education

Department of Education
FREE STATE PROVINCE

PREPARATORY EXAMINATION

GRADE 12

BUSINESS STUDIES P2

SEPTEMBER 2024

MARKS: 150

MARKING GUIDELINES

This marking guideline consists of 33 pages.

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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:	Orange
Chief Marker:	Pink
Internal Moderator:	Black/Blue
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 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.

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.

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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 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**: ,'*The autocratic leadership style provides strong leadership*√ *which makes new employees feel confident and safe'*.√

    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. '*The autocratic leadership style provides strong leadership*√ *which makes new employees feel confident and safe* √*, as expectations/roles are clearly explained to avoid confusion'.* √

    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 one answer.

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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 to finalise alternative answers and consult with the Internal Moderator at the DBE for approval.

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

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

- Fact: 2 marks (or as indicated in the marking guidelines)
- Explanation: 1 mark (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 an 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 for synthesis.	**2**
Originality	Is there evidence of one example in any TWO of the four sub-questions, not older than two(2) years, 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.**

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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.

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.

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SECTION A

QUESTION 1

1.1 MULTIPLE CHOICE

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

(5 x 2) (10)

1.2 CHOOSE THE CORRECT WORD

1.2.1 conflict √√
1.2.2 ethical √√
1.2.3 Delphi √√
1.2.4 public √√
1.2.5 management √√

(5 x 2) (10)

1.3 MATCHING ITEMS

1.3.1 G √√
1.3.2 E √√
1.3.3 H √√
1.3.4 I √√
1.3.5 J √√

(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

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SECTION B

Mark only the FIRST TWO answers.

QUESTION 2: BUSINESS VENTURES

2.1 **Principles of insurance**

- Indemnification/Indemnity √
- Security/Certainty √
- Utmost good faith √
- Insurable interest √

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

2.2 **Difference between *democratic* and *autocratic leadership***

DEMOCRATIC LEADERSHIP	AUTOCRATIC LEADERSHIP
- The leader involves employees in the decision-making process. √√	- A leader takes all decisions alone without involving employees. √√
- Clear/Two-way/Open communication between leader and employees ensures group commitment to final decision(s). √√	- Line of command/ communication is clear as it is top-down/followers know exactly what to do. √√
- People-oriented, as employee's feelings and opinions are considered. √√	- Task-orientated as the opinions of employees are not considered/focused on the result and not the employees. √√
- Workers feel empowered as they are involved in the decision-making process. √√	- New employees feel confident/safe as strong leadership is provided/Positive effect on new workers who value the micro-management style. √√
- Useful when the leader depends on the input of experienced followers. √√	- Useful in a crisis/urgent situation, e.g. after an accident/ meeting/tight deadlines. √√
- Handles conflict situations by involving followers in finding the best solution. √√	- Handles conflict situations/ disagreements by telling followers what they should do. √√
- Any other relevant answer related to the democratic leadership style.	- Any other relevant answer related to an autocratic leadership style.
Submax (2)	Submax (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 democratic or autocratic leadership.**

Max (4)

2.3 **Visual Aid**

2.3.1 **Visual Aid from the scenario**
Interactive whiteboard/Smartboard √√

Motivation
His favourite visual aid allows him to use a special pen to interact with images on the screen. √

Max (3)

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

2.3.2 **Impact of Interactive whiteboard/Smartboard**
Positives/Advantages

- Reduces the cost to the organization of purchasing additional equipment √ because information/text/graphics can be projected directly from a computer. √ /Images can be projected directly from a computer,√ so no external projector/devices necessary.√
- Interactive whiteboards/Smartboards have the functionality of saving additional information √ that the presenter noted thereon during his presentation. √
- It can be controlled by the touch of a finger, √ so the presenter can move away from the computer during the presentation. √
- Sound/Visual aids could effortlessly be used √ in conjunction with the interactive whiteboard/smartboard. √
- Effective to record responses and new proposals √ from the stakeholders/audience. √/Useful to capture feedback√ and new ideas.√
- Any other relevant answer related to positive impact/advantages of an interactive whiteboard/smartboard on Parsons Wholesalers.

