Basic Education

KwaZulu-Natal Department of Basic Education
REPUBLIC OF SOUTH AFRICA

BUSINESS STUDIES

COMMON TEST

MARCH 2015

NATIONAL SENIOR CERTIFICATE

GRADE 12

MARKS: 100

TIME: 1 hour

This question paper consists of 8 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of **THREE** sections.

   SECTION A: **COMPULSORY**

   SECTION B: Consists of **THREE** questions. Choose any **TWO** questions.

   SECTION C: Consists of **TWO** questions.
   Answer any **ONE** of the **TWO** questions in the section.

2. Read the instructions for each question carefully and take particular note of what is required.

3. Number the answers correctly according to the numbering system used in this question paper.

4. Except where other instructions are given, answers must be written in full sentences.

5. Use the mark allocation and the nature of each question to determine the length of an answer.

6. Use the table below as a guide for marks and time allocation when answering each question.

QUESTION	SECTION	MARKS	TIME
1	A: Multiple-choice questions and matching COMPULSORY	20	10 minutes
2, 3 and4	B: THREE Direct questions. (Choose any TWO questions)	40	20 minutes
5 and 6	C: TWO questions. (Choose any ONE of the TWO questions)	40	30 minutes
TOTAL:		100	60 minutes

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SECTION A: (COMPULSORY)

QUESTION 1

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A-D) next to the question number (1.1.1-1.1.5) in the ANSWER BOOK, **for example 1.1.6 D.**

1.1.1 Cliffie has just started his own public relations company .Which variable is represented by the following statement:" To become the first choice in public relations consulting in South Africa and the world?"

A. vision
B. mission
C. strategy
D. policy

1.1.2 The logo of kulula.com flights includes the slogans, "Now anyone can fly", and "You gotta love flying", which are meant to appeal to the widest possible target market.
The logo of kulula.com including the slogans is a variable in the---------- environment.

A. micro
B. market
C. macro
D. task

1.1.3 A business that employs 50 or more employees should …

A. submit an employment equity plan to the Department of Labour.
B. pay employees lower wages/salaries.
C. develop a black empowerment strategy.
D. not send their employees for skills development.

1.1.4 If an employee was dismissed because of regular late-coming, he was dismissed …

A. on grounds of incapacity.
B. for operational reasons.
C. on grounds of retrenchment.
D. on grounds of misconduct

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1.1.5 The Microsoft company wants to introduce new products to its existing range of computer software. It needs a group decision-making technique to stimulate creative and imaginative ideas on new products. Group participants need to generate as many ideas as possible without evaluation by others.

The most appropriate group decision-making technique is _____

A. the nominal group technique
B. brainstorming
C. the Delphi technique
D. an electronic meeting

(10)

1.2 Choose a description from COLUMN A that matches a term in COLUMN B. Write only the letter (A-E) next to the question number (1.2.1-1.2.5) in the ANSWER BOOK,
For Example: 1.2.6 F.

	COLUMN A	COLUMN B
1.2.1	Creative thinking	A. describes the actual job. e.g. Job title, machinery/ equipment, used, duties
1.2.2	Job Analysis	B. leads to original ideas that are used to solve business challenges
1.2.3	Tertiary industry	C. It is the general description of what the job entails.
1.2.4	Job Description	D. involves practical work experience
1.2.5	Learner ship	E. financial services: Banks and Insurance companies

(5 x 2) (10)

TOTAL SECTION A: [20]

SECTION B

Answer any **TWO** questions from this Section.

QUESTION 2

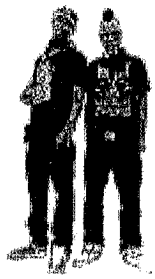
Read the case study below and answer the questions that follow:



RASTA STORES

Jody is the owner of RASTA Stores, situated in Durban. It is a clothing store, selling clothes to "rappers", "hip-hoppers" and young teenagers. Jody has a degree in business management. The demand for clothes has increased. Jody decided to open another branch in Margate.

