education

Department of Education
FREE STATE PROVINCE

PREPARATORY EXAMINATION

GRADE 12

BUSINESS STUDIES P2

SEPTEMBER 2022

MARKS: 150

MARKING GUIDELINES

This marking guideline consists of 31 pages.

Copyright reserved

NOTES TO MARKERS

PREAMBLE

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

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

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

Marker:	Red
Senior Marker:	Green
Deputy Chief Marker:	Brown/Black
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 guideline
   - Comes from another credible 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, which are relevant within the context of a particular question, and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)

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

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

Copyright reserved

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 answers to questions or sub-questions is recommended in SECTIONS 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 the 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 guideline and the context of each question.

    Cognitive verbs, such as:

    12.1 Advise, name, state, 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, 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 assessment 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 only 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.

NOTE: 1. This applies only to questions where the number of facts is specified.
2. The above also applies to responses in SECTION C. (where applicable)

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 and refer to the DBE internal moderator to finalise the alternative answers in consultation with the UMALUSI external moderators.

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 (two marks will be allocated in Section C)

The 'fact' and 'explanation' are given separately in the marking guideline 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 guideline.

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, paragraphs 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 for facts): 1 (One "A")		**2**
Synthesis	Are there relevant decisions/facts/responses made based on the questions?		
	Option 1:	**Only relevant facts: 2 marks (No '-S')** Where a candidate answers 50% or more (two to four sub-questions) 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:	**Some relevant facts: 1 mark (One '-S')** Where a candidate answers less than 50% (only one sub-question) 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:	**Some relevant facts: 1 mark (One '-S')** Where a candidate answers FOUR sub-questions, but one/two/three sub-questions with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.	
	Option 4:	**No relevant facts: 0 mark (Two '-S')** Where a candidate answers less than 50% (only one sub-question) of the questions with no relevant facts, two '-S' appears in the left margin. Award a ZERO mark synthesis.	**2**
Originality	Is there evidence of one or two examples, not older than two(2) years, per topic/subtopic that are based on 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 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 guideline 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 guideline.

Copyright reserved

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(√) 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 MULTIPLE CHOICE

1.1.1 A √√
1.1.2 C √√
1.1.3 B √√
1.1.4 D √√
1.1.5 B √√

(5 x 2) (10)

1.2 CHOOSE THE CORRECT ANSWER

1.2.1 management √√
1.2.2 debentures √√
1.2.3 changes in fashion √√
1.2.4 grievance √√
1.2.5 planet √√

(5 x 2) (10)

1.3 COLUMN A AND COLUMN B

1.3.1 D √√
1.3.2 H √√
1.3.3 I √√
1.3.4 A √√
1.3.5 F √√

(5 x 2) (10)

TOTAL SECTION A: 30

BREAKDOWN OF MARKS	
QUESTION 1	**MARKS**
1.1	**10**
1.2	**10**
1.3	**10**
Total	**30**

SECTION B

Mark only the FIRST TWO answers.

QUESTION 2: BUSINESS VENTURES

2.1 **Non-verbal presentations**

- Tables √
- Graphs/bar graph/line graph/histogram/pie graph/charts √
- Diagrams √
- Illustrations/Pictures/Photographs/Scenarios/Models √
- Written/Business reports √
- Flip charts √
- Handouts/Printouts √
- Slide shows/PowerPoint √
- Any other relevant answer related to non-verbal presentations.

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

2.2 **Rights of preference shareholders**

- Receive dividends regardless of how much profits are made. √√
- Receive a fixed rate of return/dividend. √√
- They are paid first/enjoy preferential rights to dividends. √√
- They have a preferred claim on company assets in the event of bankruptcy/ liquidation of the company. √√
- Receive interim and annual reports. √√
- They only have voting rights at the AGM under particular circumstances/for certain resolutions. √√
- Cumulative shareholders must receive outstanding/accrued dividends from previous years. √√
- Participating preference shareholders have the right to share in surplus profits. √√
- Any other relevant answer related to rights of preference shareholders.

