Education

KwaZulu-Natal Department of Education
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES

PREPARATORY EXAMINATION

SEPTEMBER 2017

MARKS: 300

TIME: 3 hours

This question paper consists of 15 pages.

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INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of THREE sections and covers all broad topics.

   SECTION A: COMPULSORY

   SECTION B: Consists of FIVE questions.
   Answer any THREE of the FIVE questions in this section.

   SECTION C: Consists of FOUR questions.
   Answer any TWO of the FOUR questions in this 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.

SECTION	QUESTION	MARKS	TIME
A: Objective type questions COMPULSORY	**1**	**40**	**30 minutes**
B: FIVE direct/indirect type questions (CHOICE: Answer any THREE)	**2**	**60**	**30 minutes**
	3	**60**	**30 minutes**
	4	**60**	**30 minutes**
	5	**60**	**30 minutes**
	6	**60**	**30 minutes**
C: FOUR essay type questions (CHOICE: Answer any TWO)	**7**	**40**	**30 minutes**
	8	**40**	**30 minutes**
	9	**40**	**30 minutes**
	10	**40**	**30 minutes**
TOTAL:		**300**	**180 minutes**

7. Begin the answer to EACH question on a NEW page, for example QUESTION 1 – new page, QUESTION 2 – new page, et cetera.

8. Non-programmable calculator may be used.

9. Write neatly and legibly.

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SECTION A: (COMPULSORY)

QUESTION 1: MULTIPLE CHOICE

1.1 Each of the following statements / questions is followed by four options, only ONE of which is correct. Choose the correct option and indicate this by placing the letter of the alphabet that corresponds to it next to the number.
For example: 1.11 E.

1.1.1 Market penetration occurs when retailers ...

A buy products at the same prices as competitors.
B dominate the market by driving out competition.
C sell products at lower prices to attract buyers.
D convert assets into cash to pay debtors.

1.1.2 ... are conditions which are favourable to the business, such as lower interest rates.

A Weaknesses
B Strengths
C Threats
D Opportunities

1.1.3 National Credit Act, 2005 (Act 34 of2005) refers to "reckless credit granting" This means that the ...

A credit provider is not registered with the National Credit Regulator.
B credit provider does not assess whether the customers understands risks of the agreement.
C customer was blacklisted and could not be granted additional credit
D customer was not informed of the reasons why his/her credit application was refused.

1.1.4 A private company and a close corporation have the following advantage:

A Liability of the shareholders/members is limited to the amount of their investment.
B The minimum number of members is four.
C The continuity of both businesses is limited.
D Both businesses are managed by one director.

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1.1.5 The... holders are creditors of a company.

A share
B debenture
C off-shore insurance
D endowment

1.1.6 WE CARE has an extensive recycling programme. This shows that WE CARE has a commitment towards ...

A external recruitment.
B dumping toxic waste.
C protecting the environment.
D air pollution.

1.1.7 Collaboration means that team members ....

A work effectively on their own
B agree to co-operate in working towards a common
C are held accountable for their action
D do not rely on each other

1.1.8 A method of obtaining all the information about the tasks related to a cashier at QUICK STORE would be a ...

A recruitment programme.
B job description.
C staff placement.
D cost to company analysis.

1.1.9 The human resource manager has introduced ... in order to develop the skills of employees.

A staff development programmes
B performance appraisal
C counselling
D team-building exercises

1.1.10 This business function is directly involved in the sale of manufactured products in a company:

A Marketing
B Production
C Human resources
D Finances

(10 x 2) (20)

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1.2 Choose the correct word(s) from the list below. Write only the word(s) next to the question number (1.2.1 – 1.2.5) in the ANSWER BOOK.

ethics; objective; professionalism; control; circle; partners; partnership; secondary; strategy; tertiary

1.2.1 A plan of action to achieve a goal is a ...

1.2.2 Measures to identify, eliminate and prevent deviations from set standards in the production of a product is referred to as quality ...

1.2.3 The partnership pays tax on its profits in the name(s) of the ...

1.2.4 A set of attitudes and behaviour which members of a particular occupation choose to follow is ...

1.2.5 Banks and insurance brokers that provide financial services form part of the ... sector.

(5 x 2) **(10)**

1.3 Choose a term from **COLUMN B** that matches a description from **COLUMN A**. Write only the letter (A-E) next to the question number (1.3.1-1.3.5) in the **ANSWER BOOK, e.g. 1.3.6 K.**

	COLUMN A	COLUMN B
1.3.1	A human resource activity where the competency of an employee is matched with his / her position	A Retirement annuity
1.3.2	Provides financial security for the investor upon reaching pensionable age.	B Ombudsman
1.3.3	Earned when owning shares in a company	C Placement
1.3.4	An organisation that provides information to service providers about the ability of consumers to repay their debt.	D Dividends
1.3.5	A team-dynamics theory in which the team management wheel identifies eight roles that team members prefer to play in a team.	E Credit Bureau
		F Unemployment Insurance Fund
		G profits
		H Jungian
		I Induction
		J Margerison-McCann

(5 x 2) **(10)**

TOTAL SECTION A: 40

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SECTION B: (COMPULSORY)

Answer ANY THREE questions from this section.

Clearly indicate the QUESTION NUMBER of each chosen question. The answer to EACH question must start on a NEW page, for example QUESTION 2 on a NEW page, QUESTION 3 on a NEW page, et cetera.

QUESTION 2: BUSINESS ENVIRONMENT

2.1 Name the six components of the PESTLE analysis. (6)

2.2 Identify the consumer rights applicable to EACH of the following statements below:

2.2.1 Customers can reject goods that are not the same as the sample marketed.

2.2.2 Customers can object to unwanted promotional e-mails and telesales.

2.2.3 If two prices for the same product are displayed, customers should pay the lower price.

2.2.4 Customers are protected in lay-bye / instalment sale agreements.

2.2.5 Customers will receive written notices of amended clauses in their contracts that may limit their rights.

(10)

2.3 Advise businesses on how they should apply the strategic management process. (10)

2.4 Read the case study below and answer the questions that follow.

> Botmas Mealie Farm supplies mealies to the local markets as well as Pioneer Foods for the manufacture of super maize meal, samp, maize flour and instant maize porridge.
>
> www.pioneerfoods.co.za

2.4.1 Identify the business sector in which each of the businesses operate. Motivate your answer by quoting from the case study. Use the table below to present your answer.

SECTOR	MOTIVATION
(a)	
(b)	

(6)

2.4.2 Name the type of vertical integration that Pioneer Foods can implement. (2)

2.5 Describe TWO types of diversification strategies. (6)

2.6 Read the article below and answer questions that follow.

> **FIRM 'BREAKS SAFETY RULES'**
> **XABA LOSES TWO FINGERS AND WORK CONTINUES**
>
> A Durban plastic manufacturing company is accused of breaking work-place safety rules by not taking all health and safety precautions. Njabulo Xaba, one of the employees, got injured when a recycling machine chopped off his fingers as he was not given protective clothing. Njabulo demands compensation for his injuries.
>
> *Adapted from The New Age Newspaper, March 2017*

2.6.1 Name the Act that allows Njabulo to claim for compensation. (2)

2.6.2 Mention the purpose of the Act identified in QUESTION 2.6.1. (8)

2.6.3 Do you think Njabulo's demand for compensation is justified? Support your answer by quoting from the scenario above. (4)

2.7 Explain the *National Skills Development Strategy* in supporting the Skills Development Act, 1998 (Act 97 of 1998). (6)

[60]

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QUESTION 3: BUSINESS VENTURE

3.1 Identify the type of shares represented by EACH statement below.

3.1.1 Shareholders have a right to vote at annual general meetings.

3.1.2 The dividend on these shares are paid out to shareholders at a fixed rate, example two percent.

3.1.3 These shares are not sold; shareholders are issued the shares without being required to pay for them.

3.1.4 Shares issued to the promoters of the company.

3.1.5 Shares that may be bought back by the issuing company. (10)

3.2 Name FOUR factors that should be considered when making investment decisions. (4)

3.3 Discuss the functions of the Johannesburg Securities Exchange. (8)

3.4 Read the case study below and answer the questions that follow.

SIR RICHARD BRANSON

Richard Branson is the founder of the Virgin group of companies, which he has turned into a multibillion-dollar global enterprise. Sir Richard Branson has the ability to inspire his employees to understand and accept his vision of new business possibilities, to develop new leaders and build the group. His leaderships style is found at all levels of the organisations but he still keeps a firm hand on the achievement of the companies objectives by appealing to the ethical values of his managers. Branson inspire his people with his innovative style.

3.4.1 Identify the theory of management and leadership that Sir Richard Branson follows in the above case study'. Motivate your answer by quoting TWO examples from the case study above. (4)

3.4.2 Describe a situation in which the leadership theory identified in 3.4.1 may be applied in the work place. (4)

3.5 Outline the role of personal attitude in successful leadership. (8)

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3.6 Read the scenario below and answer the questions that follow.

Kogie wants to invest R200 000 in a savings plan. She was advised to approach a financial consultant who will buy a group of shares and securities from a variety of companies.

3.6.1 Identify the type of investment that Kogie was advised to choose. (2)

3.6.2 Explain the benefits of investing in the type of investment referred to in question 3.6.1. (6)

3.7 Describe how the following factors may contribute to the success of a private company.

3.7.1 Capital (4)

3.7.2 Legislation (4)

3.8 Evaluate the effectiveness of using graphs when presenting information. (6)
[60]

QUESTION 4: BUSINESS ROLES

4.1 State whether the business practice is unethical or unprofessional in each of the following scenarios:

4.1.1 Mr White, a manager at Whites Fittings, often makes unwelcome comments to female colleagues.

4.1.2 A director reports very late for business meeting without a valid reason.

4.1.3 The manager of United Stores uses the business credit card to pay for personal expenses.

4.1.4 The accountant AB Services discloses confidential information about clients to competitors.

4.1.5 Arsenal LTD advertises second hand goods as new. (10)

4.2 Outline FIVE characteristics for successful teams. (10)

4.3 Discuss the correct procedure to deal with grievances in the workplace. (8)

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4.4 Read the scenario below and answer the questions that follow.