Jody needs capital to open the new store. A good credit record can help her to negotiate favourable interest rates when she applies for a loan. If her loan application is turned down, it's the decision of the credit provider, not the credit regulator. She also faces the fact of a possible interest rate increase.



Jody has employed Cindy, a new cashier with no experience. Cindy treats customers unprofessionally.

The EThekwini Municipality has increased their rates and taxes, Unique Clothing Manufacturers (their supplier) demands higher prices because of higher electricity prices. The impact was a decrease in the profits of Rasta Stores.

2.1.1 Identify THREE challenges in the above case study and name the environment in which the challenge exist. (9)

2.1.2 Identify the business sector in which Unique Clothing Manufacturers operates. (1)

2.1.3 The Skills Development Act, 1998 (Act 97 of 1998) makes provision for Cindy's skills to be improved. Explain the challenges that Jody may experience when implementing this Act. (6)

2.1.4 Differentiate between a credit provider and the National Credit Regulator. (4)

[20]

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QUESTION 3

Study the job advertisement below and answer the questions that follow.

SPEEDY RECRUITMENT

A progressive and leading optometry group has an exciting position for a Senior Optometrist.

Requirements:

- Minimum 5 years practical experience
- Dynamic, enthusiastic and energetic
- Passionate about patient satisfaction
- Strong communication skills
- Management experience
- Strong work ethic

Salary package: Basic salary of R660 000 per annum

In order to apply for the above vacancy, please e-mail your CV to SPEEDY RECRUITMENT admin@hjrecruitment.co.za or contact SHANICE at 001 466 5660 or 099 337 4888.

3.1 Calculate the gross monthly salary. (2)

3.2 Explain why this advertisement does NOT comply with the government initiative of inclusivity. (4)

3.3 Identify ONE important aspect that is omitted from the advertisement. (2)

3.4 The successful senior optometrist must sign a contract before commencement of work. Explain why a contract is important and state any FIVE clauses that must appear in an employment contract. (12)
[20]

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QUESTION 4

4.1 Evaluate the Delphi technique as a method used to solve problems in the workplace. (4)

4.2 Explain family responsibility leave according to the Basic Conditions of Employment Act 1997 (Act 75 of 1997). (6)

4.3 KIA Ltd has recently appointed new employees. The human resources manager has decided to draw up an induction programme for the new employees. Indicate the benefits that KIA Ltd could gain from an induction programme. (10)

[20]

TOTAL FOR SECTION B: [40]

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SECTION C

ANSWER ANY ONE QUESTION FROM THIS SECTION

QUESTION 5

Business can use different types of strategies to respond to the challenges of the macro environment.

Describe the steps to be followed is the formulation of strategies.

Discuss using examples the various types of integration and Intensive strategies that a business can use to increase its turnover.

Outline the steps to be followed in the evaluation and control process of implementation. **[40]**

OR

QUESTION 6

> The organisation for economic co-operation and development recently identified tax crimes as one of the top two sources of money laundering. In the context of increased acknowledgement that tax evasion and money laundering are key threats to the economic stability of developing countries, South Africa has put information-sharing agreements in place to enable better recovery of money hidden in the financial system.

Analyse the above statement and then distinguish clearly between tax evasion and money laundering.

Distinguish, with examples, between professional behaviour and unprofessional behaviour. Explain possible reasons why prices in rural areas and unfair advertising are regarded to be unethical business practices.

Discuss any four ways in which professional, responsible, ethical and effective business practice should be conducted.

[40]

TOTAL FOR SECTION C: [40]

TOTAL MARKS: [100]

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MARCH 2015 - MEMORANDUM

NATIONAL SENIOR CERTIFICATE

GRADE 12

MARKS: 100

This question memorandum consists of 15 pages.

