Western Cape Government
Education
FOR YOU

WESTERN CAPE
EDUCATION DEPARTMENT

BUSINESS STUDIES
GRADE 12

TRIAL EXAMINATION

PAPER 2
2024

MEMO

MARKS: 150

TIME: 2 HOURS

This marking guideline consists of 32 pages.

NOTES TO MARKERS

PREAMBLE

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

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

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

Marker:	Red
Senior Marker:	Green
Deputy Chief Marker:	Orange
Chief Marker:	Pink
Internal Moderator:	Black/Blue
DBE Moderator:	Turquoise

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

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

   - Uses a different expression from that which appears in the marking guideline
   - Comes from another credible source
   - Original
   - A different approach is used

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

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

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

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

7. Subtotals to questions must be written in the right-hand margin. Circle the sub-totals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.

8. In an indirect question, the theory as well as the response must be relevant and related to the question.

9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.

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

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

    11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive**: '*The autocratic leadership style provides strong leadership* ✓ *which makes new employees feel confident and safe* '. ✓

    11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g., '*The autocratic leadership style provides strong leadership* ✓ *which makes new employees feel confident and safe* ✓, *as expectations/roles are clearly explained to avoid confusion'*. ✓

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

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

    Cognitive verbs, such as:

    12.1 Advise, name, state, outline, motivate, recommend, suggest, *(list not exhaustive)* do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.

    12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessment is conducted according to established norms so that uniformity, consistency and fairness are achieved.

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

14. **SECTION B**

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

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

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

14.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers and consult with the Internal Moderator at DBE for approval.

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

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

- Fact 2 marks (or as indicated in the marking guidelines)
- Explanation 1 mark (two marks will be allocated in Section C)

The 'fact' and 'explanation' are given separately in the marking guideline to facilitate mark allocation.

14.4.2 If the number of facts required is not specified, the allocation of marks must be informed by the nature of the question and the maximum mark allocated in the marking guideline.

14.5 **ONE mark may be awarded for answers that are easy to recall, requires one-word answers or is quoted directly from a scenario/case study. This applies to SECTIONS B and C in particular (where applicable).**

15. **SECTION C**

15.1 The breakdown of the mark allocation for the essays is as follows:

Introduction	**Maximum: 32**
Content	
Conclusion	
Insight	**8**
TOTAL	**40**

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body, and a conclusion?	**2**
Analysis and interpretation	Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked? Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	**2**
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Option 1: **Only relevant facts: 2 marks (No '-S')** Where a candidate answers 50% or more of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis. Option 2: **Some relevant facts: 1 mark (One '-S')** Where a candidate answers less than 50% of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 3: **Some relevant facts: 1 mark (One '-S')** Where a candidate answers FOUR sub-question,but one/two/three sub-questions with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 4: **No relevant facts: 0 marks (Two '-S')** Where a candidate answers less than 50% (only one sub-question) of the questions with no relevant facts; two '-S' appears in the left margin. Award a ZERO mark synthesis.	**2**
Originality	Is there evidence of one or two examples, not older than two (2) years that are based on recent information, current trends and developments?	**2**
	TOTAL FOR INSIGHT:	**8**
	TOTAL MARKS FOR FACTS:	**32**
	TOTAL MARKS FOR ESSAY (8 + 32):	**40**

NOTE:

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

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

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

15.5 Mark all relevant facts until the SUBMAX/MAX mark in a subsection has been attained. Write SUBMAX/MAX after maximum marks have been obtained, but continue reading for originality "O".

15.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

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

15.7 When awarding marks for facts, take note of the submaximal indicated, especially if candidates do not make use of the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)

15.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.

15.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guideline.

15.10 15.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.

15.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (✓) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy ✓, where businesses aim to introduce new products into existing markets.'✓

This will be informed by the nature and context of the question, as well as the cognitive verb used.

15.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guidelines, will not necessarily apply to each question. This would also depend on the nature of the question.