XY SERVICES

XY Services employs people from different cultural backgrounds. This has resulted in an increase in sales and productivity. It also increased the morale and motivation of employees.

4.4.1 Identify TWO benefits of a diverse workforce from the scenario above. (2)

4.4.2 Discuss other benefits of a diverse workforce to businesses. (8)

4.4.3 Recommend ways in which businesses can address the following diversity issues in the workplace:

(a) Language (4)
(b) Age (4)
(c) Disability (4)

4.5 Advise businesses on how they can create an environment that promotes creative thinking. (10)
[60]

QUESTION 5: BUSINESS OPERATIONS

5.1 Identify the business function that is responsible for improving the quality of performance in each of the scenarios below.

5.1.1 Poor strategic planning and a lack of growth in the business.

5.1.2 Defective products and of a variable quality that results in dissatisfied customers.

5.1.3 There is no clear recruitment process to appoint suitable candidates for a vacant position.

5.1.4 The business is experiencing a serious cash flow challenge.

5.1.5 Customers have a negative image about a business. (10)

5.2 State FIVE details of an employment contract. (5)

5.3 Discuss the selection procedure as a human resource activity. (10)

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5.4 Read the scenario below and answer the questions that follow.

BOLLYWOOD BOUTIQUE

Bollywood Boutique requires the services of an experienced marketing manager. They have advertised this position on the staff notice boards and bulletins.

5.4.1 Identify the type of recruitment that Bollywood Boutique applied in the scenario. Motivate your answer by quoting from the scenario. (3)

5.4.2 Evaluate the type of recruitment identified in QUESTION 5.4.1. (8)

5.5 Explain the difference between quality control and quality assurance. (8)

5.6 ABC Ltd is an established company but fails to monitor and evaluate quality processes.
Advise ABC Ltd on the benefits of implementing a good quality control system. (8)

5.7 Suggest quality indicators for the purchasing function. (8)
[60]

QUESTION 6: MISCELLANEOUS

BUSINESS ENVIRONMENTS

6.1 Mention FIVE provisions of the Basic Conditions of Employment Act, 1997 (Act 75 of 1997). (5)

6.2 Explain THREE types of intensive strategies. (9)

BUSINESS VENTURES

6.3 Read the scenario below and answer the questions that follow.

Dlamini bought a business property worth R500 000, but he insured it for R400 000. Fire destroyed a part of the property and damages were estimated at R300 000.

6.3.1 Calculate the amount that the insurer will pay Dlamini. (4)

6.3.2 Explain the clause that the insurer will apply to compensate Dlamini. (4)

6.4 Outline THREE factors that a presenter should consider when responding to questions in a professional manner. (6)

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BUSINESS ROLES

6.5 Name THREE King Code principles a business can apply to promote good corporate governance. (3)

6.6 Read the scenario below and answer the questions that follow

JABU'S FACTORIES LTD (JFL)

Residents of a nearby town have complained about the noise levels and pollution coming from Jabu's factory. The general manager has enlisted a group of environmental experts to solve the problem.

6.6.1 Identify the technique used in the scenario. (2)

6.6.2 Discuss the positive impact of the technique mentioned in 6.6.1 (6)

6.7 Recommend ways in which businesses may promote social rights in the workplace. (6)

BUSINESS OPERATIONS

6.8 Read the scenario below and answer the questions that follow.

SMARTSUNG ELECTRONICS (SE)

Ben is employed as a software developer at Smartsung. In addition to his basic salary, he also receives a car allowance.

6.8.1 Identify a fringe benefit offered by SE to Ben. (1)

6.8.2 Discuss the advantages of fringe benefits to SE. (6)

6.9 Explain the benefits of implementing a good management system in a business. (8)

[60]

TOTAL SECTION B: 180

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SECTION C

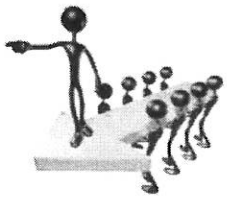
Answer ANY TWO questions.

NOTE: Clearly indicate the QUESTION NUMBER of the chosen question.
The answer to EACH question must start on a NEW page, for example QUESTION 7 on a NEW page, QUESTION 8 on a NEW page, et cetera.

QUESTION 7

BUSINESS ENVIRONMENT

LEARNERSHIPS BEAR FRUITS WITH CREATION OF JOBS



Learnerships help create jobs and as the SETA programmes have developed over the years, more hidden benefits have become apparent in the relationship between employers, project managers and learners. Aslam Galant, business development and business manager at Isilumko Staffing, says one of the benefits of the host company is based on the BBBEE scorecard.

[Adapted from the Daily news. Work place.-March 2016]

With reference to the above article, write an essay on the following:

- Outline the role of SETAs.
- Explain the purpose of the Skills Development Act (SDA), 1988 (Act 97 of 1988).
- Evaluate the impact of SDA on businesses.
- Recommend ways in which Isilumko Staffing may apply the following pillars of BBBEE pillars:
  - Ownership
  - Management **[40]**

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QUESTION 8

BUSINESS VENTURES

Businesses are exposed to various risks that could endanger their existence. Reducing or removing these risks should form part of management plan for the business.

With reference to the above statement, write an essay on the following aspects:

- Explain the advantages of insurance to businesses.
- Discuss the principles of insurance.
- Distinguish between insurable and non–insurable risks and provide TWO practical examples of each.
- Advise businesses on the benefits of Unemployment Insurance Fund (UIF) and Road Accident Fund (RAF) as a form of compulsory insurance.

[40]

QUESTION 9: BUSINESS ROLES (CSR AND CSI)

CORPORATE SOCIAL INVESTMENT (CSI)

CSI is a non-negotiable business and moral imperative for Nedbank Group. Based on its understanding that there are no quick fixes to the social transformation challenges facing the country, the group identifies long-term projects e.g. education, housing and feeding schemes for the surrounding community.

The Nedbank Group also promotes the well-being of their employees.

(www.nedbank.co.za)

As a consultant, write a report to the board of directors of the Nedbank Group in which you include the following aspects:

- Explain the differences between Corporate Social Responsibility (CSR) and Corporate Social Investments (CSI).
- Evaluate the impact of CSR on the Nedbank Group.
- Recommend CSI initiatives that the Nedbank Group may undertake to improve the standard of living of the community.
- Advise the Nedbank Group on how they can contribute time and effort to advance the well-being of their employees.

[40]

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education
Department:
Education
REPUBLIC OF SOUTH AFRICA

300

GREENBURY SECONDARY SCHOOL
BUSINESS STUDIES
GRADE 12
SPECIAL ANSWER SHEET

100

NAME:_____ GRADE/DIV.:_____

FOR EDUCATOR USE ONLY:

SECTION	QUESTIONS	TICK(√) THE QUESTIONS ANSWERED	MARKS ALLOCATED	LEARNER'S MARKS
A (COMPULSORY)	1		40	
B (ANSWER ANY 3 QUESTIONS)	2		60	
	3		60	
	4		60	
	5		60	
	6		60	
C (ANSWER ANY 2 ESSAY)	7		40	
	8		40	
	9		40	
	10		40	
MODERATOR'S SIGNATURE (IF APPLICABLE)				

SECTION A

QUESTION 1.1

1.1.1	
1.1.2	
1.1.3	
1.1.4	
1.1.5	
1.1.6	
1.1.7	
1.1.8	
1.1.9	
1.1.10	

20

QUESTION 1.2

1.2.1	
1.2.2	
1.2.3	
1.2.4	
1.2.5	

10

QUESTION 1.3

1.3.1	
1.3.2	
1.3.3	
1.3.4	
1.3.5	

10

40

QUESTION 10

BUSINESS OPERATIONS (HUMAN RESOURCS AND TOTAL QUALITY MANAGEMENT)

PM SUPPLIERS (PTY) LTD (PSPL)

TD Ngcobo was recently appointed as production manager at PM Suppliers. During his induction programme he stated that total quality management (TQM) is the most cost-effective utilisation of the organisation's resources such as materials, processes, equipment systems and people, with a minimum loss to society as a whole to ensure that customers are delighted with the product and services for the benefit of all stakeholders in the organisation.

With reference to the above statement:

- Elaborate on the benefits of induction for PSPL.
- Discuss the impact of the following elements of Total Quality Management (TQM) on PM Suppliers (Pty) Ltd as a large business:
  - Top management involvement/Commitment of top management
  - Total client satisfaction/Total customer satisfaction
  - Continuous improvement to systems and processes
- Explain the impact of TQM if poorly implemented by PSPL.
- Recommend ways in which PSPL can reduce the cost of quality through TQM.

[40]

TOTAL MRKS: 300

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Education

KwaZulu-Natal Department of Education
REPUBLIC OF SOUTH AFRICA

BUSINESS STUDIES

MEMORANDUM

PREPARATORY EXAMINATION

SEPTEMBER 2017

NATIONAL SENIOR CERTIFICATE

GRADE 12

Marks: 300

Time: 3 hours

This memorandum consists of 43 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	Brown
Chief Marker	Pink
Internal Moderator	Orange
DBE Moderator	Turquoise

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

3. A comprehensive memorandum 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 memorandum
   - Comes from another source
   - Original
   - A different approach is used.

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

4. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)

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

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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 memo. Only the total for each answer 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. Incorrect numbering of answers to questions or sub questions in Sections A and B will be severely penalised. Therefore, correct numbering is strongly recommended in all sections.

