9.1 Introduction**

- Businesses develop a Code of Ethics as a guide to make ethical decisions.√
- Many businesses have a Code of Conduct that outlines the expected behaviour for their employees.√
- Ethical and professional behaviour means that the highest legal and moral standards are upheld when dealing with stakeholders.√
- Unethical business practices can have a negative impact on businesses.√
- Successful businesses have developed strategies to deal with unethical business practices.√
- Ethical business practices treat all stakeholders honestly/fairly/respectfully.√
- The King Code principles serve as a guideline on how businesses can conduct themselves ethically and professionally.√
- Any other relevant introduction related to ethics/unethical/unprofessional business practices/application of King Code principles.

(2 x 1) (2)**9.2 Meaning of ethics**

- Set of standards√ of expected behaviour between the employer/employee/business partners.√
- Set of values√ that are morally acceptable when conducting business.√
- Business practices that are acceptable√ to society/group/ community.√
- Inherently forms part of the employees' √ code of conduct.√
- Focus is on developing a moral compass√ to use in decision making.√
- Seeks to avoid harm√ while promoting benefit to others.√
- Any other relevant answer related to the meaning of ethics in the workplace.

Max (8)**9.3 Unethical/Unprofessional business practices that could pose a challenge to businesses****9.3.1 Sexual harassment Challenges**

- A victim may be severely traumatised√ and this may affect other employees' emotionally.√
- The affected party is normally reluctant to report the incident√ due to fear of victimisation which can reduce productivity.√
- Businesses could lose female employees√ and attract/retain less female applicants.√
- Sexual harassment causes discomfort/humiliation√ and negatively affects work relations in the workplace.√
- The affected party may stay away√ regularly from work. √
- Any other relevant answer related to how sexual harassment can pose a challenge to businesses.

Submax (4)

9.3.2 Abuse of work time Challenges

- It may result in employees' often√ abusing work time.√
- Abuse of work time could result in losing customers√ or not meeting deadlines.√
- Wasting time costs the business money√ and affects productivity.√
- Abuse of work time results in a decline in profits√ which could damage the financial wealth of the business.√
- Any other relevant answer related to how abuse of work time can pose a challenge to businesses.

Submax (4)

9.3.3 Tax evasion/Taxation Challenges

- Some businesses submit fraudulent/incorrect returns to SARS√ resulting to penalties.√
- Businesses may not be familiar with√ the latest changes in tax legislation. √
- They may pay heavy fines√ for evading tax.√
- Tax evasion may negatively impact √ on the business image.√
- Businesses may lose key stakeholders√ if the act of tax evasion is reported.√
- The accountant may charge high fees√ for falsifying financial statements.√
- Any other relevant answer related to how tax evasion/taxation can pose a challenge to businesses.

Submax (4)

Max (12)

9.4 Ways to deal with unethical/unprofessional business practices

9.4.1 Dealing with sexual harassment

- Implement internal complaints and disciplinary procedures.√√
- Educate employers on sexual harassment matters.√√
- Formulate a policy regarding sexual harassment.√√
- Ensure that all employees are familiar with the code of ethics of sexual abuse.√√
- Create a good working environment where all employees' rights and dignity are respected.√√
- Internal investigation should be made in order to determine the seriousness of the harassment.√√
- Provide a framework for corrective action.√√
- Serious cases/matters on sexual harassment should be reported to the appropriate institutions such as the South African Police Services (SAPS).√√
- Ensure compliance with the law/business code of conduct.√√
- Any other relevant recommendation related to ways in which businesses can deal with sexual harassment as an unethical/unprofessional business practice.

Sub max (6)

9.4.2 Dealing with abuse of work time

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

Sub max (6)

9.4.3 Dealing with tax evasion/taxation

- Business should keep an accurate record of income statements/financial transactions.√√
- The employees' payroll needs to reflect accurate deductions according to the progressive tax system.√√
- VAT needs to be charged on VAT-able items.√√
- Submit the correct tax returns to SARS on time.√√
- All products should be correctly invoiced and recorded.√√
- Keep abreast with the latest SARS regulations and tax laws.√√
- Businesses that have evaded tax should apply for amnesty and declare their income.√√
- Effective systems to determine the appropriate amount of tax to be paid should be in place.√√
- Disclose all sources of income for tax payment purposes.√√
- Any other relevant recommendation related to ways in which businesses can deal with tax evasion/taxation as an unethical/unprofessional business practice.

Sub max (6)

Max (18)

NOTE: Award a maximum of TWO (2) marks for negative strategies in EACH unprofessional business practise.

9.5 Application of King Code principles

9.5.1 Accountability

- Businesses should be accountable/responsible for their decisions/actions.√√
- Businesses should present accurate annual reports to shareholders at the Annual General Meeting (AGM).√√
- Top management should ensure that other levels of management are clear about their roles and responsibilities to improve accountability.√√
- Any other relevant answer related to how businesses can apply accountability as a King Code principle for good corporate governance.