SECTION A

QUESTION 1

1.1

1.1.1 D
1.1.2 A
1.1.3 B
1.1.4 D
1.1.5 C

1.2 (5 x 2) **(10)**

1.2.1 long-term
1.2.2 cumulative
1.2.3 planet
1.2.4 privacy
1.2.5 decision-making

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

1.3

1.3.1 H ✓✓
1.3.2 J ✓✓
1.3.3 A ✓✓
1.3.4 B ✓✓
1.3.5 D ✓✓

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

TOTAL SECTION A: 30

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B

Mark the FIRST TWO answers only.

QUESTION 2: BUSINESS VENTURES

2.1 **Examples of non-insurable risks**

- Nuclear weapons/war/earthquakes ✓
- Changes in fashion ✓
- Improvement/Changes in technology ✓
- Irrecoverable debts ✓
- High rate of inflation ✓
- Financial loss due to bad management✓
- Possible failure of a business ✓
- Shoplifting during business hours ✓
- Loss of income if stock is not received in time/Time that elapses between the ordering and delivery of goods. ✓
- Losses/damages incurred because of illegal marketing activities ✓
- Any other relevant answer related to examples of non-insurable risks.
  NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

2.2 **Difference between limited liability and unlimited liability**

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

NOTE:
1. **The answer does not have to be in tabular format.**
2. **The difference does not have to link, but must be clear.**
3. **Award a maximum of TWO (2) marks if the difference is not clear/Mark either limited liability or unlimited liability only.**

Max (4)

2.3 **Insurance concepts and importance of insurance for businesses**

2.3.1 **Insurance concepts from the scenario**

INSURANCE CONCEPTS	MOTIVATIONS
1. Excess ✓✓	ZC paid R6 000 when they lodged their insurance claim with Quick Insurers. ✓
2. Reinstatement ✓✓	Quick Insurance replaced the damaged assets of ZC instead of reimbursing them. ✓
Submax (4)	Submax (2)

NOTE:
1. **Mark the first TWO (2) only.**
2. **The answer does not have to be in tabular format.**
3. **Award marks for the insurance concepts even if the motivations were incomplete.**
4. **Do not award marks for the motivations if the insurance concepts were incorrectly identified.**

Max (6)

2.3.2 **Importance of insurance for businesses**

- Transfers the risk from the business/insured ✓ to an insurance company/insurer. ✓
- Transfer of risk is subject to the terms and conditions ✓ of the insurance contract. ✓
- Protects businesses against theft/loss of stock and/or damages ✓ caused by natural disasters such as floods/storm damage. ✓
- Businesses will be compensated for insurable losses ✓ such as the destruction of property through fire. ✓
- Businesses assets such as vehicles/equipment/buildings ✓ need to be insured against damage and/or theft. ✓
- Businesses are protected against the loss of earnings ✓ such as strikes by employees which may result in losses worth millions. ✓
- Protects businesses against ✓ dishonest employees. ✓
- Life insurance can be taken on the life of partners in a partnership ✓ to prevent unexpected loss of capital. ✓
- Should the services of key personnel be lost due to accidents/death, ✓ the proceeds of an insurance policy can be paid out to the business/beneficiaries. ✓
- Replacement costs for damaged machinery/equipment are very high, ✓ therefore insurance can reduce/cover such costs. ✓
- Protects businesses from claims made by members of the public ✓ for damages for which businesses are responsible. ✓
- Protects businesses against losses ✓ due to death of a debtor. ✓
- Any other relevant answer related to the importance of insurance for businesses.

Max (4)

2.4 **Characteristics of state-owned companies**

- The name ends with ✓ letters/abbreviation/suffix SOC. ✓
- SOCs are listed ✓as public companies. ✓
- It is owned by the government ✓ and operated for profit. ✓
- Requires three or more directors ✓ and one or more shareholders to establish. ✓
- SOC has its own ✓ legal personality. ✓
- Shareholders of a SOC ✓ have limited liability for debts. ✓
- SOC has an unlimited ✓continuity/perpetual lifespan. ✓
- Register with the CIPC ✓ by drawing up Memorandum of Incorporation. ✓
- State-owned companies support private businesses ✓ by providing infrastructure such as communication service /Post office and supply of electricity/Eskom. ✓
- Any other relevant answer related to the characteristics of a state-owned company.