SECTION A

QUESTION 1:

1.1 **Multiple choice**

1.1.1 B
1.1.2 A
1.1.3 A
1.1.4 B
1.1.5 B

5 x 2 (10)

1.2 **Matching**

1.2.1 B
1.2.2 C
1.2.3 E
1.2.4 A
1.2.5 D

5 x 2 (10)

TOTAL SECTION A: [20]

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SECTION B

QUESTION 2

2.1.1 **Three challenges and identify the business environment.**

Challenge	**Business environment**
Increase in orders √	Micro environment √√
Needs capital – get a loan √	Macro environment √√
Interest rate increase √	Macro environment √√
Cindy – no experience √	Micro environment √√
Cindy – treats customers unprofessionally √	Micro environment √√
Increased rates and taxes √	Macro environment √√
Unique Clothing Manufacturers demands higher prices √	Market environment √√
Decrease in profits √	Micro environment √√ (Owner is responsible for profits and losses)

(any 3 x 3 = 9)

2.1.2 Secondary sector √ (1)

2.1.3 **Challenges of SDA for business:**

- Specialist positions must be created in the business to drive the skills development programme.
- Extra administrative staff to capture data.
- Application procedures can be complicated.
- It requires a large amount of paperwork, administration, cost time, effort.
- Incentives are only paid out when they employ people from designated groups.
- Learner ships request lots of coaching, mentoring and monitoring.
- Many service providers that offer training are not SAQA accredited.
- The 1 % is an additional cost for the business.
- Any relevant answer – relating to challenges in implementing SDA.

(any 3 x 2 = 6)

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2.1.4 **Differentiate between:**

- **Credit provider** – financial institution (bank, micro lenders) and retailers (etc). who provides credit to the customer. √√
- **National Credit Regulator** – A body (watchdog) responsible for the registration of credit providers, enforcement of compliance with the NCA, regulates the credit market/industry. √√ (2 x 2 = 4)

[20]

QUESTION 3

3.1. R660 000 ÷ 12√ = R55 000 per month√
If a candidate only wrote the correct answer award full marks. (2)

3.2 - Makes no mention of equal opportunities for previously disadvantaged people √√ and/or people with disabilities. √√
- Does not address gender√√ and/or racial discrimination.√√
- Any other relevant answer relating to inclusivity. Max (4)

3.3 - No closing date.√√
- Postal address is not given.√√ / location of business
- Job description is not clear.√√
- Any other relevant omission in the advertisement. (Any 1 x 2) (2)

3.4 **Explanation:**

- The employer and employee will be legally protected. √√
- Clear contract stipulations given. √√
- No uncertainty for company or worker. √√
- Any other relevant explanation on the importance of a contract. Max (2)

Clauses:

- Full name of the employer.√√ - Address of the employer.√√
- Name of the employee.√√
- Job title.√√
- The employees place of work. √√
- Date of commencement of the work. √√
- Probation period. √√
- Days and hours of work. √√
- Rate of pay and deductions to be made. √√
- Salary and other incentives. √√
- Leave conditions. √√
- Benefits such as subsidies and medical benefits. √√
- Conditions for the termination of the contract. √√
- Any other relevant clauses that must appear in the contract.

NOTE: Award a maximum of 2 marks for examples of fringe benefits. (Any 5 x 2)(10)

[20]

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QUESTION 4

4.1 **Arguments for this technique:** (4)

- Experts can be contracted. √√
- Various, relevant questions can be formulated.√√
- No need to get all the people together.√√
- Not expensive. √√
- Questions can be answered electronically.√√
- Easy to manage. √√
- Any other relevant arguments for the use of the Delphi technique.

AND/OR
Arguments against this technique:
- Expert's opinions can be too theoretical. √√
- Some answers can be irrelevant. √√
- Sometimes it is difficult to 'interpret' the answers.√√
- Some experts will not understand the culture of the business.√√
- Any other relevant arguments against the use of the Delphi technique.
- Experts may charge high fees for consulting.