10. No additional credit must be given for repetition of facts. Indicate with an 'R'.

11. Note that no marks will be awarded for indicating Yes/No in evaluation type questions requiring substantiation or motivation. (Applicable to SECTIONS B and C.)

12. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:

    12.1 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.'* ✓

    12.2 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: The above could apply to 'analyse' as well.

13. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the memorandum and the context of each question.

    Cognitive verbs, *such as*:

    13.1 Advise, devise, name, state, mention, 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.

    13.2 Describe, explain, discuss, elaborate, justify, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.

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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 or use the word 'MAX'.

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

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

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

    14.4 **Use of 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 memorandum)
    - Explanation 1 mark
      The 'fact' and 'explanation' are given separately 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 memorandum.

    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 SECTION 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**

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15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, body, proper paragraphs and a conclusion?	2
Analysis and interpretation	Learners' ability to break down the question/interpret it correctly to show understanding of what is being asked.	2
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Marks to be allocated using this guide: No relevant facts: 0 (Two '-S') Some relevant facts: 1 (One '-S') Only relevant facts: 2 (Zero '-S') NB: If there are no '-S' award the maximum of TWO (2) marks.	2
Originality	Examples, recency of information, current trends and developments.	2
	TOTAL FOR INSIGHT: TOTAL **MARKS FOR FACTS: TOTAL** **MARKS FOR ESSAY (8 + 32)**	**8** **32** **40**

NOTE:

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

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

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

15.5 Mark all relevant facts until the SUB MAX/MAX mark in a subsection has been attained. Write 'SUB MAX'/'MAX' after maximum marks have been obtained.

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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 use 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 memorandum.

15.10

15.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.

15.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (√) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy, √ where businesses aim to introduce new products into existing markets.'√
This will be informed by the nature and context of the question, as well as the cognitive verb used.

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SECTION A (COMPULSORY)

QUESTION 1

1.1
1.1.1 C ✓✓
1.1.2 D ✓✓
1.1.3 B ✓✓
1.1.4 A ✓✓
1.1.5 B ✓✓
1.1.6 C ✓✓
1.1.7 B ✓✓
1.1.8 B ✓✓
1.1.9 A ✓✓
1.1.10 A ✓✓

(10 x 2) **(20)**

1.2
1.2.1 strategy ✓✓
1.2.2 control ✓✓
1.2.3 partners ✓✓
1.2.4 professionalism ✓✓
1.2.5 tertiary ✓✓

(5 x 2) **(10)**

1.3
1.3.1 C✓✓
1.3.2 A✓✓
1.3.3 D✓✓
1.3.4 E✓✓
1.3.5 J✓✓

(5 x 2) **(10)**

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	20
1.2	10
1.3	10
TOTAL	40

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SECTION B

QUESTION 2

2.1 **Components of PESTLE**
Political, ✓ Economical, ✓ Social, ✓ Technological, ✓ Legal✓ and Environmental✓

(6)

2.2 **Consumer rights**
2.2.1 Right to choose ✓✓
2.2.2 Right to privacy and confidentially ✓✓
2.2.3 Right to information about products and agreements/
Right to disclosure and information ✓✓
2.2.4 Right to accountability from suppliers ✓✓
2.2.5 Right to fair and honest dealings ✓✓

(10)

2.3 **Strategic management process**
OPTION 1
- Have a clear vision, a mission statement and measurable/realistic objectives in place. ✓✓
- Identify opportunities/weaknesses/strengths/threats by conducting environmental scanning/situational analysis. ✓✓
- Tools available for environmental scanning may include a SWOT/PESTLE/Porters Five Forces-analysis. ✓✓
- Formulate alternative strategies to respond to the challenges/scanning results.✓✓
- Develop (an) action plan(s), including the tasks to be done/deadlines to be met/resources to be procured, etc. ✓✓
- Implement selected strategies by communicating it to all stakeholders/organising the business's resources/motivating staff. ✓✓
- Continuously evaluate, monitor, measure strategies in order to take corrective action. ✓✓
- Any other relevant answer related to how the strategic management process can be applied.

OR

OPTION 2
- Review vision statement. ✓✓
- Analyse/Re-examine mission statement. ✓✓
- Conduct an analysis using models such as PESTLE/PORTERS. ✓✓
- Formulate strategy, referring to strategies such as defensive/retrenchment. ✓✓
- Implement strategy using templates such as action plans. ✓✓
- Control of strategy to identify gaps in planning. ✓✓
- Evaluate strategy to identify deviations in implementation. ✓
- Take corrective action to ensure goals/objectives are met. ✓✓
- Any other relevant answer related to how the strategic management process can be applied.

NOTE: The steps may be in any order.

Max (10)

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2.4.1

SECTOR	MOTIVATION
(a) Primary sector✓✓	Supplies mealies to the local markets✓
(b) Secondary sector✓✓	Manufacture super maize meal/ samp/ maize flour/ instant maize porridge.✓

(6)

2.4.2 Backward integration.✓✓ (2)

(8)

2.5 **Types of diversification strategies**

- Concentric diversification√√
  - The business adds a new product or service that is related to existing products and which will appeal to new customers.√
  - Occurs when a business wants to increase its product range and markets.√
  - Any other relevant answer related to concentric diversification.

  Sub max (3)
- Horizontal diversification√√
  - The business adds new products or services that are unrelated to existing products, but which may appeal to existing customers.√
  - Occurs when a business acquires or merges with a business that is at the same production stage, but it may offer a different product.√
  - Any other relevant answer related to horizontal diversification.

  Sub max (3)
- Conglomerate diversification√√
  - The business adds new products or services that are unrelated to existing products which may appeal to new groups of customers.√
  - Conglomerate diversification means that a business grows into new products, services and markets.√
  - Any other relevant answer related to conglomerate diversification.

  Sub max (3)

NOTE: Mark the first TWO (2) only.

(3 x 2) (6)

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2.6.1 The Compensation for Occupational Injuries and Diseases Act (Act 61 of 1997)/ (COIDA) ✓✓ **(2)**

2.6.2 **Purpose of COIDA**

- COIDA protects all casual and full-time workers who become ill/injured/disabled/killed due to a workplace accident/disease. ✓✓
- It excludes workers who are guilty of wilful misconduct/workers working outside South Africa for at least twelve months/members of the SA Defence Force/ Police services. ✓✓
- It provides for the establishment of a Compensation Board whose function is to advise the Minister of Labour on the application/provisions of COIDA.✓✓
- Medical expenses/Other types of compensation are paid to employees and/or their families depending on the type/severity of the injuries. ✓✓
- Employers have to pay a monthly amount to the Compensation Fund depending on the number of employees/the level of risk they are exposed to.✓✓
- Any other relevant answer related to the purpose/nature of COIDA.

Max (8)

2.6.3 YES

- Njabulo got injured when a recycling machine chopped off his fingers. ✓✓

NO

- He was not given protective clothing. ✓✓

NOTE: Do not allocate marks for Yes or No.

Max (4)

2.7 **National Skills Development Strategy**

- Provides for the participation√ of government, organised business and labour.√
- Encourages good quality training in the workplace√ to ensure on-going development of skills.√
- Indicates how Sector Education and Training Authorities (SETAs) should use the money allocated √from the Skills Development Levy (SDL).√
- Improves social development√ through economic development.√
- Increases access to programmes√ that train people.√
- Encourages and supports small businesses√, community-training groups, NGOs and worker-initiated training initiatives.√
- Increases the skills of the public sector√ to improve service delivery.√
- Builds/provides✓ career/ vocational guidance/ training centres.√
- Establishes and promotes closer links between employers√, training institutions and the SETAs.√
- Any other relevant answer related to the National Skills Development Strategy.

Max (6)

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QUESTION 2	MARKS
2.1	6
2.2	10
2.3	10
2.4.1	6
2.4.2	2
2.5	6
2.6.1	2
2.6.2	8
2.6.3	4
2.7	6
Total	**60**

QUESTION 3: BUSINESS VENTURES

3.1 **Types of shares**

3.1.1 Ordinary shareholders ✓✓

3.1.2 Preference shareholders ✓✓

3.1.3 Bonus shares ✓✓

3.1.4 Founders shares ✓✓

3.1.5 Redeemable preference shares ✓✓ (5x2) **(10)**

3.2 **Factors to be considered when making an investment decision**

- Return of investment (ROI) ✓
- Risk✓
- Investment term / period✓
- Influence of inflation on the pay-out value / growth of investments✓

(Any other relevant factors related to making an investment decision)

(4x1) **(4)**

3.3 **Functions of JSE**

- Serves as a link ✓ between investors and entrepreneurs. ✓
- Keeps investors informed ✓ through newspapers and other media by publishing share prices daily. ✓
- Regulates market ✓ for dealing with shares. ✓
- Serves as a barometer/indicator ✓ of economic conditions. ✓
- Mobilises the funds ✓ of insurance companies and other institutions. ✓
- Raises√ primary capital. ✓
- Venture capital market ✓ is made possible. ✓
- Provides protection ✓ for investors. ✓
- Has strict listing requirements ✓ which increase liquidity for investors. ✓
- Creates a safe environment ✓ for exchanging securities. ✓
- Forces listed companies to improve their reporting, ✓ and provide better information for decision-making by investors. ✓
- Encourages ✓ short term investments. ✓
- Allows small investors to buy shares✓ in large companies. ✓

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- Enables financial institutions to invest ✓ their surplus funds in shares. ✓
- Enables companies to offer share option incentives, ✓ which increases their ability to attract and retain high-quality investment talent. ✓
- Monitors change ✓ in listed companies. ✓
- Monitors the activities ✓ of the stockbrokers. ✓
- Uses STRATE ✓ to facilitate share transactions. ✓
- Promotes the JSE to the general public ✓ and educates the public about the stock exchange. ✓
- Plans, researches and advises ✓ on investment possibilities. ✓
- Allows shareholders to realise the value of their investments✓ through a public trading platform. ✓
- Any relevant answer related to the functions of the JSE.