Max (4)

2.3 **Leadership styles**

2.3.1 **Leadership styles from the scenario**

LEADERSHIP STYLES	MOTIVATIONS
1. Democratic √√	Employees at MC are allowed to participate in decision-making processes √
2. Transactional √√	They also offer rewards to motivate their employees to work hard √
Submax (4)	Submax (2)

NOTE:
1. **Award marks for the leadership styles even if the quotes are incomplete.**
2. **Do not award marks for the motivation if the leadership styles were incorrectly identified.**
3. **Accept responses in any order.**

Max (6)

2.3.2 **Role of personal attitude in successful leadership.**

- Positive attitude releases √ leadership potential. √
- A leader's good/bad attitude can influence √ the success/failure of the business. √
- Leaders must know their strengths and weaknesses √ to apply their leadership styles effectively. √
- Great leaders understand that the right attitude√ will set the right atmosphere. √
- Leaders' attitudes may influence √ employees'/teams' thoughts/ behaviour. √
- Leaders should model the behaviour √ that they want to see in team members. √
- Successful leaders consider the abilities/skills of team members√ to allocate tasks/roles effectively. √
- Enthusiasm produces √ confidence in a leader. √
- A positive attitude is critical for good leadership √ because good leaders will stay with the task regardless of difficulties/challenges. √
- Successful employees and leaders have a constant desire to work√ and achieve personal/professional success. √
- Leaders with a positive attitude know √ that there is always more to learn/space to grow. √
- Any other relevant answer related to the role of personal attitude in successful leadership.

Max (4)

2.4 **Principles of insurance**

2.4.1 **Indemnification**

- Usually applies to short-term insurance, √ as the insured is compensated for specified/proven harm/loss. √
- Insurer agrees to compensate the insured for damages/losses specified in the insurance contract, √ in return for premiums paid by the insured to the insurer. √
- Protects the insured against the specified event √ that may occur. √
- Payouts from insurance companies/insurers will only be made; √ if there is proof that the specified event took place/if the insured can prove the amount of the loss/damage. √
- The amount of indemnification/compensation is limited to the amount of provable loss/damage, √ even if the amount in the policy/insurance contract is higher. √
- The insured must be placed in the same position√ as before the occurrence of the loss/damage./The insured may not profit from insurance. √
- Any other relevant answer related to indemnification as a principle of insurance.

Max (4)

2.4.2 **Utmost good faith**

- Insured has to be honest in supplying details √ when entering into an insurance contract. √
- Both parties/insurer and insured √ must disclose all relevant facts. √
- Insured must disclose everything √ that may affect the extent of the risk. √
- Details/Information supplied when claiming √ should be accurate/ true. √
- Any other relevant answer related to utmost good faith as a principle of insurance.

Max (4)

2.5 **Calculation of compound interest**

Option 1
Year 1: R15 000 x 8% = R1 200√
Year 2: R16 200 x 8% = R1 296√
Total interest = R2 496√√

OR

Option 2
FORMULA: $P \times (1 + r)^n$ √
R15 000 x $(1+8/100)^2$ √
R15 000 x $(1.08)^2$ = 17 496 √
Total interest = R17 496 - 15 000
= R2 496 √√

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

Max (4)

2.6 **Characteristics of a partnership**

- An agreement between two or more people √ who combine labour, capital and resources towards a common goal. √
- Partners combine capital √ and may also borrow capital from financial institutions. √
- No legal requirements √ regarding the name of the business. √
- Partners have unlimited liability √ and are jointly and severally liable for the debt of the business. √
- Profit is shared √ according to the partnership agreement. √
- Auditing financial statements √ is optional. √
- Partners share responsibilities √ and they are all involved in decision-making. √
- No legal formalities to start √, only a written partnership agreement is required. √

- The partnership does not pay income tax, √ only the partners in their personal capacities. √
- Diversity, specialisation and different skills of the partners √ can be used. √
- Partnership has no legal personality √ and therefore has no continuity. √
- Any other relevant answer related to the characteristics of a partnership.

Max (4)

2.7 **Areas of improvement in the next presentation**

- The presenter should revise objectives that were not achieved. √√
- Humour should be used appropriately. √√
- Always be prepared to update/keep the information relevant. √√
- Reflect on any problem/criticism and avoid it in future presentations. √√
- Reflect on the time/length of the presentation to add/remove content. √√
- Increase/Decrease the use of visual aids or replace/remove aids that did not work well. √√
- Reflect on the logical flow of the format/slides/application of visual aids. √√
- Analyse feedback from a presentation and incorporate/update/ amend the presentation. √√
- Any other relevant answer related to areas to improve his/her next presentation.