Max (6)

2.5 **Impact of flip charts**

Positives/Advantages

- Mainly used for a small audience ✓ to note down short notes/ideas. ✓
- Very effective in brain-storming sessions ✓ as suggestions are summarised or listed. ✓
- In a sales pitch it may be useful during the feedback session ✓ to summarise main facts/aspects that the presenter needs to follow up on. ✓
- Any other relevant answer related to the positive impact/advantages of flip charts as a type of visual aid.

AND/OR

Negatives/Disadvantages

- There may not be enough time during the presentation to make written notes ✓, so some ideas may not be listed. ✓
- Handwriting may be illegible/untidy ✓ which may negatively impact on the professional image/presentation. ✓
- It may not always be possible to prepare flip charts before the presentation ✓, so it can become cluttered/ chaotic. ✓
- Any other relevant answer related to the negative impact/advantages of flip charts as a type of visual aid.

Max (4)

2.6 **Application of laissez-faire/free reign leadership and the transformational leadership theory**

2.6.1 **Application of laissez-faire/free reign leadership from the scenario**

- RS has delegated responsibilities to experienced team leaders. ✓
- RS has provided developmental opportunities to employees who demonstrate leadership skills. ✓

NOTE: Mark the FIRST TWO (2) only.

(2 × 1) (2)

2.6.2 **Transformational leadership theory**

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

Max (4)

2.7 **Handling feedback in a non-aggressive and professional manner**

- Presenters should stand throughout the feedback session. ✓✓
- Be polite/confident/courteous/calm when responding to questions. ✓✓
- Ensure that each question/comment is clearly understood before responding/rephrase questions if uncertain. ✓✓
- Presenters should first listen and then respond. ✓✓
- Provide feedback as soon as possible after the question was asked or after the session. ✓✓
- Be direct/honest/sincere when responding to questions. ✓✓
- Use simple language to support the examples used in the presentation. ✓✓
- Keep answers short and to the point. ✓✓
- Apologise/acknowledge errors/mistakes if pointed out by the audience. ✓✓
- Encourage questions from the audience. ✓✓
- Always address the question and not the person. ✓✓
- Acknowledge good questions to motivate the audience to ask more questions. ✓✓
- Presenters should not involve themselves in a debate when responding to questions. ✓✓
- Presenters should not avoid the questions if they do not know the answer, but rather promise feedback on it. ✓✓
- Address the full audience and not only the person who posed the question. ✓✓
- Any other relevant answer related to the ways in which presenters could handle feedback in a non-aggressive and professional manner.

Max (6)

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	4
2.2	4
2.3.1	6
2.3.2	4
2.4	6
2.5	4
2.6.1	2
2.6.2	4
2.7	6
TOTAL	40

QUESTION 3: BUSINESS ROLES

3.1 **King Code principles**

- Transparency ✓
- Accountability ✓
- Responsibility ✓

NOTE: Mark the first THREE (3) only.

(3 × 1) (3)

3.2 **Meaning of adjourning/mourning as a stage of team development**

- The focus is on the completion ✓ of the task/ending the project. ✓
- Breaking up the team may be traumatic ✓ as team members may find it difficult to perform as individuals once again. ✓
- All tasks need to be completed ✓ before the team finally dissolves. ✓
- Any other relevant answer related to the adjourning/mourning as a stage of team development.

Max (4)

3.3 **Diversity issues**

3.3.1 **Diversity issue from the scenario**

Poverty ✓✓ (2)

Motivation

PV offers subsidised meals to their employees on the workplace premises. ✓ (1)

Max (3)

3.3.2 **Dealing with diversity issues**

Race ✓✓

- Implement affirmative action policies as required by law. ✓
- No discrimination should be made based on skin colour. ✓
- Ensure that the workplace is diverse by employing people from different race groups. ✓
- When appointments are made, previously disadvantaged people should get preferential treatment. ✓
- Comply with the Employment Equity Act and Broad-Based Black Economic Empowerment Act when appointing people.
- Any other relevant answer related to ways in which businesses could deal with race as a diversity issue in the workplace.