Max (8)

3.4.1 Transformational leadership theory. ✓✓ (2)

Motivation

- has the ability to inspire his employees✓
- to develop new leaders and build the group✓
- appeals to the ethical values of managers✓
- inspire people with his innovative style✓

Note: Mark the first TWO examples only (2)

(4)

3.4.2 **Application of Transformational Theory**

- May be applied when followers/employees have a low morale ✓/are demotivated/ are underperforming. ✓
- Applied during the strategic planning process✓, where vision/mission/objectives have to be developed/changed. ✓
- When a business is restructuring✓ and exploring new ways of doing things. ✓
- Any other relevant answer related to the application of the transformational leadership theory in the workplace.

Max (4)

3.5 **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 style effectively. ✓✓
- Great leaders understand that the right attitude will set the right atmosphere. ✓✓
- Leaders' attitude can influence employees'/teams' thoughts and behaviour. ✓✓
- Leaders should model their behaviour that they want to see in team members. ✓✓
- Leaders must know/understand their teams to be able 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 and professional success. ✓✓

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- Leaders with a positive attitude know that there is always more to learn and space to grow. ✓✓
- Any other relevant answer related to the role of personal attitude in successful leadership.

Max (8)

3.6.1 Unit trusts✓✓ (2)

3.6.2 **Advantages / benefits of unit trusts**

- Managed by a fund manager ✓ to buy shares on the stock exchange. ✓
- The investor has a variety to choose from/a wider range of shares ✓ and a lower degree of risk. ✓
- Safe investments, ✓ as it is managed according to rules and regulations. ✓
- A small amount ✓ can be invested per month. ✓
- Easy to invest in, ✓ as investors simply fill in several forms or invest online. ✓
- Easy to cash in ✓ when an investor needs money. ✓
- Fluctuations in unit trust rates of return are often not so severe ✓ because of diversity of the investment fund. ✓
- Generally beats inflation ✓ on the medium/long term. ✓
- 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. ✓
- Any other relevant answer related to the advantages of unit trusts.

Max (6)

3.7.1 **Success factors of a private company**
Capital

- Can raise large amounts of capital ✓ /New shareholders can be attracted. ✓
- Share capital clause in the Memorandum of Incorporation (MOI) may be changed ✓ to issue more shares. ✓
- May attract financially strong investors ✓ if share value increases /remain stable. ✓
- Any other relevant answer related to the contribution of capital to the success of a public company.

Max (4)

3.7.2 **Legislation**

- Procedures to form a private company ✓ have been simplified by the new Companies Act 71 of 2008. ✓
- Limited liability allows for greater risk taking, ✓ which may lead to growth of the business. ✓
- Auditing of financial statements (if required), ✓ gives shareholders the assurance that the business is being properly managed and supports raising additional finance.✓
- There is no longer a limit ✓ on the number of shareholders in a private company.✓
- A private company can benefit from government programmes ✓if they comply with the relevant legislation. ✓
- Personal liability of share- holders✓ does not affect the company's assets. ✓
- Any other relevant answer related to the contribution of legislation to the success of a private company.

Max (4)

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3.8 **Effectiveness of using graphs**
Positives

- Used when information ✓ needs to be shown in parts. ✓
- Graphs are invaluable visual summaries, ✓ as it enhances a better understanding of the presentation. ✓
- People can easily identify trends with graphs, ✓ because it clearly show which parts are bigger/relative to others. ✓
- More visually appealing, ✓ therefore important facts could be remembered better. ✓
- Easier to read ✓ and keeps the audience attentive. ✓
- Useful visual ways to represent data ✓ to easily see patterns/make comparisons. ✓
- Communicates figures much clearer ✓ than just being a set of numbers. ✓
- Any other relevant positives for effectiveness of using graphs.

AND/OR

Negatives

- Can be confusing ✓ if they are not simple and clear. ✓
- Time consuming ✓ because it involves cumbersome calculations. ✓
- Too many variables ✓ may make it difficult to read. ✓
- Audience can be distracted by graphs ✓ and not concentrate on the presentation itself. ✓
- Some graphs may only show the percentage, ✓ but they do not indicate the major trends. ✓
- Any other relevant negatives for effectiveness of using graphs.

Max (6)
[60]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	10
3.2	4
3.3	8
3.4.1	4
3.4.2	4
3.5	8
3.6.1	2
3.6.2	6
3.7.1	4
3.7.2	4
3.8	6
TOTAL	**60**

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QUESTION 4: BUSINESS ROLES

4.1 **Unethical / unprofessional business practice**

4.1.1 Unprofessional ✓✓

4.1.2 Unprofessional ✓✓

4.1.3 Unethical ✓✓

4.1.4 Unethical ✓✓

4.1.5 Unethical. ✓✓

(10)

4.2 **Characteristics of successful teams**

- Interpersonal attitudes and behaviour ✓✓
- Have a positive attitude of support and motivation towards co-team members. ✓✓
- Have a positive attitude and passion to achieve team objectives. ✓✓
- There must be clear objectives and agreed upon goals. ✓✓
- Team members must be committed✓ to achieve the team objectives. ✓
- Team leader should acknowledge/give credit ✓to members for positive contributions.✓✓
- Shared values✓/Mutual trust and support. ✓✓
- Shows loyalty/respect✓towards team members despite differences. ✓✓
- Shows respect to the knowledge and skills of other members. ✓✓
- Perform team tasks with integrity, pursuing responsibility and meeting team deadlines with necessary commitment to team goals. ✓✓
- Team members trust one another. ✓✓
- Effective✓ communication ✓✓
- Speaks clearly and listens attentively✓✓
- Communicates with team members and allows for feedback. ✓
- Encourages discussion about the problem so that solutions can be found. ✓✓
- Co-operation/Collaboration amongst team members✓✓
- Willingness to co-operate in the team to achieve team objectives. ✓✓
- Willingness to co-operate with management to achieve team and business objectives. ✓✓
- Agree on methods/ways to get the job done effectively without wasting time on conflict resolution. ✓✓
- All members take part in decision making. ✓✓
- Any other relevant answer related to characteristics of teams.

Note: Mark the first FIVE characteristics

Max (10)

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4.3 **Procedure for dealing with grievances in the workplace**

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

NOTE: The procedure may be in any order.

Max (8)

4.4.1

- Increase in sales✓
- Increase in productivity✓
- Increased morale✓
- Increased motivation✓

NOTE: Mark the first TWO only. (2)

4.4.2 **Benefits of a diverse workforce**

- 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 and communicate across lines of difference. ✓
- Diversity in the workforce improves ✓ morale and motivation. ✓
- Employees demonstrate greater loyalty to the business ✓ because they feel respected/accepted/understood. ✓
- A 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 its policies/practices ✓ empower every employee to perform at his/her full potential. ✓
- Customers increasingly evaluate businesses ✓ on how they manage diversity in the workplace. ✓
- Employees from different backgrounds ✓ can bring different perspectives to the business. ✓

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- A diversified workforce stimulates debate ✓ on new and 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 benefits of diversity in the workplace.

(Do not award marks if responses to 4.4.1 are repeated)

Max (8)

4.4.3 **Address issues of diversity in the workplace**

(a) **Language**

- A business may specify that all communications must be in one specific language only and would expect employees to have a certain level of fluency in that language.√√
- It may sometimes be necessary to employ an interpreter so that everyone can fully understand what is being said in a meeting.√√
- All business contracts should be in easy-to-understand language and should be available in the language of choice for the parties signing.√√
- Any other relevant answer related to how businesses should address language as a diversity issue in the workplace.

Sub max (4)

(b) **Age**

- Promotions should not be linked to age, but rather to specific skills set.√√
- A business must not employ children aged 15 or younger.√√
- The ages of permanent workers should vary from 18 to 65 to include all age groups.√√
- A business may employ a person who is older than the normal retirement age provided that person is the most suitable candidate.√√
- Businesses must encourage older employees to help young employees to develop their potential.√√
- Young employees must be advised to respect and learn from older employees.√√
- The business should encourage employees to be sensitive to different perspectives of various age groups.√√
- Any other relevant answer related to how businesses should address age as a diversity issue in the workplace.

Sub max (4)

(c) **Disability**

- Provide employment opportunities for people with disabilities.√√
- Accommodate people with disabilities by providing facilities/ramps for wheel chairs√√, etc.
- Ensure that workers with special needs are not marginalised/feel excluded from workplace activities.√√
- Business should be well informed with how to deal with disabled employees.√√
- Policies and programs should accommodate the needs of people with disabilities.√√

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- Create an organisational culture and climate that is conducive for people with disabilities.√√
- Employees should be trained to deal with colleagues with disability.√√
- Bringing in external experts to help with disability and accommodation issues.√√
- Ensure that employees with disabilities are treated fairly.√√
- Focus on job skills/work performance of the disabled, rather than their disability/ possible problems they may pose in the future.√√
- Any other relevant answer related to how businesses should address disability as a diversity issue in the workplace.

Sub max (4)

Max (12)

4.5 Creative thinking

- Emphasise the importance of creative thinking to ensure that all staff know that you want to hear their ideas. ✓✓
- Encourage staff to come up with new ideas/opinions/solutions. ✓✓
- 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/studying how other businesses are doing things. ✓✓
- Encourage alternative ways of working/doing things. ✓✓
- Respond enthusiastically to all ideas and never let anyone feel less important. ✓✓
- Reward creativity by introducing reward schemes for teams/individuals who come up with creative ideas. ✓✓
- Provide a conducive working environment free from distractions. ✓✓
- Any other relevant answer related to ways in which businesses can promote creative thinking in the workplace.