AND/OR

Negatives/Disadvantages

- A presenter not skilled in the use of the interactive whiteboard/smartboard √ may not be able to access all the functionalities it offers. √/Should only be used by a presenter who knows the unique features√ of the interactive whiteboard/who can use it to its full potential.√
- Copyrights linked to certain software prevents use of interactive whiteboards/smartboards √ in conjunction with other computers. √
- Technical challenges may render it ineffective, √ e.g. loss of signal/load shedding while using it. √
- Any other relevant answer related to negative impact/ disadvantages of interactive whiteboard/smartboard on Parsons Wholesalers.

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NOTE: 1. **Accept relevant facts if the visual aid was incorrectly identified as an answer in QUESTION 2.3.1.**
2. **Do not allocate marks for a response that is quoted from the scenario.**

Max (6)

2.4 **Characteristics of a state-owned company**

- Requires three or more directors √ and one or more shareholders. √
- Register with the Registrar of Companies/CIPC √ by drawing up a Memorandum of Incorporation. √
- It is owned by the government √ and operated for profit. √
- State-owned companies are listed √ as public companies. √
- The name ends √ with the letters SOC Ltd. √
- State-owned companies support private businesses √ by providing infrastructure such as communication service (Post Office) and supply of electricity (Eskom). √
- Any other relevant answer related to characteristics of a state-owned company.

Max (6)

2.5 **Compulsory insurance**

2.5.1 **Compulsory insurance from the scenario**

Compensation Fund/Compensation for Occupational Injuries and Diseases Act (COIDA) √√

Max (2)

2.5.2 **Characteristics of COIDA from scenario**

- The incident was reported within seven days. √
- The employee received compensation for the injury that she sustained, √
- … the levy paid is the responsibility of the employer. √ **(3)**

NOTE: 1. **Mark the first THREE (3) characteristics only.**
2. **Do not accept answers that are not quoted from the scenario.**
3. **Accept responses in any order.**

2.6 **Capital contributes to success or failure of a private company**

Factor	Success	AND/OR	Failure
Capital	- More capital can be raised √ by issuing shares to shareholders. √ - Large amounts of capital can be raised √ since there is no limit on the number of shareholders. √ - The company can access long-term capital √ and therefore have good long-term growth opportunities. √		- It cannot grow into a very large business √ since it cannot invite the public to buy shares. √ - Restrictions on the transferability of shares √ may not attract financially strong investors. √

	- Even though shares are not freely transferable, √ large private companies can raise a considerable amount of capital. √	- A large amount of capital cannot be obtained √ as the capital contribution is only limited to private shareholders. √
	- Any other relevant answer related to success of capital of a Private Company.	- Any other relevant answer related to failure of capital of a Private Company.

NOTE: 1. The answer does not have to be in tabular format.
2. Mark either success AND/OR failure. Max (6)

2.7 **Ways in which presenter can handle feedback professionally**

- The presenter should stand 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. √√
- The presenter 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 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 the audience to ask more questions. √√
- The presenter should not involve him/herself 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 handling feedback in a non-aggressive and professional manner.

Max (6)
[40]

BREAKDOWN OF MARKS	
QUESTION 2	MARKS
2.1	4
2.2	4
2.3.1	3
2.3.2	6
2.4	6
2.5.1	2
2.5.2	3
2.6	6
2.7	6
TOTAL	40

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QUESTION 3: BUSINESS ROLES

3.1 **Stages of team development**

- Forming √
- Storming √
- Norming √
- Performing √
- Adjourning/Mourning √

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

3.2 **Unprofessional business practices from statements**

3.2.1 Sexual harassment √√ **(2)**

3.2.2 Abuse of work time √√ **(2)**

3.3 **Impact of force field analysis**

Positives/Advantages

- It provides a visual summary √ of all the factors supporting and opposing a particular idea. √
- Employees feel included √ and are able to understand where the business is going. √
- Employees develop and grow with the business √ because they are included in the process. √
- Informed decisions can be made √ because driving forces (forces for) and restraining forces (forces against) are critically evaluated. √
- It enables businesses to strengthen driving forces √ and weaken restraining forces. √
- Businesses can get an idea of how much time √ and additional resources they may need to employ. √
- Any other relevant answer related to positive impact/advantages of force field analysis in solving complex business problems.