Max (6)

[40]

BREAKDOWN OF MARKS	
QUESTION 2	**MARKS**
2.1	**4**
2.2	**4**
2.3.1	**6**
2.3.2	**4**
2.4.1	**4**
2.4.2	**4**
2.5	**4**
2.6	**4**
2.7	**6**
TOTAL	**40**

QUESTION 3: BUSINESS ROLES

3.1 **CSI focus areas**

- Community √
- Rural development √
- Employees √
- Environment √

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

3.2 **Human rights**

3.2.1 Privacy √√ **(2)**

3.2.2 Freedom of speech and expression √√ **(2)**

3.3 **Causes of conflict in the workplace**

- Lack of proper communication/misunderstanding √ between management and workers. √
- Ignoring rules/procedures may result √ in disagreements/ differences in opinions and conflict. √
- Management and/or workers may have different √ personalities/ backgrounds. √
- Different values/levels of knowledge/skills/experience √ of managers/workers. √
- Little/no co-operation √ between internal and/or external parties/ stakeholders. √
- Lack of recognition for good work √, e.g. a manager may not show appreciation for extra hours worked to meet deadlines. √
- Lack of employee development √ may increase frustration levels as workers may repeat errors due to a lack of knowledge/skills. √
- Unfair disciplinary procedures √, e.g. favouritism/nepotism. √
- Little/no support from management √ with regard to supplying the necessary resources. √
- Leadership styles used √, e.g. autocratic managers may not consider worker inputs. √
- Unrealistic deadlines/Heavy workloads √ lead to stress resulting in conflict. √
- Lack of agreement on mutual matters √, e.g. remuneration/working hours. √
- Unhealthy competition/Inter-team rivalry √ may cause workers to lose focus on team targets. √
- Constant changes √ can cause instability. √
- Lack of clarity √ regarding employees' roles and responsibilities. √
- Lack of commitment/distracted by personal objectives √ which may lead to an inability to meet pre-set targets. √
- Complaints/criticism of performance/behaviour/attitudes may result √ in resentment between the employer and employee. √
- Poor organisation/leadership/procedures √ resulting in confusion regarding set targets. √
- Any other relevant answer related to the causes of conflict in the workplace.

Max (6)

3.4 **Differences between ethical and professional behaviour**

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

NOTE:
1. **The answer does not have to be in tabular format.**
2. **The differences do not have to link, but must be clear.**
3. **Award a maximum of FOUR (4) marks if the differences are not clear/Mark either professional or ethical behaviour**

Max (8)

3.5 **Problem-solving technique**

3.5.1 **Problem-solving technique from the scenario**

Nominal-group technique √√ **(2)**

Motivation

The management of TT requested their employees to silently come up with many ideas and then share them with other colleagues. √ **(1)**

NOTE: Do not award marks for the motivation if the problem-solving technique was incorrectly identified.

Max (3)

3.5.2 **Impact of the Nominal-group technique**

Positives/Advantages

- It provides time to think about the question in silence √ before responding. √
- Voting on the ideas is anonymous √ and may be more reliable/ honest. √
- Strong technique for preventing conformity √ to group pressure. √
- Each team member/director has a chance to participate√ without interference from other team members. √
- Everyone in the group is given an opportunity to contribute to the discussion, √ while avoiding the likelihood of one person dominating the group process. √
- Enables the group to generate and clarify a large number of ideas quickly, √ and democratically prioritise them. √
- It encourages participants to confront issues √ through constructive problem solving. √
- Any other relevant answer related to the positive impact/advantages of the nominal-group technique.

AND/OR

Negatives/Disadvantages

- Small groups limit participation √ and are pre-selected. √
- It is time-consuming,√ as each member must make a presentation. √
- Suggestions may not be as creative √ as when a group throws ideas around. √
- Good ideas can be voted out √ because their potential cannot be developed further. √
- It minimises discussion, √ and thus does not allow the full development of ideas. √
- Ideas/Inputs made by members may not converge √ and cannot lead to the same solution (s). √
- It is hard to implement it effectively with large groups √ unless very carefully planned beforehand. √
- Requires extended advance preparation, √ which means that it cannot be a spontaneous technique. √
- Any other relevant answer related to the negative impact/disadvantages of the nominal-group technique.