Max (4)

4.2
- Entitled to 3/5 days leave √√ and/or on an annual basis/proportionate leave if less than 12 months of full time employment√√
- It does not accumulate on a yearly basis. √
- When your child is born or sick.√√
- Death of: (spouse/life partner/parent/adoptive parent/grandparent/child or adopted child/grandchild/sibling)√√

Max (6)

4.3 **Benefits of the induction programme**

- New employees are introduced to the company's policies and procedures.✓✓
- New employees learn more about the business.✓✓
- Increased productivity and quality of service/performance.✓✓
- Minimises the need for on-going training and development.✓✓
- New employees will know where everything is and who the supervisors/low-level managers are.✓✓
- New employees will have basic knowledge of what is expected in the job.✓✓
- New employees may feel part of the team resulting in positive morale and motivation.✓✓
- Better/More focussed training may be provided based on the results obtained from the induction process.✓✓
- Any other relevant answer related to the benefits of an induction programme.

Max (10)

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QUESTION 5

Introduction: -

- A strategy is a plan of action to achieve a goal and serves as an enterprise's overall plan for development. ✓
- A strategy guides the allocation of resources in a business enterprise. ✓
- A business enterprise needs to develop strategies in response to challenges and changes in the business environment. ✓

Any 1 x 2 (2)

Formulation of strategies

Strategies can be formulated by making use of the following steps/ factors to consider when developing strategies:
- Determine a vision or mission or adapt the existing vision or mission. ✓✓
- Identify opportunities, threats and critical challenges that could affect the business enterprise. ✓✓
- Generate several strategies to address all strategic issues in the business environment. ✓✓
- Identify the enterprise's strengths and weaknesses. ✓✓
- Set long-term goals that will enable the enterprise to achieve its mission and vision. ✓✓
- Choose the strategy that will best resolve the strategic issue at hand. ✓✓

Max (6)

Types of business strategies.

<u>Integration strategies</u>

An integration strategy is defined as the action taken by a company to expand the scope of its business by taking control of activities previously performed by some other business. ✓✓ If a company purchases one of its suppliers or one of its competitors for strategic reasons this is an example of an integration strategy. ✓✓

Vertical integration✓✓
- Involves an enterprise taking control over either its suppliers or distributors. ✓✓
- Vertical integration can either be forward or backward. ✓✓

Forward vertical integration✓✓

Forward vertical integration combines a business with its buyers. ✓✓ Involves expansion of business activities to gain control over the direct distribution of the enterprise's products. ✓✓**E.g. an abattoir purchasing a number of butcheries, or a tyre manufacturing company purchasing a tyre fitment centre.** ✓✓

Heading 2
Discussion 2
Example 2
Max (6)

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Backward vertical integration✓✓

A backward vertical integration combines a business with its suppliers. ✓✓
Involves distributors owning the suppliers in order to reduce the business's dependency on the supplier. ✓✓ **E.g. a bakery buys a wheat farm to reduce the risk associated with the bakery's dependency on flour.** ✓✓

Heading 2
Discussion 2
Example 2
Max (6)

Horizontal integration✓✓

Involves taking over similar organizations. ✓✓
This strategy gives access to new markets and gets rid of competition. ✓✓
E.g. A large bookseller purchases a number of small independent bookstores. ✓✓

Heading 2
Discussion 2
Example 2
Max (6)

Intensive strategies.

Intensive strategies are aimed at increasing sales and market share by using available resources. ✓✓

Market penetration: ✓✓

A growth strategy where the business focuses on selling products in existing markets. ✓✓

- New business enterprises can use the market penetration strategy to gain entrance to the market by initially selling their products very cheap.✓✓ Example a grocery store chain offers meat at below the average price of other grocery stores. ✓✓
- This strategy often focuses on capturing a larger share of an existing market by for e.g. Reducing the price to increase sales, increasing the number of sales persons, increasing advertising and promotion. ✓✓

Heading 2
Discussion 2
Example 2
Max (6)

Market development✓✓

- This is a growth strategy where the business aims to sell its existing products in new markets for e.g. **By exporting its products.** ✓✓
- This strategy involves finding new markets, new distribution channels, changing product dimensions or packaging etc. ✓✓