AND/OR

Negatives/Disadvantages

- It is time-consuming √ since the business must stabilise before more/further changes can be made. √
- Requires the participation √ of all business units. √
- The analysis developed is entirely dependent on the skill level √ and knowledge of the group working on the analysis. √
- Any other relevant answer related to negative impact/disadvantages of force field analysis in solving complex business problems.

Max (6)

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3.4 **Distinguish between *CSR* and *CSI***

Corporate Social Responsibility	Corporate Social Investment
- The intention is to change √ business practices. √	- Actively committing money and resources √ to uplift the community. √
- Focus is on increasing image √ and profits. √	- Focus is on the upliftment of community √ without a return on investment. √
- Ensure that all internal CSI policies/practices √ include stakeholders' interests/ environmental issues. √	- Ensure that CSI projects are relevant √ to the needs of communities. √
- Often intended as a marketing √ initiative. √	- Intended to benefit and uplift communities √ through social development. √
- Projects are usually linked to the business, √ e.g. a manufacturing business offering to train the unemployed. √	- Projects are external to the business √ and have a strong developmental approach. √
Any other relevant answer related to CSR.	Any other relevant answer related to CSI.
Submax (2)	Submax (2)

NOTE:
1. **The answers do not have to be in tabular format.**
2. **The differences do not have to link but must be clear.**
3. **Award a maximum of TWO (2) marks if the difference is not clear./Mark either CSR OR CSI.**

Max (4)

3.5 **Criteria for successful team performance**

3.5.1 **Criteria for successful team performance from scenario**

	CRITERIA	MOTIVATION
1.	Co-operation/Collaboration √√	DT ensures that all members take part in decision-making. √
2.	Shared values/Mutual trust and support √√	The experience of other team members is respected. √
	Submax (4)	Submax (2)

NOTE:
1. **Do not award marks for motivations if the criteria were incorrectly identified.**
2. **Award marks for the criteria even if the quotes are incomplete.**
3. **The criteria can be in any order.**
4. **Mark the first TWO (2) only.**

Max (6)

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3.5.2 **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 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)

3.6 **Impact of CSR on businesses**

Advantages/Positives

- 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/growth. √
- 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. √

- 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 the 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 CSR. √
- Most managers are not trained/lack experience √ in handling 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/Stakeholders 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 (6)

3.7 **Ways in which businesses can create an environment that promotes creative thinking in the workplace.**

- 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 organization./Study how other businesses are doing things. √√
- Encourage alternative ways of working/doing things. √√
- Reward creativity by offering reward schemes to employees/ Introduce incentives for staff members who come up with useful creative ideas. √√
- Respond enthusiastically to all ideas and never let anyone feel less important. √√
- Make the working environment conducive to creativity/free from distraction/high noise levels. √√
- Any other relevant answer related to ways businesses can create an environment that promotes creative thinking in the workplace.

Max (6)
[40]

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

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QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS VENTURES

4.1 **Examples of non-insurable risks**

- Nuclear weapons/war/earthquakes √
- Changes in fashion √
- Improvement/Changes in technology √
- Irrecoverable debts √
- High rate of inflation √
- 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 √
- Losses/damages incurred because of illegal marketing activities √
- Any other relevant answer related to examples of non-insurable risks.

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

4.2 **Difference 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 a certainty, but the time of the event is uncertain. √√
- Applicable to short-term insurance. √√	- Applicable to long-term insurance. √√
- **Examples** Property insurance, cash in transit, theft, burglary, fire √	- **Examples** Life insurance, endowment policy, retirement annuities √
- Any other relevant answer related to insurance.	- Any other relevant answer related to assurance.
Submax 2	Submax 2

NOTE: 1. The answers do not have to be in tabular format.
2. The differences do not have to link but must be clear.
3. Award a maximum of TWO (2) marks if the difference is not clear./Mark either insurance or assurance.