NOTE: The emphasis is on 'ways', not necessarily advantages.

Max (10)

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1.	10
4.2	10
4.3	8
4.4.1	2
4.4.2	8
4.4.3	12
4.5	10
TOTAL	**60**

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QUESTION 5: BUSINESS OPERATIONS

5.1 **Business functions**

5.1.1 General Management ✓✓

5.1.2 Production Function ✓✓

5.1.3 Human Resource Function✓✓

5.1.4 Financial Function ✓✓

5.1.5 Public Relations Function ✓✓

(10)

5.2 **Contents / details of an employer contract**

- Name/Address/Contact details of Employer. ✓
- Personal details/Address of Employee. ✓
- Job title. ✓
- Job description. ✓
- Working hours. ✓
- Overtime. ✓
- Salary/Remuneration package. ✓
- Normal place of work. ✓
- Leave. ✓
- Date of commencement of employment/Starting date. ✓
- Probation period. ✓
- Code of conduct and/or Code of ethics. ✓
- Termination of the contract✓
- Disciplinary policy. ✓
- Any other relevant answer related to the contents of the employment contract.

NOTE: Mark the first FIVE details.

Any (5 x 1) **(5)**

5.3 **Selection Procedure**

- Determine fair assessment criteria✓ on which selection will be based. ✓
- Use the assessment criteria to assess all CVs/application forms ✓ received during recruitment ✓/Preliminary screening✓ is done by sorting the applications received according to the criteria for the job. ✓
- Check that applicants are not submitting false documents✓ such as forged certificates/degrees. ✓
- Make a list of all applicants✓ who qualify for the post. ✓
- Screen and check reference, ✓ e.g. check applicants' criminal records/credit history/social media, ✓ etc.
- Conduct preliminary interviews ✓ to sift out applicants who qualify for the job. ✓
- Inform all applicants ✓ about the outcome of the application. ✓
- Compile a shortlist ✓ of approximately five people. ✓
- Invite the shortlisted applicants/candidates ✓ for an interview. ✓
- Shortlisted candidates may be subjected to various types of selection tests, ✓ e.g. skills test. ✓
- A written offer is made✓ to the chosen candidate. ✓
- Any other relevant answer related to the selection procedure of a receptionist.

NOTE: Procedure can be in any order.

Max (10)

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5.4.1 **Identification**

- Internal recruitment ✓✓ (2)

Motivation

- Bollywood Boutique has advertised the vacancies on the staff notice board/bulletins✓ (1)

Identification (2)
Motivation (1)
Max (3)

5.4.2 **Evaluation of internal recruitment**

Positives

- Cheaper/Quicker✓ to fill the post. ✓
- Placement is easy, ✓ as management knows the employees' skills/personality/ experience/strengths. ✓
- Provides opportunities ✓ for career paths within the business. ✓
- The employee already has an understanding✓ of how the business operates. ✓/ Induction/Training✓ is not always necessary. ✓
- Reduces the chances of losing employees, ✓ as future career prospects are available. ✓
- Detailed, reliable information✓ can be obtained from the supervisors/employee records. ✓
- Any other relevant answer related to the positives of internal recruitment.

AND/OR

Negatives

- The promotion of an employee could cause resentment✓ among other employees. ✓
- The number of applicants from which to choose is limited✓ to existing staff only. ✓
- It is possible to promote certain employees✓ who do not really have the required skills for the new job. ✓
- It may close the door✓ to new ideas from outsiders. ✓
- The business has to spend more money on training/developing✓existing employees on the new position. ✓
- Employees who are not promoted ✓ may feel demotivated. ✓
- Any other relevant answer related to the negatives of internal recruitment.

Max (8)

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5.5 **Difference between quality control and quality assurance**

QUALITY CONTROL	QUALITY ASSURANCE
- Inspection of the final product√ to ensure that it meets the required standards.√	- Carried out during and after the production process√ to ensure required standards have been met at every stage of the process.√
- Includes setting targets/measuring performance√ and taking corrective measures.√	- Ensure that every process is aimed at getting the product right first time√ and prevent mistakes from happening again.√
- Any other relevant answer related to quality control.	- Any other relevant answer related to quality assurance.
Sub max (4)	Sub max (4)

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

Max (8)

5.6 **Benefits / Advantages of a good quality management system**

- Effective customer services will be rendered, resulting in increased customer satisfaction. ✓✓
- Time and resources are used efficiently. ✓✓
- Productivity increase through proper time management and using high quality resources. ✓✓
- Products and services are constantly improved. ✓✓
- Vision and mission/Business goals✓ may be achieved. ✓✓
- The business may achieve a competitive advantage over its competitors. ✓✓
- Continuous training will continuously improve the quality of employees' skills and knowledge. ✓✓
- Employers and employees will have a healthy working relationship which generally results in happy workers. ✓✓
- Increased market share/profitability may result in business growth/expansion. ✓✓
- **Any other relevant answer related to the advantages of a good quality control system.**

Max (8)

5.7 **Quality indicators for the purchasing function**

- Buy raw materials in bulk at lower prices. ✓✓
- Select reliable suppliers that render the best quality raw materials/capital goods at reasonable prices. ✓✓
- Place orders timeously and regular follow-ups to ensure that goods are delivered on time. ✓✓
- Effective co-ordination between purchasing and production departments so that purchasing staff understand the requirements of the production process. ✓✓
- Required quantities are delivered at the right time and place. ✓✓
- Implement and maintain stock control systems to ensure the security of stock. ✓✓
- Maintain optimum stock levels to avoid overstocking/reduce outdated stock. ✓✓
- Monitor and report on minimum stock levels to avoid stock-outs. ✓✓
- Effective use of storage space and maintain product quality while in storage. ✓✓

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- Involve suppliers in strategic planning/product design/material selection/quality control process. ✓✓
- Ensure that there is no break in production due to stock shortages. ✓✓
- Establish relationships with suppliers so that they are in alignment with the business's vision/mission/values. ✓✓
- Have a thorough understanding of supply chain management. ✓✓
- Any other relevant answer related to quality indicators for the purchasing function.

Max (8)
[60]

BREAKDOWN OF MARKS

QUESTION 5	MARKS
5.1	10
5.2	5
5.3	10
5.4.1	3
5.4.2	8
5.5	8
5.6	8
5.7	8
TOTAL	60

QUESTION 6: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

6.1 **Provisions of the BCEA**

- Family responsibility/maternity/annual leave.√
- Fringe benefits/Employee benefits/Perks.√
- Remuneration/Salary/Severance packages or pay. √
- Sunday/Public holiday.√
- Prohibition of child labour.√
- Termination of employment.√

Any other relevant answer related to the provision of the BCEA.

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

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6.2 **Business Strategies**

Intensive strategies
Market penetration✓✓
- Business may use aggressive marketing campaigns, e.g. low prices, to attract competitors' clients/attempt to persuade consumers that are already buying their products to continue supporting them. ✓
- Increase the market share of existing products/Promote new products that have become well established. ✓
- Business should do market research on existing clients to decide how to improve his marketing mix. ✓
- Reduce prices to increase sales. ✓
- Embark on an intensive advertising campaign to increase awareness and customer loyalty. ✓
- Employ more sales staff to improve sales services. ✓
- Any other relevant answer related to a discussion of market penetration.

Strategy: 2
Discussion: 1
Sub max (3)

Market development ✓✓
- It is a growth strategy where businesses aim to sell its existing products in new markets. ✓
- Businesses can target consumers in a potential market that is outside of its normal target market. ✓
- Find new ways of selling cars to other customers/in other areas. ✓
- Restructure pricing policies to cater for customers of all income levels. ✓
- Any other relevant answer related to a discussion of market development.

Strategy: 2
Discussion: 1
Sub max (3)

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

Strategy: 2
Discussion: 1
Sub max (3)
Max (9)

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BUSINESS VENTURE

6.3
6.3.1 Insurance

$$\frac{\text{Amount insured}}{\text{Market value}} \times \text{damages (formula)}$$

$$\frac{400\,000}{500\,000} \checkmark \times 300\,000 \checkmark$$

= R240 000 ✓✓ (4)

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

6.3.2 Average clause✓✓
Applies when goods/ property are/is under insured✓, then the insurance company will not pay out the full amount of the loss. ✓ (4)

6.4 **Responding to questions**
- Understand each question/comment before responding. ✓✓
- Listen carefully to each question and then respond. ✓✓
- Address questions and not the person. ✓✓
- Acknowledge good questions. ✓✓
- Remain professional, polite, calm and open. ✓✓
- Ability to answer the questions and follow up on it. ✓✓
- Rephrase questions if uncertain/ensure that you understand what is being asked. ✓✓
- Do not get involved in a debate/argument. ✓✓
- Do not allow one member of the audience to dominate the discussion/session and ask all the questions. ✓✓
- Avoid answering difficult questions when the answer is not known.✓✓
- Apologise for the error and promise to provide everyone with the correct details. ✓✓
- Address the whole audience and not only the person asking the question. ✓✓
- Any other relevant answer related to aspects to keep in mind when responding to questions in a non-aggressive and professional manner after the presentation.

NOTE: Mark the first THREE only.

(3 x 2) **(6)**

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BUSINESS ROLES

6.5 **King code principles**
- Transparency ✓
- Accountability ✓
- Responsibility ✓ (3 x 1) (3)

6.6.1 Delphi technique ✓✓ (2)

6.6.2 **Positives / Advantages of the Delphi technique in solving business problems**
- A group of experts will be used✓ without bringing them together. ✓
- Experts will give clear ideas/solutions✓ on how to improve on low productivity/profitability. ✓
- Panel members/Experts can give new information✓ on problems. ✓
- Information received from experts✓ can be kept confidential. ✓
- It reduces noise levels in an office environment✓ since there is no group discussion.✓
- Panel members/Experts need to reach consensus,✓ so that the best solution is found. ✓
- All experts are given an equal opportunity to give their opinions, ✓ so no-one dominates the process. ✓
- Any other relevant positive evaluation related to the use of the Delphi technique in solving business problems.