NOTE: Accept relevant facts if the problem-solving technique was incorrectly identified as an answer in QUESTION 3.5.1.

Max (4)

3.6 **Importance of team dynamic theories**

- Team dynamic theories explain √ how effective teams work/ operate. √
- Businesses are able to allocate tasks √ according to the roles of team members. √
- Team members can maximise performance √ as tasks are allocated according to their abilities/skills/attributes/personalities. √
- Team members with similar strengths may compete for team tasks/responsibilities √ that best suit their abilities/competencies. √
- Theories assist team leaders to understand the personality types of team members √ so that tasks are assigned more effectively. √
- Conflict may be minimised √ when team members perform different roles. √
- Any other relevant answer related to the importance of team dynamic theories in improving team performance.

Max (6)

3.7 **Ways in which businesses could protect the environment and human health in the workplace**

- Laws and regulations should be adhered to so that profits are not generated at the expense of the environment. √√
- Pollution and other environmental issues should always be considered in all business activities, e.g. safe disposal of waste/dumping of toxic waste. √√
- Become involved in environmental awareness programs. √√
- The environment can be protected by altering production techniques in favour of cleaner and greener technologies. √√
- Water for human consumption should be tested before it is used. √√
- Promote nature conservation by looking after natural resources. √√
- Minimise pollution, by re-using, reducing and recycling. √√
- Reduce consumption of goods/services which are environmentally unfriendly. √√
- Register/Engage with recognised institutions/bodies that promote green peace. √√
- Physical working conditions should always be worker-friendly, safe and promote occupational health. √√
- Physical working conditions such as adequate lighting/ventilation should be available and functional. √√
- Machines must be serviced/maintained regularly. √√
- Educate employees about hygiene issues/Covid 19 regulations and guidelines. √√
- Encourage employees to do regular health checks. √√
- Conduct regular inspections on buildings/machinery to minimise potential dangers to human health. √√
- Any other relevant answer related to ways in which businesses could protect the environment and human health in the workplace.

Max (6)
[40]

BREAKDOWN OF MARKS	
QUESTION 3	**MARKS**
3.1	**3**
3.2.1	**2**
3.2.2	**2**
3.3	**6**
3.4	**8**
3.5.1	**3**
3.5.2	**4**
3.6	**6**
3.7	**6**
TOTAL	**40**

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS VENTURES

4.1 **Factors that should be considered when making investment decisions**

- Return on investment (ROI) √
- Risk √
- Investment term/period √
- Inflation rate √
- Taxation √
- Liquidity √

NOTE: Mark the first TWO (2) only. **(2 x 1)** **(2)**

4.2 **Compulsory insurance**

4.2.1 COIDA (Compensation for Occupational Injuries and Diseases Act) √√ **(2)**

4.2.2 UIF (Unemployment Insurance Fund) √√ **(2)**

4.3 **Difference between limited and unlimited liability**

LIMITED LIABILITY	UNLIMITED LIABILITY
- Losses are limited √ to the amount that the owner invested in the business. √	- The liability of the owner to pay debts/claims √ is not limited to the business only. √
- The owner's personal assets are protected √ against the debts of the business. √	- The owner's personal assets may be seized √ to pay for the debts of the business. √
- Applicable to forms of ownership/companies √ that have a separate legal entity/ personality. √	- Applicable to forms of ownership/companies√ that do not have a separate legal entity/personality. √
- Any other relevant answer related to limited liability.	- Any other relevant answer related to unlimited liability.
Submax (2)	Submax (2)

NOTE:
1. **The answer does not have to be in a 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 limited or unlimited liability only.**

Max (4)

4.4 **Transformational leadership theory**

- Suitable for a dynamic environment, √ where change could be drastic. √
- The passion/vision/personality of leaders inspires followers √ to change their expectations/perceptions/motivation to work towards a common goal. √
- Strategic thinking leaders develop a long-term vision for the organisation √ and sell it to subordinates/employees. √
- Leaders have the trust/respect/admiration √ of their followers/ subordinates. √
- Promotes intellectual stimulation/creative thinking/problem solving √ which results in the growth/development/success of the business. √
- Followers are coached/led/mentored/emotionally supported through transformation/change √ so that they can share their ideas freely. √
- Encourages followers √ to explore/try new things/opportunities. √
- Leaders lead by example √ and make workers interested in their work. √
- Leaders have strong, charismatic personalities √ and are very good at motivating staff to achieve results. √
- Enable employees to take greater ownership of their work √ and to know their strengths and weaknesses. √
- Any other relevant answer related to transformational leadership theory.