Max (4)

4.3 **Forms of ownership**

4.3.1 Partnership √√ **(2)**
4.3.2 Public Company √√ **(2)**

4.4 **Factors to consider when preparing a presentation**

- Clear purpose/intentions/objectives √ and main points/outline of important information of the presentation. √
- Main aims √ captured in the introduction/opening statement of the presentation. √
- Information presented should be relevant/reliable √ and accurate. √
- Fully conversant with the content/objectives of the presentation √ to ensure a smooth flow of the presentation. √
- Background/diversity/size/pre-knowledge of audience √ to determine appropriate visual aids/speaks to their area of interest. √
- 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/show that all aspects have been addressed. √
- Create visual aids/graphics √ that will consolidate the information/ facts/enhance presentation 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/ensure that audiovisual equipment is in working condition. √
- Consider the time frame for presentation, √ e.g. fifteen minutes allowed. √
- Rehearse √ to ensure a confident presentation/effective use of time. √
- Prepare for the feedback session, √ by anticipating possible questions/comments. √
- Any other relevant answer related to factors to consider when preparing for a presentation.

Max (4)

4.5 **Situations in which a Laissez-faire leadership style can be applied**

- Subordinates are experts/experienced and know what they want/can take responsibility for their actions/make responsible decisions. √√
- The leader is very busy and delegation of tasks will increase productivity/improve efficiency of organisation. √√
- Leadership potential exists/Team members need to improve/develop leadership skills. √√
- Suitable when employees are highly experienced and know more about the task/greater level of knowledge/skills than the leader. √√
- Any other relevant answer related to situations in which Laissez-faire leadership style can be applied.

Max (6)

BUSINESS ROLES

4.6 **Social rights of employees**

- Clean water √
- Education √
- Protection √
- Health care √

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

4.7 **Ethics and professionalism**

4.7.1 **Ways in which businesses can deal with unfair advertising in the workplace from the scenario**

- Chaka Furniture always make sure not to omit key information from their advertisements. √
- CF reports competitors to ASA if they use unfair practices. √

NOTE: 1. Do not award marks if not quoted from the scenario.
2. Accept responses in any order.

(2 x 1) (2)

4.7.2 **Application of King Code principle of accountability**

- There must be regular communication √ between management and stakeholders. √
- The company should appoint internal and external auditors √ to audit financial statements. √
- The board should ensure that the company's ethics √ are effectively implemented. √
- 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 the application of King Code principle of accountability.

Max (4)

4.8 **Meaning of problem-solving**

- Problems can be solved √ by a group/team or an individual team member. √ This makes problem-solving more inclusive. √
- The group/team will generate/identify various solutions √ and then critically evaluate each one. √
- This process of analysing a situation will help the group/team √ to identify strategies that will bring about change. √
- Any other relevant answer related to the meaning of problem-solving.

Max (4)

4.9 **Ways to deal with socio-economic issues**

4.9.1 **Poverty**

- Donate money and/or food parcels to local NGOs. √√
- Invest in infrastructure and housing programmes in the local area. √√
- Offer the best volunteering programs to identify and attract potential employees. √√
- Support poverty alleviation programmes that are offered by the government. √√
- Invest in young starting businesses that can be a business competitor, buyer or suppliers. √√
- Any other relevant answer related to ways to deal with poverty as a socio-economic issue.

Max (4)

4.9.2 **HIV/AIDS**

- Participate in the existing HIV/AIDS prevention programmes implemented in the community. √√
- Train/Hire counsellors to provide counselling to infected and affected persons/employees. √√
- Develop counselling programmes for infected employees and their relatives. √√
- Conduct workshops on HIV/AIDS programmes and support HIV/AIDS campaigns. √√
- Roll out anti-retroviral (ARV) treatment programmes (ART) for the infected employees. √√
- Encourage employees to join HIV/AIDS support groups. √√
- Develop and implement strategies to deal with stigma and discrimination. √√
- Support non-governmental organisational and community-based organisations on HIV/AIDS initiatives. √√
- Any other relevant answer related to ways to deal with HIV/AIDS as a socio-economic issue.