Max (6)

6.7 **Ways of promoting social rights in the workplace**
- Businesses should ensure that employees have access to health care/social security.✓✓
- Encourage employees/Provide opportunities for skills training/basic education. ✓✓
- Register workers at UIF to provide adequate protection in the event of unemployment/ illness. ✓✓
- Encourage employees to participate in special events, e.g. World Aids day. ✓✓
- Establish site clinics to give employees access to basic medical examinations. ✓✓
- Any other relevant answer related to the promotion of social rights in the workplace.

NOTE: Do not accept ways that promote human and/or economic rights.

Max (6)

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BUSINESS OPERATIONS

6.8.1 Car allowance ✓ (1)

6.8.2 **Advantages of fringe benefits to SE**
- Attractive fringe benefit packages✓ may result in higher employee retention/reduces employee turnover. ✓
- It increases employee satisfaction/loyalty, ✓ as they may be willing to work under pressure/improve personal performance. ✓
- Leads to higher productivity, ✓ as workers work for longer hours/more days. ✓
- Attracts good/qualified employees✓ who do not always need extra training. ✓
- Any other relevant positive aspect related to fringe benefits.

Max (6)

6.9 **Benefits of a good management system**
- Effective customer services will be rendered√, resulting in increased customer satisfaction.√
- Time and resources√ are used efficiently.√
- Productivity increase through proper time management√ and using high quality resources.√
- Products and services√ are constantly improved.√
- Vision and mission/Business goals√ may be achieved.√
- The business may achieve a competitive advantage√ over its competitors.√
- Continuous training√ will continuously improve the quality of employees' skills and knowledge.√
- Employers and employees will have a healthy working relationship√ which generally results in happy workers.√
- Increased market share/profitability√ may result in business growth/expansion.√
- Any other relevant answer related to the benefits / advantages of a good quality control system.

Max (8)
[60]

BREAKDOWN OF MARKS

QUESTION 6	MARKS
6.1	5
6.2	9
6.3.1	4
6.3.2	4
6.4	6
6.5	3
6.6.1	2
6.6.2	6
6.7	6
6.8.1	1
6.8.2	6
6.9	8
TOTAL	**60**

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QUESTION 7

BUSINESS ENVIROMENTS

7.1 BUSINESS ENVIRONMENTS (LEGISLATIONS)

Introduction

- The Skills Development Act, 1998 (Act 97 of 1998) (SDA) was developed in response to the demand for redress and equity. ✓
- The SDA is the integral part of the National Skills Development Strategy that aims to link learning to the demands of the world of work and enables employers/employees to become more productive and competitive. ✓
- Learnerships are theoretical and practical training opportunities that can lead to a recognised occupational qualification. ✓
- Broad-Based Black Economic Empowerment (BBBEE) creates opportunities for people who were previously excluded from participating in the South African economy. ✓
- BBBEE empowers black people including women, youth, and people with disabilities and people living in rural areas. ✓
- BBBEE is a mechanism to transform all business in South Africa. ✓
- The aim of BBBEE is to address the shortcomings of the Employment Equity Act, BEE and affirmative action as a whole. ✓
- The BBBEE Act deals with codes of good practice and industry charters. ✓
- Any other relevant introduction related to the implementation of/compliance to the SDA/SETAs and BBBEE (1 x 2) **(2)**

7.2 **Role of SETAs**

- Develops skills plans in line with the National Skills Development Strategy. ✓✓
- Approves workplace skills plans and annual training reports. ✓✓
- Pays out grants to companies complying with the requirements of the Skills Development Act. ✓✓
- Promotes and establishes learnerships. ✓✓
- Registers learnerships and learning programmes. ✓✓
- Provides training material/programmes for skills development facilitators. ✓✓
- Provides accreditation for skills development facilitators. ✓✓
- Oversees training in different sectors of the South African economy. ✓✓
- Draws up skills development plans for their specific economic sectors. ✓✓
- Allocates grants to employers, education and training providers and employees. ✓✓
- Promotes learnerships and learning programmes by identifying suitable workplaces for practical work experience. ✓✓
- Collects levies and pays out grants as required. ✓✓
- Any other relevant answer related to the roles of SETAs.

Max (10)

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7.3 **Purposes of the SDA**

- Develops the skills of people in South Africa ✓in order to improve productivity. ✓
- Invests in education✓ and training of workers. ✓
- Encourages businesses✓ to improve the skills of their workers. ✓
- Improves the chances of getting a job✓ for previously disadvantaged people. ✓
- Redresses imbalances of the past✓ through education and training. ✓
- Provides for the implementation of strategies✓ on a national, sector and workplace basis. ✓
- Provides funds for skills development through the levy-grant scheme✓ and a
- National Skills Fund. ✓
- Encourages workers ✓to participate in learning programmes. ✓
- Any other relevant answer related to the purpose of the SDA.

Max (12)

7.4 **Impact of the Skill Development Act on businesses**
Businesses:
Positives / Advantages

- Increases the number of skilled employees ✓ in areas where these skills are scarce.✓
- Improves productivity✓ in the workplace. ✓
- Increases global✓competitiveness. ✓
- Increases investment in education✓ and training in the labour market. ✓✓
- Improves the return on investment✓ in education and training. ✓
- Any other relevant answer related to the positive impact of the SDA on businesses.

AND/OR

Negatives / Disadvantages

- The SDA process is prescriptive and requires a large amount of paperwork and administration. ✓ This can cost time and money. ✓
- Skill Development Levy could be an extra burden✓ to financially struggling businesses. ✓
- It may be monitored and controlled by government departments✓ that do not have education and training as their key priorities. ✓
- The SETAs may not be well organised and many courses offered by companies✓ may not have unit standards that relate to the course content. ✓
- Many service providers that offer training services✓ are not SAQA accredited. ✓
- Many businesses✓ may not support this government initiative. ✓
- Implementation of the SDA✓ can be difficult to monitor and control. ✓
- Employees are expected to attend learnerships during work hours✓ which could affect the production process/productivity. ✓
- Costly for businesses to employ a person✓ to implement, manage and control learnerships. ✓
- The time and money spent on improving employee skills is wasted✓ if they leave the business. ✓✓

Any other relevant answer related to the negative impact of the SDA on businesses.

Max (12)

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7.5 **Recommendations of BBBEE pillars on Isilumko Staffing**

7.5.1 **Ownership**

- Businesses should include black people in shareholding/partnerships/ franchises. ✓✓
- Exempted microenterprises (EMEs) with a black ownership of 50% or more have a better BEE rating/score. ✓✓
- More opportunities are created for black people to become owners/ entrepreneurs.✓✓
- Businesses sometimes find it difficult to attract suitable black business partners/shareholders. ✓✓
- Many black people cannot afford shares/contributions to partnerships. ✓✓
- Any other relevant answer related to the implication of ownership as a BBBEE pillar on businesses.

Sub max (6)

7.5.2 **Management**

- Appointing black people in senior executive positions/management. ✓✓
- Ensuring black female representation in management. ✓✓
- When businesses sell 25% of their shares to black investors to become directors, the business will score points in both management and ownership. ✓✓
- Due to a shortage of skilled black managers/directors, some businesses may find it difficult to make appointments. ✓✓
- Any other relevant answer related to the implication of management as a BBBEE pillar on businesses.

Sub max (6)
Max (12)

7.6 **Conclusion**

- The SDA plays an important role in ensuring that the workforce is skilled and contributes to productivity and the economic growth of the country. ✓✓
- The SDA enables businesses to improve the skills of their employees and this increases employee morale/reduces staff turnover. ✓✓
- It is a practical growth strategy that aims to stimulate economic growth. ✓✓
- It is a good strategy of government to address the imbalances of the past. ✓✓
- To promote access to finance for Black Economic Empowerment. ✓✓
- Any other relevant conclusion related to the implementation of/compliance to the SDA and BBBEE.

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

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BREAKDOWN OF MARK ALLOCATION FOR QUESTION 7

Details	Maximum	Total
Introduction	2	Max 32
Role of SETAs	10	
Purpose of SDA	12	
Impact of SDA on businesses	12	
Recommendations of Ownership and Management as pillars of BBBEEE	12	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis, interpretation	2	
Synthesis	2	
Originality, examples	2	
TOTAL MARKS		40

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

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QUESTION 8: BUSINESS VENTURE (Insurance)

8.1 **Introduction**

- Insurance is extremely beneficial to businesses as it provides financial relief in times of unforeseen financial losses. ✓
- Business owners should have a clear understanding of the financial impact of accidents and disasters on their business operations, so that they can make provision for that in advance. ✓
- Business owners should be aware of the benefits of contributing towards compulsory insurance, e.g. UIF and RAF. ✓
- It is important for business owners to understand the difference between insurable and non-insurable risks. ✓
- Any other relevant introduction related to insurance.

(2 x 1) **(2)**

8.2 **Advantages insurance to businesses**

- Transfers the risk from the business/insured ✓to an insurance company/insurer. ✓
- The transfer of the risk is subject to the terms and conditions✓ of the insurance contract. ✓
- Protects the business against theft and loss of stock and/or damages✓caused by natural disasters such as floods, storm damage, etc. ✓
- The business will be compensated✓ for insurable losses, e.g. destruction of property through fire. ✓
- Business assets✓, e.g. vehicles/equipment/buildings need to be insured against damage and/or theft. ✓
- Business is protected against the loss of earnings✓ e.g. strikes by employees result in losses worth millions of rands. ✓
- Protects the business against deeds of dishonesty✓by employees. ✓
- Insurance can be taken against the life of partners✓ in a partnership. ✓
- Should the services of key personnel be lost due to accidents or death, ✓the proceeds of an insurance policy can be paid out to the business/ beneficiaries. ✓
- Replacement costs for damaged machinery and equipment are very high, ✓ therefore, insurance can reduce/cover these costs. ✓
- Any other relevant answer related to the advantages of insurance to businesses.