Max (4)

4.5 **Advantages of insurance for businesses**

- Transfers the risk from businesses/insured √ to an insurance company/insurer. √
- Transfer of risk is subject to the terms and conditions √ of the insurance contract. √
- Protects businesses against theft/loss of stock and/or damages caused by natural disasters √ such as floods, storm damage √, etc.
- Businesses will be compensated for insurable losses, √ e.g. destruction of property through fire. √
- Businesses' assets, e.g. vehicles/equipment/buildings need to be insured against damage √ and/or theft. √
- Businesses are protected against the loss of earnings, e.g. √ strikes by employees which result in losses worth millions. √
- Protects businesses against √ dishonest employees. √
- Life insurance can be taken on the life of partners in a partnership √ to prevent unexpected loss of capital. √
- Should the services of key personnel be lost due to accidents/death, √ the proceeds of an insurance policy can be paid out to the businesses/beneficiaries. √

- Replacement costs for damaged machinery/equipment are very high, √ therefore insurance can reduce/cover such costs. √
- Protects businesses from claims made by members of the public for damages √ that the business is responsible for. √
- Protects businesses against losses √due to death of a debtor. √
- Any other relevant answer related to the advantages of insurance for businesses.

Max (6)

BUSINESS ROLES

4.6 **Diversity issues in the workplace**

- Poverty √
- Race √
- Gender √
- Language √
- Age √
- Culture/religion √
- Disability √

NOTE: Mark the first TWO (2) only. (2 x 1) (2)

4.7 **Unprofessional business practice**

4.7.1 **Unprofessional business practice quoted from the scenario**

UNPROFESSIONAL BUSINESS PRACTICE		MOTIVATION
1.	Unauthorised use of workplace funds and resources √√	Alma, one of UT's managers, used the business car to go on a vacation. √
2.	Abuse of work time √√	She also made travelling arrangements during business hours. √
	Submax (4)	Submax (2)

NOTE:
1. **Do not award marks for motivations if the unprofessional business practices were incorrectly identified.**
2. **Award marks for unprofessional business practices even if the quotes are incomplete.**
3. **The unprofessional business practice can be in any order.**

Max (6)

4.7.2 **Strategies to deal with unauthorised use of workplace funds and resources**

- Conduct regular audits. √√
- Identify risk areas/ vulnerable areas. √√
- Limit the number of employees having access to business funds/assets. √√
- Implement/Introduce fraud prevention strategies. √√
- Educate employees about the impact of fraud. √√
- Fraud prevention should be a collective responsibility of businesses and workers. √√
- Clear policies should be in place so that employees are aware of what is considered to be a fraud. √√
- Set up systems in the organisation for the reporting of fraud and corruption. √√
- Any other relevant answer related to strategies to deal with unauthorised use of workplace funds and resources.

OR

Strategies to deal with abuse of work time

- Speak directly to those employees who abuse work time. √√
- Code of conduct/ethics should contain clear rules about the 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. √√
- 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. √√
- Any other relevant answer related to strategies to deal with abuse of work time.

Max (4)

4.8 **Characteristics of successful team performance**

- Successful teams share a common goal √ as team members are part of the process of setting goals for the group. √
- There is a climate of respect/trust √ and honesty. √
- Share a set of team values √and implement group decisions. √
- Successful teams √ have sound intra-team relations. √
- Teams value the contributions of individual members √ and reach a consensus on differences. √
- Team members enjoy open communication √ and deal with items of conflict immediately. √
- Teams are accountable √ and members know the time frame for achieving their goals. √
- Teams pay attention to the needs √ of the individual team members. √

- Creates an environment where team members are given opportunities to develop √ so that team members grow and learn from the experience of working in a team. √
- Regular reviews of team processes and progress √ may detect/solve problems sooner. √
- Balance the necessary skills/knowledge/experience/expertise √ to achieve the objectives. √
- Any other relevant answer related to characteristics of successful team performance.