Diversity issue (2)
Explanation (1)
Submax (3)

Gender ✓✓

- Males and females should be offered equal employment opportunities. ✓
- Business directors should promote both men and women in managerial positions. ✓
- Women should be employed to comply with the EEA. ✓
- Targets may be set for gender equity in the business. ✓
- New appointments should be based on skills and ability. ✓
- Introduce affirmative action by ensuring that male and female employees are remunerated fairly/equally. ✓
- Any other relevant answer related to ways in which businesses could deal with gender as a diversity issue in the workplace.

Diversity issue (2)
Explanation (1)
Submax (3)

Language ✓✓

- Provide training in the official language of the business. ✓
- No worker should feel excluded in meetings conducted in one language only. ✓
- Employ an interpreter so that everyone can fully understand what is being said in a meeting. ✓
- All business contracts should be in an easy-to-understand language and should be available in the language of choice for the relevant parties signing the contract. ✓
- Business may specify that all communications should be in one specific language only and would expect employees to have a certain level of fluency in that language. ✓
- Any other relevant answer related to ways in which businesses could deal with language as a diversity issue in the workplace.

Diversity issue (2)
Explanation (1)
Submax (3)

Age ✓✓

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

Diversity issue (2)
Explanation (1)
Submax (3)

Culture/Religion ✓✓

- Businesses need to be sensitive to special requests from different cultural groups, such as, allowing days off for cultural holidays or festivals. ✓
- Businesses must cater for special food and special preparation methods in the workers' canteen. ✓
- Everyone has the right to have their culture and religion acknowledged and respected. ✓
- There must be no discrimination against employees on the grounds of their cultural background. ✓
- Nobody must be forced to do work that could be against their religion. ✓
- Any other relevant answer related to ways in which businesses could deal with culture/religion as a diversity issue in the workplace.

Diversity issue (2)
Explanation (1)
Submax (3)

Disability ✓✓

- Businesses should provide employment opportunities for people who are physically challenged. ✓
- Employees should be trained on how to deal with colleagues with disabilities. ✓
- Businesses should be well informed on how to deal with physically challenged employees. ✓
- Accommodate people who are physically challenged by providing facilities/ramps for wheelchairs. ✓
- Ensure that workers with special needs are not marginalised/feel excluded from workplace activities. ✓
- Policies and programmes should accommodate the needs of people with disabilities. ✓
- Create an organisational culture/climate that is conducive for people with disabilities. ✓
- Businesses should bring in external experts to help with disability and accommodation issues. ✓

- Focus on skills/work performance of an employee with disabilities, rather than his/her disability. ✓
- Any other relevant answer related to ways in which businesses could deal with disability as a diversity issue in the workplace.

Diversity issue (2)
Explanation (1)
Submax (3)

NOTE: 1. **Mark the first TWO (2) only.**
2. **Do NOT award marks for POVERTY as a diversity issue.**

Max (6)

3.4 **Difference between grievance and conflict**

GRIEVANCE	CONFLICT
- When an employee is unhappy/ has a problem/complaint ✓ in the workplace. ✓	- Clash of opinions/ideas/viewpoints ✓ in the workplace. ✓
- It is when an/a individual/group ✓ has a work-related issue. ✓	- Disagreement between two or more parties ✓ in the workplace. ✓
- It is a formal complaint ✓ which requires employees to follow a grievance procedure. ✓	- Can be resolved through ✓ following proper conflict resolution steps. ✓
- Offers employees a channel ✓ to express their dissatisfaction in the workplace. ✓	
- **Examples:** Discrimination/unfair treatment/poor working conditions ✓	- **Examples:** Lack of trust/miscommunication/ personality clashes/different values ✓
- Any other relevant answer related to grievance.	- Any other relevant answer related to conflict.
Submax (2)	Submax (2)