Max (12)

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8.3 **Principles of Insurance**

Indemnification/Indemnity√√

- Applicable to short term insurance.√√
- Insured is restored to almost the same financial position as before the loss occurred.√√
- Neither the insurer nor the insured may profit from insurance.√√
- Principle of re-instatement may be applied if the item was over-insured.√√
- In the case of under-insurance only a portion of the loss will be refunded.√√
- Any other relevant answer related to the principle of indemnification/indemnity.

Principle (2)
Description (4)
Sub max (6)

Security√√

- Applicable to long/short term insurance/life assurance.√√
- Insurer undertakes to pay out a pre-determined amount in the event of the death/reaching a certain age/personal injury of the insured.√√
- Aim is to provide financial security to the insured at retirement/the dependants of the deceased.√√
- Any other relevant answer related to the principle of security.

Principle (2)
Description (4)
Sub max (6)

Utmost good faith√√

- Insured has to be honest in supplying details when entering into the insurance contract.√√
- Details/Information supplied when claiming should be accurate/true.√√
- Any other relevant answer related to the principle of utmost good faith.

Principle (2)
Description (4)
Sub max (6)

Insurable interest√√

- Insured will suffer a financial loss/liability as a result of an insurable risk.√√
- Insured must have a legal relationship with the object insured in the contract, e.g. a man is legally married to his wife and he can insure her life.√√
- Any other relevant answer related to the principle of insurable interest.

Principle (2)
Description (4)
Sub max (6)
Max (12)

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8.4 **Insurable risks vs. Non-Insurable risks**

INSURABLE RISKS	NON-INSURABLE RISKS
Businesses are compensated ✓for losses arising from specified risks. ✓ (2)	These risks are not insured by insurance companies✓/It remains the responsibility of the business. ✓ (2)
Any TWO examples: • Fire. ✓ • Theft and burglary. ✓ • Storm/Damage during natural disasters.✓ • Life insurance. ✓ • Vehicle insurance (includes theft, hi-jacking, accidents, etc.). ✓ • Public liability insurance. ✓ • Fidelity insurance. ✓ • Money-in-transit. ✓ • Unemployment insurance. ✓ Any other relevant answer related to examples of insurable risks. (2 x 1) (2) Sub max (4)	Any TWO examples: • Losses caused by war. ✓ • Most risks occurring in the period between placing orders and receiving goods. ✓ • Changes in fashion. ✓ • Shoplifting (recurrent expenditure / risk too high). ✓ • Losses caused by marketing malpractices on the part of the business. ✓ • Advancement in technology/new machinery invention. ✓ Any other relevant answer related to examples of non-insurable risks. (2 x 1) (2) Sub max (4)

NOTE: 1. Although bad debts are generally not insurable risks, they can be insured if certain conditions are met.
2. Mark first TWO examples for each one.

Max (8)

8.5.1 **Benefits of UIF to business**

- The UIF provides benefits (such as unemployment, maternity, etc.) to workers who have been working and become unemployed for various reasons, ✓ so the business is not solely responsible to make provision in this regard. ✓
- Businesses only contribute 1% (of a total of 2%) towards UIF, ✓ therefore reducing the expenses of providing UIF benefits themselves. ✓
- Affordable contributions ✓ may make it possible for businesses to appoint substitute workers in some instances. ✓
- As the UIF also pays out to dependants of deceased contributors, ✓ the business cannot be held responsible in this regard. ✓
- Any other relevant answer related to the benefits to businesses of contributing to the UIF.

Sub max (8)

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8.5.2 **Benefits of RAF (RABS) to business**

- The RAF **(RABS)** provides compulsory cover for all road users in South Africa, ✓ which include South African businesses. ✓
- As drivers of business vehicles are indemnified against claims by persons injured in vehicle accidents/claims of dependants of people killed in vehicle accidents, ✓ the responsibility for these claims may be reduced. ✓
- The next of kin of workers who are injured or killed in road accidents, may claim directly from RAF **(RABS)**, ✓so businesses cannot be held totally responsible in this regard. ✓
- Any other benefit answer related to the relevance to businesses of contributions to the RAF **(RABS)**.

Sub max (6)
Max (14)

8.7 **Conclusion**

- Insurance plays an important role in securing the future of businesses as it provides a guarantee of compensation for specified loss, damage, illness or death. ✓✓
- Taking out comprehensive insurance on assets and other specified losses is regarded as sound business practice. ✓✓
- Any other relevant conclusion related to insurance.

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

BREAKDOWN OF MARK ALLOCATION FOR QUESTION 8

Details	Maximum	Total
Introduction	2	Max 32
Advantages	12	
Principles	12	
Insurable vs Non-insurable	8	
Benefits of UIF and RAF	14	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis, interpretation	2	
Synthesis	2	
Originality, examples	2	
TOTAL MARKS		40

[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 9

9.1 **INTRODUCTION**

- Corporate social responsibility (CSR) is the way a business conducts itself, ethically and morally, regarding their use of human resources, physical \resources and their funds. ✓
- CSR improves the lifestyle and quality of life of their human resources and caring for the environment by ensuring that they have the most efficient and sustainable resources. ✓
- Corporate social responsibility is about making profit in a responsible way, e.g. taking into account the impact of the business's operations on the environment. ✓
- Businesses are corporate citizens and therefore have a responsibility towards society.✓
- CSI is a component of CSR, where social responsibility is the intention and social investment is the action. ✓
- Businesses should consider the importance of the wellbeing of the community in relation to profitability and productivity. ✓
- Any other relevant introduction related to CSR and CSI.

(2 x 1) **(2)**

9.2 **Differentiate between CSR and CSI**

CSR	CSI
• Refers to strategies used by business ✓ to take responsibility for their impact on society/the environment. ✓	• Refers to any project undertaken by business ✓ which is not directly aimed at increasing profitability. ✓
• Aims at improving the quality of life ✓ for the employees/their families and the community in which the business operates. ✓	• Regarded as direct investments in projects ✓ that will benefit the community. ✓
• It is the way in which companies manage their business operations ✓ so that it impacts positively on all stakeholders. ✓	• CSI projects are developmental of nature ✓ and business resources are used to benefit/uplift communities. ✓
• Focus is on the commitment from business to act ethically ✓ by contributing to social/economic development. ✓	• CSI focuses on how businesses manage ✓ their expenditure on CSI projects. ✓
• Any other relevant answer related to CSR.	• Any other relevant answer related to CSI.
Sub max (4)	Sub max (4)

NOTE: 1. The answer does not have to be tabular format, but differences must be clear.
2. Award a maximum of FOUR (4) marks if differences are not clear/ Mark either CSR or CSI only/

Max (8)

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9.3 **Evaluation of the impact of CSR on the Nedbank Group**

Positives / Advantages for the business

- Can serve as a marketing strategy ✓and promote the image of the business. ✓
- A company may have a competitive advantage, ✓ as it leads to good publicity and an improved reputation. ✓
- May attract experienced employees/increase the pool of skilled labour✓ which could increase productivity. ✓
- It helps to attract and retain staff/✓Lower staff turnover as employees' health and safety are considered/Improve the health of its employees. ✓
- The business enjoys the goodwill✓ and support of communities. ✓
- CSR helps to attract investors✓ because of increased profits ✓
- If CSR is aligned with company policies/vision/mission statement, it shows accountability towards all stakeholders. ✓
- Businesses that support CSR through various programmes, ✓ encourages and rewards employees if they get involved in CSI programmes.✓
- CSI programmes have a better success rate✓ if it is fully supported by top management. ✓
- Sustained environmental conservation programmes may lead to reducing costs, ✓ which can make funds available for other business operations. ✓
- If the corporate sector gets involved voluntarily in CSR✓, it is less likely that government will enforce the issue through legislation. ✓
- Businesses may enjoy tax rebates✓ from SARS. ✓
- Any other relevant answer related to a positive evaluation/assessment of the role of CSR in the business.

AND/OR

Negatives / Disadvantages for the business

- The community may not support the enterprise✓, i.e. may not buy the products of the enterprise. ✓
- Difficulty in adherence✓ to legislation governing CSR. ✓
- Small and medium enterprises✓ find it difficult to implement CSI programmes. ✓
- CSI activities can distract businesses✓ from their core business functions. ✓
- Social involvement is paid from a company's profit✓ that could have been used to lower prices to the benefit of customers. ✓
- Detailed reports must be drawn up✓, which can be time consuming. ✓
- Social spending reduces a company's economic efficiency ✓and makes it less competitive. ✓
- It can increase financial risk, ✓ as programmes cost money and may impact negatively on profits. ✓
- Company directors are accountable to shareholders, ✓ not to the communities. ✓
- It is difficult to accurately measure the effectiveness✓ of social investment. ✓
- It is difficult to determine the exact needs✓ of the communities. ✓
- Most managers are not trained✓ and lack experience to handle social programmes. ✓
- Some shareholders/stakeholders might withdraw their support from the company✓ as they feel that social issues should be the government's responsibility. ✓
- Providing goods and services that meet the needs of consumers✓ is, according to some stakeholders, already socially responsible. ✓
- Some CSI programmes will be regarded as a public relations stunt✓, as these programmes improve the business's image without having a sustainable/long term effect. ✓

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- Shareholders, as the only real stakeholders, may suffer as their profits are spent on CSR. ✓
- Employees may spend more time working on CSI programmes✓ instead of focusing on their core duties. ✓
- Any other relevant answer related to a negative evaluation/assessment of the role of CSR in the business.