Max (4)

4.9 **Ways in which businesses can create an environment that promotes creative thinking.**

- Emphasise the importance of creative thinking to ensure that all staff know that management wants to hear their ideas. √√
- Make time for brainstorming sessions to generate new ideas, e.g. regular workshops generate more ideas/build on one another's ideas. √√
- Place suggestion boxes around the workplace and keep communication channels open for new ideas. √√
- Train staff in innovative techniques/creative problem-solving skills/ mind mapping/lateral thinking. √√
- Encourage job swops within the organisation√/Study 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. √√
- Any other relevant answer related to how businesses can create an environment that promotes creative thinking in the workplace.

Max (4)
[40]

BREAKDOWN OF MARKS	
QUESTION 4	**MARKS**
4.1	**2**
4.2.1	**2**
4.2.2	**2**
4.3	**4**
4.4	**4**
4.5	**6**
4.6	**2**
4.7.1	**6**
4.7.2	**4**
4.8	**4**
4.9	**4**
TOTAL	**40**

TOTAL SECTION B: 80

SECTION C

Mark the FIRST question ONLY.

QUESTION 5: BUSINESS VENTURES (PRESENTATION AND DATA RESPONSE/FORMS OF OWNERSHIP)

5.1 **Introduction**

- Preparing for a presentation will ensure a good and memorable presentation. √
- Entrepreneurs must conduct research on the criteria that contribute to the success and/or failure of the public company before establishment. √
- Responding to questions after a presentation enables the presenter to measure the effectiveness of his/her presentation. √
- PowerPoint is one of the methods used to enhance presentation as it allows the presenter to highlight important points. √
- Any other relevant introduction related to factors to be considered when preparing for a presentation/factors that contribute to the success and/or failure of a public company/responding to questions after a presentation in a non-aggressive and professional manner/impact of a PowerPoint presentation

Any (2 x 1) (2)

5.2 **Factors to consider when preparing for a presentation**

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

Max (12)

5.3 **Success and/or failure of a public company**

CRITERIA	SUCCESS AND/OR FAILURE	
5.3.1 **Taxation**	- Can obtain tax rebates√ if they are involved in CSI projects. √ - Can obtain government tenders√ and renew their licenses if they do not evade tax. √	- Subject to double taxation √e.g. shareholders pay secondary tax this can have a negative impact on a company that is already financially struggling. √
	- Any other relevant answer related to the contribution of tax implications to the success of a public company.	- Any other relevant answer related to the contribution of tax implications to the failure of a public company.
		Submax (4)
	SUCCESS AND/OR FAILURE	
5.3.2 **Management**	- Managed by at least three√ competent, highly skilled directors. √ - The management of the company can improve√ since directors are accountable to share-holders. √ - Shareholders can vote√ for/appoint the most capable directors to manage their company. √	- Directors may not have a direct interest in the company, √ which can hamper growth and profit maximization √ - Large management structure √ can result in decision-making taking time. √ - Directors' fees increase the company's expenses √ which reduces net profit√ - Management may be open to legal challenges √ if their reports do not comply with King Code 111. √ - Some shareholders may not exercise their voting rights √ resulting in choosing the wrong person as a director. √ - Directors may not be motivated to work very hard √ because shareholders decide on the directors' remuneration. √
	- Any other relevant answer related to the contribution of management to the success of a public company.	- Any other relevant answer related to the contribution of management to the failure of a public company.
		Submax (4)

	SUCCESS AND/OR FAILURE	
5.3.3 **Capital**	- Can raise large amounts of capital √ as shares/ debentures can be sold to the public/shareholders. √ - Share capital clause in the Memorandum of Incorporation (MOI) √ may be changed to issue more shares. √ - A public company's shares are listed on the JSE √ which gives the company exposure to more potential investors. √	- Growth is limited √ if sufficient capital cannot be raised. √ - Large amounts of capital required √ to start a public company. √ - Raising extra capital may be difficult√ if the economic climate is unfavourable/ Share prices change all the time and they may lose value. √ - An increase in the number of shares issued √ may lead to more dividends paid out/less retained income from company profits. √
	- Any other relevant answer related to the contribution of capital to the success of a public company.	- Any other relevant answer related to the contribution of capital to the failure of a public company.
		Submax (4)

NOTE: **1. The answers do not have to be in tabular format.**
2. Mark either success and/or failure of each criteria.