NOTE: 1. **The answer does not have to be in tabular format.**
2. **The difference does not have to link, but must be clear.**
3. **Award a maximum of TWO (2) marks if the difference is not clear/Mark either grievance or conflict only.**
4. **Award ONE (1) mark each for an example of grievance and conflict.**

Max (4)

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

- Emphasise the importance of creative thinking to ensure that all staff know that management wants to hear their ideas. ✓✓
- Make time for brainstorming sessions to generate new ideas such as regular workshops/build on one another's ideas. ✓✓
- Place suggestion boxes around the workplace and keep communication channels open for new ideas. ✓✓
- Train staff in innovative techniques/creative problem-solving skills/mind-mapping/lateral thinking. ✓✓
- Encourage job swops within the organisation. ✓✓ /Study how other businesses are doing things. ✓✓
- Encourage alternative ways of working/doing things. ✓✓

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

Max (4)

3.6 **Problem solving techniques**

3.6.1 **Problem solving techniques from the scenario**

PROBLEM-SOLVING TECHNIQUES	MOTIVATIONS
1. Delphi technique ✓✓	They invited a panel of experts to solve their business challenges. ✓
2. Nominal group technique ✓✓	TE also divided staff members into small teams in which each staff member silently generated their own ideas before sharing it with others. ✓
Submax (4)	Submax (2)

NOTE:
1. **Mark the first TWO (2) only.**
2. **The answer does not have to be in tabular format.**
3. **Award marks for the problem-solving techniques even if the motivations were incomplete.**
4. **Do not award marks for the motivations if the problem-solving techniques were incorrectly identified.**

Max (6)

3.6.2 **Problem-solving steps**

Identify the problem ✓✓

- Acknowledge that there is a problem. ✓
- Identify the exact problem. ✓
- Break down the problem into smaller parts that are easier solve separately. ✓
- Any other relevant answer related to identify the problem as a problem-solving step.

Step (2)
Explanation (1)
Submax (3)

Define the problem ✓✓

- Name the problem by stating exactly what the problem is. ✓
- Find different ways of defining the problem. ✓
- Define the possible causes of the problem. ✓
- The nature of the problem must be precise. ✓
- Gather as much information as possible to establish the cause of the problem. ✓
- Any other relevant answer related to define the problem as a problem-solving step.

Step (2)
Explanation (1)
Submax (3)

Identify alternative solutions ✓✓

- Identify all different possible solutions. ✓
- Use creative thinking strategies to generate a wide range of solutions. ✓
- Focus on generating as many ways as possible through using creative thinking. ✓

- Collect as many ideas as possible and find the best idea/decide on one strategy to follow. ✓
- Any other relevant answer related to identify alternative solutions as a problem-solving step.

Step (2)
Explanation (1)
Submax (3)

Evaluate alternative solutions ✓✓

- Use critical evaluation and analytical skills to evaluate each solution. ✓
- Consider the advantages and disadvantages of each alternative solution. ✓
- Any other relevant answer related to evaluate alternative solutions as a problem-solving step.

Step (2)
Explanation (1)
Submax (3)

Choose the best solution ✓✓

- Set criteria for the best solution, in terms of aspects such as time/cost/risk involved. ✓
- Identify which solution will be used. ✓
- The best solution should match the size and the resources of the business. ✓
- If the solution is not appropriate, the business should go back to defining the problem. ✓
- Any other relevant answer related to choose the best solution as a problem-solving step.

Step (2)
Explanation (1)
Submax (3)

Formulate/Develop an action plan/strategy ✓✓

- Arrange the necessary resources and delegate tasks. ✓
- Establish a timeline for implementation and set deadlines. ✓
- Any other relevant answer related to formulate/develop an action plan/strategy as a problem-solving step.

Step (2)
Explanation (1)
Submax (3)

Implement the action plan ✓✓

- Carry out the planned actions/solution. ✓
- Communicate delegated tasks/deadlines to employees. ✓
- Any other relevant answer related to implement the action plan as a problem-solving step.