Max (16)

9.4 **Corporate social investment initiatives**

- Businesses can donate computers to underprivileged schools. ✓✓
- Teaching entrepreneurship skills and offering support to individuals starting new ventures. ✓✓
- Providing adult basic education and training in local communities. ✓✓
- Sponsoring art and cultural programmes. ✓✓
- Establishing programmes to promote early childhood development. ✓✓
- Conduct job creation programmes. ✓✓
- Support sport development programmes/sport bursaries/-sponsorships. ✓✓
- Any relevant answer related to corporate social Investment initiatives.

Max (10)

9.5 **How Nedbank group can contribute time and effort to advance the wellbeing of their employees.**

- The Nedbank Group should improve the general quality of life of employees, e.g. pay fair wages/skills development, ✓✓ etc.
- Start a nutritional programme so that employees can enjoy one meal per day to keep them in a healthy condition. ✓✓
- Provide subsidised housing/accommodation for their employees. ✓✓
- 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 health activities to minimise 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. ✓✓
- Offer counselling sessions to employees with personal/emotional challenges. ✓✓
- Any other relevant recommendations related to ways in which the Nedbank Group can contribute time and effort to advance the wellbeing of their employees.

Max (12)

9.6 **Conclusion**

- Corporate social responsibility is an obligation required by law and benefits both business and society. ✓✓
- CSR programmes and CSI projects allow businesses to influence people's lives in many ways. ✓✓
- Businesses use CSR programmes and CSI projects to comply with laws and ethics.✓✓
- Any other relevant conclusion on CSR and the wellbeing of the community.

(1 x 2) **(2)**

[40]

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BREAKDOWN OF MARK ALLOCATION OF QUESTION 9

Details	Maximum	Total
Introduction	2	Max 32
Differences	8	
Evaluation of CSR	16	
Recommendations	10	
Advise – well being	12	
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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BUSINESS OPERATIONS

10.1 **Introduction**

- Total quality relates to products that totally satisfy customers' needs and expectations in every respect on a continuous basis. ✓
- Quality is to satisfy customers' needs. ✓
- Business functions and employees' activities must be properly managed to ensure quality goods and services. ✓
- Quality management should not just be an inspection process, but become part of the culture of the business. ✓
- TQM is an integrated system and methodology applied throughout the organisation which helps to design, produce and provide quality products and quality service to customers. ✓
- Any other relevant introduction related to total quality management. (TQM)

(2 x 1) **(2)**

10.1 **Benefits of induction**

- Increases quality of performance/productivity✓✓
- Allows new employees to settle in quickly and work effectively. ✓✓
- Ensures that new employees understands rules and restrictions in the business. ✓✓
- The results obtained during the induction process provide a base for focussed training.✓✓
- Minimises the need for on-going training and development. ✓✓
- New employees may establish relationships with fellow employees at different levels.✓✓
- Employees will be familiar with organisational structures, e.g. who are their supervisors/low level managers. ✓✓
- Opportunities are created for new employees to experience/explore different departments. ✓✓
- New employees will understand their role/responsibilities concerning safety regulations and rules. ✓✓
- New employees will know the layout of the building/factory/offices/where everything is, which saves production time. ✓✓
- Learn more about the business so that new employees understand their roles/ responsibilities in order to be more efficient. ✓✓
- Make new employees feel at ease in the workplace, which reduces anxiety/ insecurity/fear. ✓✓
- Company policies are communicated, regarding conduct and procedures/safety and security/employment contract/conditions of employment/working hours/ leave. ✓✓
- Realistic expectations for new employees as well as the business are created. ✓✓
- New employees may feel part of the team resulting in positive morale and motivation.✓✓
- Employees may have a better understanding of business policies regarding ethical/professional conduct/procedures/CSR✓✓, etc.
- Any other relevant answer related to the benefits of induction.

Max (6)

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10.3 **Impact of the elements of TQM on large businesses**

10.3.1 **Total client/customer satisfaction**

Positives/Advantages

- Large businesses use market research/customer surveys✓ to measure/ monitor customer satisfaction/analyse customers' needs.✓
- Continuously promote✓ a positive company image. ✓
- May achieve a state of total customer satisfaction, if businesses follow sound business practices✓ that incorporate all stakeholders. ✓
- Strive to understand and fulfil customer expectations✓ by aligning cross-functional teams across critical processes. ✓
- Ensures that cross-functional teams understand its core competencies✓ and develop/strengthen it. ✓
- May lead to higher customer retention/loyalty✓ and businesses may be able to charge higher prices. ✓
- Businesses may be able to gain access✓ to the global market. ✓
- May lead to increased✓ competitiveness/profitability. ✓
- Any other relevant answer related to the positives/advantages of total client/customer satisfaction.

AND/OR

- Negatives/Disadvantages
- Employees who seldom come into contact with customers✓ often do not have a clear idea of what will satisfy their needs. ✓
- Monopolistic companies have an increased bargaining power✓ so they do not necessarily have to please customers. ✓
- Not all employees✓ may be involved/committed to total client satisfaction. ✓
- Any other relevant answer related to the negatives/disadvantages of total client/customer satisfaction.

Sub max (10)

10.3.2 **Continuous improvements to systems and processes**

Positives/Advantages

- Large businesses have more resources✓ to check on quality performance in each unit. ✓
- Enough capital resources are available✓ for new equipment required for systems and processes. ✓
- Large businesses have a person dedicated✓ to the improvement of systems and processes.✓
- Willing to take risk on/try new processes and systems✓ because they are able to absorb the impact of losing money.✓
- They can afford to use the services of the quality circles✓ to stay ahead of their competitors. ✓
- Any other relevant answer related to the positives/advantages of continuous improvement to systems and processes.

AND/OR

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Negatives/Disadvantages
- Large scale manufacturing✓ can complicate quality control. ✓
- Systems and processes take time and effort to implement in a large business✓ as communication/buy-in may delay the process. ✓
- Risk of changing parts of the business✓ that are actually working well. ✓
- Not all negative feedback from employees and customers is going to be accurate✓, which may result in incorrect/unnecessary changes to systems and processes. ✓
- Any other relevant answer related to the negatives/disadvantages of continuous improvement to systems and processes.

Sub max (10)

10.3.3 **Continuous skills development/Education and Training**

Positives/Advantages
- Large businesses have a human resources department✓ dedicated to skills training and development. ✓
- Human resources experts✓ ensure that training programmes are relevant to increased customer satisfaction. ✓
- Ability to afford✓ specialised/skilled employees✓
- May be able to conduct skills audits✓ to establish the competency/education levels of staff performing work which could affect the quality of products/processes. ✓
- May be able to hire qualified trainers✓ to train employees on a regular basis. ✓
- Any other relevant answer related to the positives/advantages of continuous skills development.

AND/OR

Negatives/Disadvantages
- Poor communication system✓ may prevent effective training from taking place. ✓
- Trained employees may leave for better jobs✓ after they gained more skills. ✓
- De-motivates employees✓, if they do not receive recognition for training. ✓
- Employees who specialise in narrowly defined jobs✓ may become frustrated/ demotivated. ✓
- Employees may not be aware of the level of competency they should meet✓ in order to achieve their targets. ✓
- It may be difficult to monitor/evaluate✓ the effectiveness of training. ✓
- Any other relevant answer related to the negatives/disadvantages of continuous skills development.

Sub max (10)
Max (24)

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10.4 **Negative impact of poorly implemented TQM**
- Setting unrealistic deadlines✓ that may not be achieved. ✓
- Employees may not be adequately trained✓ resulting in poor quality products. ✓
- Decline in productivity, ✓ because of stoppages. ✓
- Businesses may not be able to make necessary changes✓ to satisfy the needs of customers. ✓
- The reputation of the business✓ may suffer because of faulty goods. ✓
- Customers will have many alternatives to choose from✓ and the impact could be devastating to businesses. ✓
- Investors might withdraw investment, ✓ if there is a decline in profits. ✓
- Bad publicity✓ due to poor quality products supplied. ✓
- Decline in sales, ✓ as returns from unhappy customers' increase. ✓
- High staff turnover, ✓ because of poor skills development. ✓
- Undocumented quality control systems/processes✓ could result in error or deviations from pre-set quality standards. ✓
- Any other relevant answer related to the negative impact resulting from poor TQM.

Max (8)

10.5 **Recommendations for reducing the cost of quality**
- Introduce quality circles/small teams of five to ten employees, who meet regularly to discuss ways of improving the quality of their work. ✓✓
- Schedule activities to eliminate duplication of tasks/activities. ✓✓
- Share responsibility for quality output amongst management and workers. ✓✓
- Train employees at all levels, so that everyone understands their role in quality management. ✓✓
- Develop work systems that empower employees to find new ways of improving quality.✓✓
- Work closely with suppliers to improve the quality of raw materials/inputs. ✓✓
- Improve communication about quality challenges/deviations, so that everyone can learn from experiences. ✓✓
- Reduce investment on expensive, but ineffective inspection procedures in the production process. ✓✓
- Implement pro-active maintenance programmes for equipment/machinery to reduce/eliminate breakdowns. ✓✓
- Any other relevant answer related to ways in which business can reduce the cost of quality.

Max (8)

10.6 **Conclusion**
- Induction clearly informs employs about policies, rules and procedures. ✓✓
- Businesses should always focus on customers' needs to establish total satisfaction.✓✓
- TQM is a thought revolution in management, where the entire business is operated with customer orientation in all activities all the time by everyone in the organisation.✓✓
- Any other relevant conclusion related to TQM.

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

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BREAKDOWN OF MARK ALLOCATION FOR QUESTION 10

Details	Maximum	Total
Introduction	2	Max 32
Induction	6	
Elements	24	
Impact	8	
Recommendations	8	
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 requirements are not met at all.