Max (12)

5.4 **Responding to questions after a presentation in a non-aggressive and professional manner**

- The presenter should stand and be visible √ throughout the feedback session. √
- Be polite/confident/courteous √ when responding to questions. √
- Ensure that each question/comment is clearly understood √ before responding/re-phrase questions if uncertain. √
- He should first listen √ and then respond. √
- Provide feedback as soon as possible √ after the question was asked or after the session. √
- Be direct/honest/sincere √ when responding to questions. √
- Use simple language √ to support the examples used in the presentation. √
- Keep answers short √ and to the point. √
- Apologise/acknowledge his errors/mistakes √ if pointed out by the audience. √
- Encourage questions √ from the audience/investors. √
- Always address the questions √ and not the person. √
- Acknowledge good questions √ to motivate audience to ask more questions. √
- The presenter should not involve himself in a debate √ when responding to questions. √

- The presenter should not avoid the questions if he/she does not know the answer, √ but rather promise feedback on it. √
- Address the full audience/investors √ and not only the person who posed the question. √
- Any other relevant answer related to ways in which the presenter can respond to questions after a presentation in a non-aggressive and professional manner.

Max (12)

5.5 **Impact of a PowerPoint presentation**

Positives/Advantages

- Graphic programmes have the capacity to convey ideas and support what the presenter says. √√
- Easy to combine with sound/video clips. √√
- Simple/Less cluttered slides may capture the interest of the audience. √√
- Video clips can provide variety and capture the attention of the audience. √√
- Variation of colour/background/sound immediately captures the attention of the audience and retains their interest throughout the presentation. √√
- Slides should only be used where they can enhance the facts or summarise information. √√
- Presentations can be e-mailed and stored on a computer. √√
- Any other relevant answer related to the positive/advantages of a PowerPoint presentation.

AND/OR

Negatives/Disadvantages

- Unprofessional handling of the data projector/PowerPoint presentation material. √√
- May lead to irritation/may result in the audience losing interest. √√
- Less effective for people with visual impairments. √√
- Simply reading off the slides makes a presentation boring/ meaningless. √√
- Unable to show slides without electricity/data projector. √√
- Any other relevant answer related to the negative/ disadvantages of a PowerPoint presentation.

Max (10)

5.6 **Conclusion**

- A well-prepared presentation creates a good impression and may attract potential investors. √√
- The knowledge of different criteria contributing to the success or failure of a public company is needed to make informed decisions. √√
- Responding to questions in a non-aggressive and professional manner makes the audience feel comfortable and acknowledged. √√
- PowerPoint enables the presenter to elaborate on important facts. √√
- Any other relevant conclusion related to factors to be considered when preparing for a presentation/ Factors that contribute to the success and/or failure of a public company/responding to questions after a presentation in a non-aggressive and professional manner/Impact of a PowerPoint presentation

Any (1 x 2) **(2)**
[40]

BREAKDOWN OF MARK ALLOCATION

DETAILS	**MAXIMUM**	**TOTAL**
Introduction	**2**	**Max 32**
Factors to consider when preparing a presentation	**12**	
Criteria for Success/Failure of public company	**12**	
Respond to questions in professional manner	**12**	
Impact of a PowerPoint as a visual aid	**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 6: BUSINESS ROLES (CORPORATE SOCIAL RESPONSIBILITY)

6.1 **Introduction**

- Corporate social responsibility is the continuous commitment by businesses to behave ethically and contribute to economic development. √
- Relevant CSR programmes and CSI projects are beneficial to both businesses and communities. √
- Businesses should not only focus on profits but also on the well-being of employees. √
- They should address socio-economic issues that affect business operations. √
- Any other relevant answer related to the purpose of CSI/impact of CSR on businesses/wellbeing of employees/dealing with HIV/AIDS and unemployment.

Any (2 x 1) (2)

6.2 **Purpose of corporate social investment (CSI)**

- CSI aims at contributing toward sustainable development of its immediate communities. √√
- CSI is enforceable by law and government requires business to make CSI contributions. √√
- CSI projects play a positive role in the development of communities. √√
- CSI reveals a business's attitude towards the community in which it operates. √√
- CSI projects are long-term investments. √√
- It is relevant to the South African context where socio-economic upliftment is such a priority. √√
- Any other relevant answer related to the purpose of Corporate social investment/CSI.