Max (4)
[40]

BREAKDOWN OF MARKS	
QUESTION 4	MARKS
4.1	2
4.2	4
4.3.1	2
4.3.2	2
4.4	4
4.5	6
4.6	2
4.7.1	2
4.7.2	4
4.8	4
4.9.1	4
4.9.2	4
TOTAL	40

TOTAL SECTION B: 80

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SECTION C

Mark the FIRST question answered ONLY.

QUESTION 5: BUSINESS VENTURES (INVESTMENT)

5.1 **Introduction**

- The choice of the investor of investing with simple interest or compound interest is determined by his/her personal financial circumstances. √
- Debentures are also linked to certain risks that the investor must consider prior to investment. √
- Investing in preference shares provides shareholders with the benefit of being treated differently from ordinary shareholders. √
- Unit shares are a collection of investment options made up of shares in different companies. √
- Any other relevant introduction related to the difference between ordinary and preference shareholders/debentures and its risk factor/types of preference shares/impact of unit trusts.

Any (2 x 1) (2)

5.2 **Differences between simple interest and compound interest**

SIMPLE INTEREST	COMPOUND INTEREST
- Interest is earned on the original amount only. √√	- Interest earned on the original amount invested, and the interest earned in the preceding years is added to the original amount invested. √√
- The value of the original amount remains the same for the duration of the investment. √√	- The value of the original amount increases as additional interest is added in subsequent years. √√
- The interest portion of the investment is accounted for separately from the original amount of the investment/ Interest is kept separate unless it is reinvested. √√	- The interest portion of the investment is added to the original investment, thus increasing the original investment/Interest is calculated on the higher principal amount and again added to it. √√
- The return on investment is lower than the return on investment of compound interest. √√	- The return on investment is higher than the return on investment of simple interest. √√
- The total amount of interest earned is lower than the total amount of compound interest earned. √√	- The total amount of interest earned is higher than the total amount of simple interest earned. √√
- Any other relevant answer to simple interest.	- Any other relevant answer to compound interest.
Submax (4)	Submax (4)

NOTE:
1. **The answers do 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 simple interest or compound interest only.**

Max (8)

5.3 **Debentures**

- Debentures are issued to raise borrowed capital √ from the public. √
- The lender/debenture holder agrees to lend money to the company √ on certain conditions for a certain period. √
- Debenture holders are creditors, √ as the company is liable to repay the amount of the debentures. √
- Most types of debentures √ can be traded on the JSE. √
- Debenture holders receive annual interest payments √ based on the terms/amount of debentures held. √
- Any other relevant answer related to debentures.

Risk

- Debentures have a low risk √ as they need to be paid back. √
- Companies are liable to repay the original amount of the debenture√ plus interest, which decreases the risk for the investor. √
- Investors may earn a steady income in the form of interest √ while preserving their principal amount. √
- Any other relevant answer related to the risk of debentures.

Max (10)

5.4 **Types of preference shares**

Participating preference shares √√

- The investor is certain √ to receive a minimum fixed dividend from the company. √
- Any surplus profit the company may have made √ must be shared with the investor. √
- The investor is entitled to receive higher dividend payments √ if the company makes a higher profit. √
- The investor is entitled to receive payments before ordinary shareholders √ if the company should be declared insolvent/ bankrupt. √
- Any other relevant answer related to participating preference shares.

Heading (2)
Explanation (2)
Submax (4)

Non-participating preference shares/Ordinary preference share √√
- The investor is certain √ to receive a minimum fixed dividend from the company. √
- They do not share in any surplus profit √ the company may have made. √
- The investor is not entitled to receive higher dividend payments √ if the company makes a higher profit. √
- If the company should be liquidated, √ the investor will be paid back his/her original investment and all unpaid dividends due to him/her.√
- Any other relevant answer related to non-participating preference shares/ordinary preference shares.

Heading (2)
Explanation (2)
Submax (4)

Cumulative preference shares √√
- Investors will receive payments for past dividends √ that were not paid out because of poor financial performance by the company. √
- Any other relevant answer related to cumulative preference shares.