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Product development✓✓

- Involves the development of new products for the existing market or the adaptation of existing products to fit the needs of consumers. ✓✓**E.g. A bakery starts to add new recipe's to the existing popular baked items to keep consumers interested.** ✓✓

Heading 2
Discussion 2
Example 2
Max (6)

Evaluation of Strategies

- After implementation of the abovementioned strategies, these must be evaluated to determine whether the strategies were successful or not. ✓✓
- Review those strategies that were not successful by implementing alternatives. ✓✓
- Set specific dates to conduct feedback on market research. ✓✓
- Examine the underlying basis of business strategy. ✓✓
- Compare expected performance and take corrective action. ✓✓
- Conduct market research and prepare report. ✓✓

(Any other relevant answer related to evaluation of strategies.) Max (6)

Conclusion

- Strategic planning and implementation is a continuous process that needs to be revised by top management on an ongoing basis in order to ensure success and sustainability of the business. ✓
- In order for the strategic plan to be successful, workers must adopt a positive attitude ✓
- Any other relevant answer related to conclusion.

Any 1 x 2 (2)

BREAKDOWN OF MARK ALLOCATION

DETAILS:	Maximum	Total
Introduction	2	Max 32
Formulation	6	
Types of business strategies	58	
Evaluation	6	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality, examples		2
TOTAL MARKS		40

LASO - For each component:
Allocate 2 marks if all requirements are met.
Allocate 1 mark if some requirements are met.
Allocate 0 marks where requirement are not met at all.

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QUESTION 6

Introduction:

Tax evasion is an illegal process; organisation or corporation intentionally avoids paying his/her/its true tax liability.
Those caught evading taxes are generally subject to criminal charges and substantial penalties.

Money laundering is something some criminals do to the money they make from crime .When a criminal commits money laundering ,the criminal tries to make it hard for the police to find out where the criminal got money from. One way criminals launder money is by using the money earned from illegal activities to buy things (like gold and silver, shares or casino chips ,other legitimate business activities like food or liquor stores)and then selling those items to get the money back.

Any (2 x 1) (2)

Differences between professionalism and unprofessionalism **Aspect**	**Professionalism**	**Unprofessionalism**
Respect✓ (1)	- Use polite language towards colleagues.✓✓ - Help others and listen to advice from others.✓✓ - Acknowledge differences in back-ground/culture/religion.✓✓ - Any other relevant example of respect to show professionalism. Max (2)	- Use rude/impolite language✓✓ - Swearing at a colleague✓✓ - Nasty remarks about other people's ideas/opinions✓✓ - Ridiculing differences in language, culture or religion✓✓ - Inappropriate, offensive clothing✓✓ - Any other relevant example of respect to show unprofessionalism. Max (2)
Integrity✓ (1)	- Looking after equipment.✓✓ - Keep to the working hours.✓✓ - Not bending the law to suit oneself.✓✓ - Engage in open dealings. ✓✓ - Any other relevant example of integrity to show professionalism. Max (2)	- Use business's resources for private purposes.✓✓ - Take without permission/Steal business resources.✓✓ - Make feeble excuses for work not done.✓✓ - Accept bribery.✓✓ - Any other relevant example of integrity to show unprofessionalism. Max (2)