Step (2)
Explanation (1)
Submax (3)

Evaluate the solution/action plan ✓✓

- Assess whether the problem has been solved partially or entirely. ✓
- Monitor/test the solution/action plan/strategy continuously. ✓
- If problems emerge, they must recognise and re-formulate the problem for improved solutions in the future. ✓
- Any other relevant answer related to evaluate the solution/action plan as a problem-solving step.

Step (2)
Explanation (1)
Submax (3)

NOTE: Mark the first TWO (2) only.

Max (6)

3.7 **Ways in which businesses can deal with HIV/AIDS**

- Businesses should offer counselling programmes/train counsellors to support infected and affected persons/employees. ✓✓
- Develop counselling programmes for infected/affected persons/employees. ✓✓
- Conduct workshops on HIV/AIDS programmes/campaigns. ✓✓
- Roll out anti-retroviral (ARV) treatment programmes (ART) for the infected employees. ✓✓
- Encourage employees to join HIV/AIDS support groups. ✓✓
- Develop strategies to deal with stigma and discrimination. ✓✓
- Participate in the HIV/AIDS prevention programmes implemented in the community. ✓✓
- Support non-governmental organisations/community-based organisations/NPO HIV/AIDS initiatives. ✓✓
- Any other relevant answer related to ways in which businesses can deal with HIV/AIDS as a socio-economic issue in the workplace.

Max (4)

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	3
3.2	4
3.3.1	3
3.3.2	6
3.4	4
3.5	4
3.6.1	6
3.6.2	6
3.7	4
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS VENTURES

4.1 **Examples of non-verbal presentations**

- Tables ✓
- Graphs/bar graph/line graph/histogram/pie chart/-graph ✓
- Diagrams ✓
- Illustrations/Pictures/Photographs/Scenarios/Models ✓
- Written/Business reports ✓
- Flip charts ✓
- Handouts/Print outs ✓
- Slide shows/PowerPoint ✓
- Any other relevant examples related to non-verbal presentations.
  NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

4.2 **Functions of the Johannesburg Securities Exchange/JSE**

- Gives opportunities to financial institutions to invest their surplus funds in shares. ✓✓
- Serves as a barometer/indicator of economic conditions in South Africa. ✓✓
- Keeps investors informed by publishing share prices daily. ✓✓
- Acts as a link between investors and public companies. ✓✓
- Shares are valued and assessed by experts. ✓✓
- Small investors are invited to take part in the economy of the country through the buying/selling of shares. ✓✓

- Venture capital market is made possible on the open market. ✓✓
- Strict investment rules ensure a disciplined/orderly market for securities. ✓✓
- Raises primary capital by encouraging new investments in listed companies. ✓✓
- Mobilises the funds of insurance companies and other institutions. ✓✓
- Regulates the market for trading in shares. ✓✓
- Plans, researches and advises on investment possibilities. ✓✓
- Ensures that the market operates in a transparent manner. ✓✓
- Provides protection for investors through strict rules/legislation. ✓✓
- Encourages short-term investment as shares can be sold at any time. ✓✓
- Facilitates electronic trading of shares/STRATE. ✓✓/Channels financial resources into productive economic activities. ✓✓
- Enhance job creation and increases economic growth/development. ✓✓
- Any other relevant answer related to the functions of the JSE.

Max (4)

4.3 **Criteria that contribute to the success of a private company**

4.3.1 Management ✓✓ **(2)**

4.3.2 Taxation ✓✓ **(2)**

4.4 **Types of benefits paid out by Unemployment Insurance Fund/UIF**

Unemployment benefits ✓✓

- Employees, who become unemployed/retrenched due to restructuring/an expired contract, may claim within six months after becoming unemployed. ✓
- Unemployed employees may only claim, if they contributed to UIF. ✓
- Unemployed employees enjoy these benefits until the allocated funds are exhausted. ✓
- They may claim for benefits from the UIF if the Commission for Conciliation, Mediation and Arbitration (CCMA) considers their resignation as a constructive dismissal. ✓
- Employees who become unemployed should register with the Department of Labour to prove that they are job seekers. ✓
- If an employee voluntarily terminates his/her contract, he/she may not claim. ✓
- Employees must apply for the UIF benefits as soon as they become unemployed/within six months of the termination of his/her employment. ✓
- Fathers can claim for UIF benefits when they take 10 consecutive days of unpaid parental leave after the birth of their child. ✓
- No tax is payable on unemployment benefits. ✓
- Any other relevant answer related to unemployment benefits as a type of benefit paid out by the UIF.