Heading (2)
Explanation (2)
Submax (4)

Non-cumulative preference shares √√
- Investors will not receive payments for past dividends √ that were not paid out because of poor financial performance by the company. √
- Any other relevant answer related to non-cumulative preference shares.

Heading (2)
Explanation (2)
Submax (4)

Redeemable preference shares √√
- Investors can sell the shares back to the company they bought them from √ at a fixed price should the company so desire. √
- Any other relevant answer related to redeemable preference shares.

Heading (2)
Explanation (2)
Submax (4)

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Non-redeemable preference shares √√
- Investors can sell shares back to the company they bought them from √ should the company close down for reasons other than bankruptcy/insolvency. √
- Any other relevant answer related to non-redeemable preference shares.

Heading (2)
Explanation (2)
Submax (4)

Convertible preference shares √√
- Investor can convert shares into a fixed number of ordinary shares √ on a future date determined on the date the shares were issued. √
- Any other relevant answer related to convertible preference shares.

Heading (2)
Explanation (2)
Submax (4)

Non-convertible preference shares √√
- The investor can convert the shares √ into a fixed number of ordinary shares. √
- Any other relevant answer related to non-convertible preference shares.

Heading (2)
Explanation (2)
Submax (4)

NOTE: Mark the first FOUR (4) types of preference shares only.

Max (16)

5.5 **Unit trusts**

Positives/Advantages
- Unit trusts are pooled funds of investors that are managed by a fund manager on behalf of the investors who buy shares on the JSE. √√
- The fund manager chooses from a variety of share options that offer low to high-risk investments. √√
- The investments are managed according to predetermined rules and procedures, which makes this type of investment a safe option. √√
- The amounts that may be invested each month vary from small amounts to big amounts. √√
- Investment options like online investments make it easy for investors to work with this type of investment. /Easy to cash in when an investor needs money. √√
- Generally, beats inflation on the medium/long term. √√
- Fluctuations in unit trust rates of return are often not so severe because of diversity of the investment fund. √√
- Offer competitive returns in the form of capital growth and dividend distribution. √√
- Fund managers are knowledgeable/experts/reliable/trustworthy as they are required to be accredited to sell unit trusts. √√

- Investors have free access to the funds and may convert them to cash in the event of an emergency. √√
- Lowers the potential risk and allows more people to invest in the fund. √√
- Any other relevant answer related to positive impact/advantages of unit trusts.

AND/OR

Negatives/Disadvantages

- Share prices, as a rule, are subject to fluctuations, which may increase the risk of this type of investment. √√
- Growth of unit trust investments is dependent on the established and well-recognised companies in which shares were bought, continue to grow/expand. /If blue chip companies do not continue their growth path, the growth of unit trusts will also be affected/it will not render the expected returns. √√
- Bid prices that are usually higher than the ask price, makes the investment less liquid. √√
- The funds of the unit trust are limited to the contributions of members and may not be increased by other borrowings. √√
- This investment option is not recommended to investors who want to invest for a limited period. √√
- This investment option is not suitable for investors who want to evade risks. √√
- Any other relevant answer related to negative impact/disadvantages of unit trusts.

Max (12)

5.6 **Conclusion**

- It is important to consider the difference in return between simple and compound interest to make the best investment decision. √√
- Debentures are a protected form of investment during liquidation of a company. √√
- Full disclosure must be made to investors in types of preference shares, providing them with copies of all financial reports. √√
- Unit trusts can be bought directly from the accredited service providers. √√
- Any other relevant conclusion related to the difference between simple and compound interest/debentures and its risk factor/types of preference shares/impact of unit trusts.

Max (2)

[40]

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Difference between simple interest and compound interest	8	
Debentures	10	
Types of preference shares	16	
Impact of unit trusts	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.

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QUESTION 6: BUSINESS ROLES (HUMAN RIGHTS, INCLUSIVITY AND ENVIRONMENTAL ISSUES)

6.1 Introduction

- The workplace consists of diverse backgrounds that are beneficial for businesses to be successful in various aspects. √
- Business policies must make clear provisions on how to apply equality, respect and dignity throughout business operations. √
- Employers must take responsibility to ensure that employees are not harmed in their daily work activities. √
- Businesses must consider its impact on the environment and decrease the negative effects thereof. √
- Any other relevant introduction related to benefits of diversity, implication of equality, respect and dignity, responsibilities of employers and strategies to protect the environment and human health.