Sub max (4)

9.5.2 Transparency

- Decisions/Actions must be clear to all stakeholders.√√
- Businesses should give details of shareholders' voting rights to them before/at the Annual General Meeting (AGM).√√
- Business dealings/transactions must be open/honest.√√
- Business policies and processes must be clear and understood by all stakeholders.√√
- The board of directors must report on both the negative and positive impact of the business on the community/environment.√√
- Any other relevant answer related to how businesses can apply transparency as a King Code principle for good corporate governance.

Sub max (4)

Max (8)

9.6 Conclusion

- A business code of ethics/conduct should improve relationships and eliminate unethical business practices.√√
- Employees who do not adhere to the code of ethics/conduct should face disciplinary actions.√√
- Businesses can make use of good corporate governance to address issues that challenge professionalism and ethics in the workplace.√√
- The King Code principles can be applied to all entities, private and public sectors.√√
- Any other relevant conclusion related to ethics/professionalism/unethical business practices/application of King Code principles.

Max (2)

[40]

QUESTION 9: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Meaning of ethics in the workplace	8	
Challenges: ○ Sexual harassment ○ Abuse of work time ○ Tax evasion/Taxation	12	
Recommendations ○ Sexual harassment ○ Abuse of work time ○ Tax evasion/Taxation	18	
Application of King Code principles: ○ Accountability ○ Transparency	8	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

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

Allocate 0 marks where requirements are not met at all.

QUESTION 10: BUSINESS OPERATIONS (HUMAN RESOURCES AND QUALITY OF PERFORMANCE)**10.1 Introduction**

- The objective of recruitment is to attract the best possible applicants with required skills/qualification/competency to fill vacancies.√
- Reliable recruitment procedures and systems should be in place to ensure that businesses achieve their goals.√
- Some businesses offer benefits in addition to their salaries.√
- Fringe benefits are either compulsory or non-compulsory.√
- Continuous improvement to processes and systems may ensure quality products/services.√
- The production manager should put systems in place to ensure that quality products are produced.√
- Any other relevant introduction related to recruitment/fringe benefits/continuous improvement to processes and systems/quality indicators of the production function.

(2 x 1) (2)**10.2 Recruitment procedure**

- The human resource manager (HRM) should evaluate the job/prepare a job analysis, that includes the job specification/job description/in order to identify recruitment needs.√√
- HRM should indicate the job specification/key performance areas to attract suitable candidates.√√
- Choose the method of recruitment, e.g. internal/external, to reach/target the suitable applicants/candidates.√√
- If the external recruitment is chosen, the relevant recruitment sources should be selected, e.g. recruitment agencies/tertiary institutions/newspapers, etc.√√
- Vacancies can be internally advertised via internal email/word of mouth/posters/staff notices.√√
- External recruitment should be considered if internal recruitment was unsuccessful.√√
- The advertisement should be prepared with the relevant information, e.g. the name of the company, contact details, contact person, etc.√√
- Place the advertisement in the selected media that will ensure that the best candidates apply.√√
- Any other relevant answer related to the recruitment procedure.

NOTE: The procedure may be in any order.**Max (12)**

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

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

AND/OR**Negatives/Disadvantages**

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

Max (12)**10.4 Positive impact of continuous improvement to processes and systems on large businesses**

- Large businesses have more resources√ to check on quality performance in each unit/business function.√
- Enough capital resources are available for new equipment required√ to stay relevant to new developments.√
- Large businesses have a person dedicated√ to the improvement of systems and processes.√
- Willing to take risk on/try new processes and systems√ because they are able to absorb the impact of losing money.√

- They can afford to use the services of the quality circles√ to be competitive.√
- Large businesses use the PDCA model√ to continuously plan/do/check/act on new/revised processes and systems.√
- Any other relevant answer related to the positive impact/advantages of continuous improvement to processes and systems on large businesses.

Max (10)**10.5 Quality indicators of the production function**

- The production manager should provide high quality services according to specifications.√√
- The production/operating processes of a business is done through proper production planning and control.√√
- Products and services could be produced at the lowest possible cost to allow for profit maximisation.√√
- The production manager should communicate the roles and responsibilities to the production workers.√√
- Products meet customers' requirements by being safe, reliable and durable.√√
- The production manager 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.√√
- The production manager should ensure that machines and equipment are optimally utilised.√√
- Accurately calculate the production costs.√√
- Any other relevant answer related to the quality indicators of the production function.

Max (12)**10.6 Conclusion**

- Businesses should have suitable/effective recruitment procedure in place.√√
- Businesses should plan carefully for fringe benefits so that potential candidates can consider the advantages and disadvantages of joining the business.√√
- Businesses need to set standards for their operations and continually improve those standards.√√
- The production function should produce goods and services according to set standards and specifications.√√
- Any other relevant conclusion related to recruitment/fringe benefits/continuous improvement to processes and systems/quality indicators of the production function.

Max (2)**[40]**

QUESTION 10: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Recruitment procedure	12	
Impact of fringe benefits	12	
Positive impact of continuous improvement processes and systems	10	
Quality indicators of the production function	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 some requirements are met.

Allocate 0 marks where requirements are not met at all.

TOTAL SECTION C: 80
GRAND TOTAL: 300