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Competency✓ (1)	- Doing the best possible job.✓✓ - Work overtime if necessary.✓✓ - Going beyond job descriptions.✓✓ - Coach and mentor colleagues.✓✓ - Any other relevant example of competency to show professionalism. Max (2)	-Take shortcuts with tasks.✓✓ - Not meeting deadlines.✓✓ - Refuse to work overtime although colleagues are doing it.✓✓ - Not taking pride in completing tasks thoroughly✓✓ - Any other relevant example of competency to show unprofessionalism. Max (2)
Confidentiality✓ (1)	- Keep clients' information private and confidential.✓✓ - Refrain from criticising clients in front of colleagues and vice versa.✓✓ - Not using clients' information to own advantage.✓✓ - Any other relevant example of confidentiality to show professionalism. Max (2)	- Gossip about clients.✓✓ - Discuss confidential client information with colleagues.✓✓ - Use client information for own advantage✓✓ - Any other relevant example of confidentiality to show unprofessionalism. Max (2)
Objectivity✓ (1)	- Treat people equally.✓✓ - Apply laws/rules consistently and properly.✓✓ - Remain objective at all times.✓✓ - Any other relevant example of objectivity to show professionalism. Max (2)	- Have special preferences for own benefit.✓✓ - Have one-sided views.✓✓ - Support destructive ideas.✓✓ - Any other relevant example of objectivity to show unprofessionalism. Max (2)
Development✓ (1)	- Attend skills development programmes✓✓ - Learn from senior/experienced colleagues✓✓ - Improve knowledge through reading and conducting research✓✓ - Any other relevant example of development to show professionalism. Max (2)	- Refuse to attend skills development programmes.✓✓ - Have a 'know it all' attitude.✓✓ - Refuse to work in teams.✓✓ - Disregard the experience of senior workers.✓✓ - Any other relevant example of development to show unprofessionalism. Max (2)

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Name: (1)
Example of professionalism: (2)
Example of unprofessionalism: (2)
Max (15)

Pricing of goods in rural areas

- It is good business practice and professional to have the same price for goods in urban and rural areas.✓✓
- Big businesses are reluctant to open outlets in rural areas because of poor returns on their investment.✓✓
- It is common practice to pay higher prices for goods of inferior quality in rural areas.✓✓
- Prices of goods in these areas are generally based on the personal characteristics of the consumers.✓✓
- People in rural areas do not have the means to check and compare prices (via the Internet) and are often forced to buy from the one and only local stores.✓✓
- Some businesses exploit consumers by adding much more than necessary to their prices.✓✓
- Any other relevant answer related to pricing of goods in rural areas.

Max (10)

Unfair advertising

- The Advertising Standards Authority (ASA) regulates advertising and protects the interests of the public. ✓✓
- Businesses can make unwise advertising choices when they are under pressure.✓✓
- Advertisements should be honest and not abuse consumers' trust or lack of knowledge.✓✓
- Advertisements can contain discriminatory conditions that exclude some sections of the population, e.g. a job advertisement that says 'this job is not suitable for women'.✓✓
- Misleading advertising is used to make consumers believe that they can get
- more value for money if they support certain products.✓✓
- Consumers are encouraged to lodge written complaints to the ASA regarding unethical advertising practices. ✓✓
- Businesses that advertise an item at an extremely low price to attract consumers but when the customer reaches the store, the item is no longer available.✓✓
- Advertisements that advertise 'free' products do not always reveal the hidden costs payable by the consumer.✓✓
- Examples of unethical practice: advertise second-hand goods as new.✓✓
- Any other relevant answer related to unfair advertising.

Max (10)

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Professional, responsible, ethical and effective business practice methods

- **Businesses should not be started at the expense of someone else**✓✓

  - The aim should never be profit at all cost, as it will always be to the disadvantage of others.✓✓
  - Businesses should not use other's ideas to enrich themselves.✓✓
  - Putting someone else out of business for own gain, is unethical and a poor moral choice. ✓✓
  - Any other relevant answer related to starting business at the expense of someone else. Sub max (4)

- **Payment of fair wages/salaries**✓✓

  - Workers must not be exploited with low salaries just because it is difficult to find a job.✓✓
  - Workers' rights and dignity should be respected. ✓✓
  - Employees make a contribution to the success and profitability of the business, therefore they must be remunerated fairly.✓✓
  - Remunerate workers for working overtime and on public holidays.✓✓
  - Any other relevant answer related to payment of fair remuneration. Sub max (4)

- **Hiring honest and trustworthy accountant/financial officers with good reputations**✓✓

  -Businesses should appoint accountants who are known for their ethical and professional reputation and who can prove it with documentation.✓✓
  - Any other relevant answer related to hiring honest accountants. Sub max (4)

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Regular payment of taxes✓✓

- Businesses should complete tax returns in detail and on time.✓✓
- Businesses should not evade tax and honestly declare all income earned✓✓
- Business should pay tax to avoid government penalties and fines.✓✓
- Any other relevant answer related to regular tax payments.