Max (10)

6.3 **Impact of corporate social responsibility/CSR on businesses**

Advantages/Positives of CSR on 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. √
- A business may have a competitive advantage, √ resulting in good publicity/an improved reputation. √
- Promotes customer loyalty √ resulting in more sales. √
- CSR projects may be used as a marketing strategy √ to promote their products. √
- The business enjoys the goodwill/support √ of communities. √
- CSR projects promote teamwork √ within businesses. √
- CSR helps to attract investors √ because of increased profits/income. √
- Gives businesses tax advantages √ such as tax reduction/-rebates. √
- The government is less likely to enforce issues through legislation √ to businesses that voluntarily participate in CSR 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 CSR projects. √
- Businesses 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 CSR on a business

AND/OR

Negatives/Disadvantages

- Business 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 CSR programmes. √
- 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. √
- CSR activities distract business focus √ from its core business functions. √
- Businesses find it difficult to adhere to legislation √ governing CSR. √
- It can increase financial risk, √ as projects 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 CSR. √
- Most managers are not trained/lack experience √ to handle social programmes. √
- Employees may spend more time working on CSR 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 CSR. √
- 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 CSR on a business.

Max (12)

6.4 **Ways in which businesses contribute time and effort in improving well-being of employees.**

- Pay fair wages/salaries to the workers √ based on the nature of their work/the prevailing economic conditions in the market. √
- Working conditions should include √ safety/medical/canteen facilities/benefits like housing/leave/retirement, etc. √
- Pay fair bonuses, √ based on business earnings, as acknowledgement for hard work and commitment. √
- Provide for employees' participation in decision-making √ that affects them. √
- Provide recreational facilities √ for employees. √
- Offer annual physical/medical assessments √ to workers. √
- Make trauma debriefing/counselling/assistance available √ to any employee who requires these services. √
- Offer financial assistance √ in the case of any hardship caused by unexpected medical costs. √
- Allow flexible working hours √ to enhance productivity. √
- Offer support programmes for employees √ infected and affected by HIV/Aids. √
- Provide childcare facilities available on the premises √ for working mothers in the business. √
- Start a nutritional programme √ so that employees can enjoy one meal per day to keep them in a healthy condition. √
- Give time to staff to get involved in projects √ they choose/Allow staff to use some of the working hours to participate in the projects of their choice. √
- Encourage employees to stay fit and healthy √ by getting them involved in healthy activities to minimize stress/substance abuse/ obesity. √
- Provide transport for employees √ who work unusually long hours. √
- Establish coaching and mentoring programmes √ for junior employees. √
- Conduct team-building sessions √ to improve employees' morale. √
- Encourage employees to attend √ capacity-building workshops/training programmes/ staff-development programmes/ team-development programmes. √
- Any other relevant answer related to improving the well-being of employees.

Max (12)

6.5 **Ways in which business can deal with:**

HIV/AIDS
- Businesses should offer counselling programmes/train counsellors to support infected and affected persons/employees. √√
- 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/NPO HIV/Aids initiatives. √√
- Any other ways in which businesses can deal with HIV/AIDS as a socio-economic issue. Submax (6)

Unemployment
- Provide skills development programmes through learnerships. √√
- Offer bursaries to the community to improve the level of education. √√
- Create jobs for members of the community. √√
- Provide entrepreneurial programmes that can promote self-employment. √√
- Support existing small businesses to create more employment opportunities. √√
- Any other relevant answer related to ways in which businesses can deal with Unemployment as a socio-economic issue.

Submax (6)
Max (12)

6.6 **Conclusion**
- Corporate Social Responsibility is an obligation required by law and benefits both business and society. √√
- Businesses use CSI programmes to comply with laws and ethical business practices. √√
- CSI projects must be aimed at increasing the wellbeing of employees. √√
- Businesses have the responsibility to deal with socio-economic issues that can affect profitability and growth. √√
- Any other relevant conclusion related to the purpose of CSI/impact of CSR on businesses/wellbeing of employees/dealing with HIV/AIDS and unemployment

Any (1 x 2) (2)
[40]

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	**2**	**Max 32**
Purpose of CSI	**10**	
Impact of CSR on businesses	**12**	
Ways to contribute time and effort in improving the well-being of employees.	**12**	
Ways in which businesses can deal with the socio-economic issues	**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.

TOTAL SECTION C: 40
GRAND TOTAL: 150

Copyright reserved