Any (2 x 1) (2)

6.2 Benefits of diversity in the workplace

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

Max (10)

6.3 **Implication of equality, respect and dignity on businesses**

- Employees must be treated equally, √ regardless of their race, colour, age, gender, disability, and so on. √
- Equal access to opportunities, positions, and resources √ must be available to all employees. √
- Legislation concerning equal opportunities and human rights in the workplace √ must be implemented by employers and employees. √
- Businesses should develop equity programmes that promote strategies √ to ensure that all employees are treated equally regardless of status, rank, or power. √
- The mission statement of the business √ should include values of equality and respect. √
- Businesses should include issues such as diversity, discrimination, and harassment √ in their training, information, or business policies.√
- Incidents of discrimination must be reported, √ and employers should respond swiftly and fairly to these issues in the workplace. √
- Employers must ensure that the workplace environment is safe, fair,√ and free from embarrassment. √
- Employers must give orders or tasks respectfully √ and if appropriate, allow the employees to have a say in the way the task should be performed. √
- Workers should be treated with respect and dignity √ by recognising work well done. √
- Any other relevant answer related to the implication of equality, respect and dignity on businesses.

Max (12)

6.4 **Responsibilities of employers in promoting human health and safety in the workplace**

- Provide and maintain all the equipment √ that is necessary/safe to perform the work. √
- Keep the systems √ to ensure that there will be no harmful impact on the health and safety of workers. √
- Reduce/Remove dangers to workers √ and provide personal protective clothing. √
- Ensure that the workers' health is not damaged by hazards √ resulting from production/processing/storage/transportation of materials or equipment. √
- Employers must know where potential dangers might be √ and take measures to eliminate or limit the harm, e.g. the surface of the floor should not be slippery. √
- Workers must be informed/instructed/and supervised to limit potential dangers to themselves √ e.g., emergency exit door signs should be visible to all employees. √
- Equipment must be used under the supervision √ of a designated trained worker. √

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- Comply with safety laws √ which seek to promote a healthy working environment. √
- Any other relevant answer related to responsibilities of employers in promoting human health and safety in the workplace.

Max (12)

6.5 **Strategies businesses may use to protect the environment and human health**

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

Max (12)

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6.6 **Conclusion**

- Businesses need to develop strategies to deal with diversity issues to keep it beneficial for the business. √√
- To emphasise dignity, businesses must value their employees regardless of their socio-economic status. √√
- If an employee's health and safety is not taken care of, they may not perform to their full potential. √√
- Businesses need to stay up to date with modern technology and adapt their strategies to protect the environment. √√
- Any other relevant conclusion related to benefits of diversity, implication of equality, respect and dignity, responsibilities of employers and strategies to protect the environment and human health.

Max (2)
[40]

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Benefits of diversity in the workplace	10	
Implication of equality, respect and dignity on businesses	12	
Responsibilities of employers promoting health/safety in workplace	12	
Strategies businesses may use to protect the environment	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

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ANNEXURE A				
ADDENDUM				
Business Studies Prep September 2024				
QUESTION	**ADDITIONS**	**REASONS**	WAY FORWARD	THINGS TO NOTE
3.6	**Impact of corporate social responsibility/ CSR on businesses Positives/Advantages** Award marks for: o Assists in solving socio-economic issues√ like poverty/unemployment√ o Businesses become more community-based by working closely√ with the community to roll out skills development projects.√	As per 2021 Diagnostic report, page 67	These facts will not be accepted in future.	In future, these facts will only appear under the advantages of communities.
4.4	**Factors that must be considered when preparing for a presentation** Award marks for: o Prepare/Print hand-outs√ that you may wish to share with your audience.√	As it appears in the DBE textbook	This fact from the DBE textbook will be disregarded in future.	This fact is actually part of creating visual aids expressed differently.

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