Sub max (4)

Transparent processes and procedures✓✓

- Staffing and other processes should be open and transparent✓✓
- Employees should be aware of the employment policy of the business.✓✓
- All laws that govern employment should be communicated to workers.✓✓
- Any other relevant answer related to transparent processes and procedures.

Sub max (4)

Draw up a code of ethics✓✓

- Ethical codes of conduct should be communicated to workers, so that they know what is expected and what the company stands for.✓✓
- Employees should buy into the expectations for ethical norms/conduct as set out in company's code of ethics.✓✓
- Any other relevant answer related to drawing up a code of ethics.

Sub max (4)

On-going development and training for all employees✓✓

- Continuous and regular training is necessary to explain the importance of ethical and professional conduct.
- Employees should understand that certain conduct/actions have certain consequences.✓✓
- Employees should be encouraged to attend training courses and upgrade their skills.✓✓
- Employees promote their own career development and also contribute to an increase in productivity✓✓
- Any other relevant answer related to on-going training and development.

Submax (4)

Performance management system should be in place✓✓

- Business should evaluate employees' performance against the job description.✓✓
- Employees should be acknowledged for good performance.✓✓
- Training needs can be based on the results obtained from conducting performance appraisals.✓✓
- Management systems should ensure that employees are treated equally to prevent conflict.✓✓
- Workers' rights should also be considered when management systems are introduced.✓✓
- Any other relevant answer related to performance management systems.

Submax (4)

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Managers must set the tone and example✓✓

- Senior management members must act as role models by ensuring that their actions and decisions are in line with the code of ethics.✓✓
- Employees should have a desire to exhibit the behaviour of their managers.✓✓
- Any other relevant answer related to the example set by management.

Sub max (4)

Adequate internal controls✓✓

- Effective monitoring systems should be in place to monitor usage of all resources.✓✓
- Regular meetings/discussions should identify and address potentials problems, in order to be pro-active or re-active.✓✓
- Workers should understand the purpose and the processes of internal control.✓✓
- Any other relevant answer related to internal control measures.

Sub max (4)

Honesty, accountability and transparency in relationships and transactions✓✓

- Transactions/Relationships with all stakeholders, e.g. suppliers, staff, etc. should always be honest and open.✓✓
- If transactions are properly documented, a paper trail is created that supports accountability.✓✓
- Systems should protect customers, suppliers and employees, especially when dealing with financial transactions.✓✓
- Information technology should never be used to manipulate the database or make transactions look so complicated that they are not properly inspected.✓✓
- Any other relevant answer related to honest, accountable and transparent transactions/relationships.

Sub max (4)

Protection of the environment✓✓

- All laws and regulations applicable to environmental protection should be taken seriously.✓✓
- 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 programs.✓✓
- Physical working conditions should always be worker friendly, safe and should promote occupational health.
- Physical working conditions, e.g. adequate lighting, ventilation should be taken care of.✓✓
- Any other relevant answer related to the protection of the environment.

Sub max (4)
Max (16)

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6.5 **Conclusion**

- Ethics and professionalism form an integral part of business operations and practices.✓✓
- It is important that a business's dealings and behaviour are in line with its code of ethics and professionalism.✓✓
- Businesses who behave professionally and ethically are usually sustainable and have a good public image.✓✓
- Any other relevant conclusion related to business ethics and professionalism.

Any 1 x 2 (2)
[40]

BREAKDOWN OF MARK ALLOCATION:

DETAILS	Maximum	Total
Introduction	2	Max
Differences	4	
Taxation	10	
Price in rural areas	10	32
Unfair ways advertising	10	
Ways	16	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality, examples		2
TOTAL MARKS		40

LASO - For each component:
Allocate 2 marks if all requirements are met.
Allocate 1 mark if some requirements are met.
Allocate 0 marks where requirement are not met at all.

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