Type (2)
Discussion (1)
Submax (3)

Illness/Sickness/Disability benefits ✓✓

- Employees may receive these benefits if they are unable to work for more than 14 days without receiving a salary/part of the salary. ✓
- Employees may not claim these benefits if they refuse medical treatment. ✓
- Employees who are contributors to the UIF may apply for illness/disability benefits if they are unable to perform their duties. ✓
- Any other relevant answer related to illness/sickness/disability benefits as a type of benefit paid out by the UIF.

Type (2)
Discussion (1)
Submax (3)

Maternity benefits ✓✓

- Pregnant employees who contribute to the UIF receive these benefits for up to 4 consecutive months. ✓
- If an employee had a miscarriage, she could claim for up to six weeks/42 days. ✓
- Any other relevant answer related to maternity benefits as a type of benefit paid out by the UIF.

Type (2)
Discussion (1)
Submax (3)

Adoption benefits ✓✓

- Employees may receive these benefits if they have legally adopted a child younger than two years. ✓
- Employees who take unpaid leave/may receive part of their salary while caring for the child at home. ✓
- Only one parent/partner may claim benefits. ✓
- A contributing employee can apply for a leave of absence/stop working to look after his/her adopted child. ✓
- Any other relevant answer related to adoption benefits as a type of benefit paid out by the UIF.

Type (2)
Discussion (1)
Submax (3)

Dependants' benefits ✓✓

- Dependants may apply for these benefits if the breadwinner, who has contributed to the UIF dies. ✓
- The spouse of the deceased may claim, whether he/she is employed or not. ✓
- The dependants must apply within six months of the death of the contributing employee. ✓
- Dependent children under the age of 21 years are entitled to benefits if there is no surviving spouse or a life partner. ✓
- Any other relevant answer related to dependants' benefits as a type of benefit paid out by the UIF.

Type (2)
Discussion (1)
Submax (3)

NOTE: Mark the first TWO (2) only.

Max (6)

4.5 **Role of personal attitude in successful leadership**

- Positive attitude releases leadership potential. ✓✓
- A leader's good attitude can influence the success of the business. ✓✓
- Leaders must know their strengths and weaknesses to apply their leadership styles effectively. ✓✓
- A great leader understands that the right attitude will set the right atmosphere. ✓✓
- Leaders' attitude may influence employees'/teams' thoughts/behaviour. ✓✓
- Leaders should model the behaviour that they want to see in team members. ✓✓
- Successful leaders consider the abilities/skills of team members to allocate tasks/roles effectively. ✓✓
- Enthusiasm produces confidence in a leader. ✓✓
- A positive attitude is critical for good leadership because good leaders will stay with the task regardless of difficulties/challenges. ✓✓

- Successful employees and leaders have a constant desire to work and achieve personal/professional success. ✓✓
- Leaders with a positive attitude know that there is always more to learn/space to grow.
- Any other relevant answer related to the role of personal attitude in successful leadership.

Max (4)

BUSINESS ROLES

4.6 **Criteria for successful team performance**

- Interpersonal attitudes and behaviour ✓
- Shared values ✓
- Communication ✓
- Collaboration ✓

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

4.7 **Benefits of creative thinking in the workplace**

- Better/Unique/Unconventional ideas/solutions ✓ are generated. ✓
- May give the business a competitive advantage ✓ if unusual/unique solutions/ ideas/strategies are implemented. ✓
- Complex business problems ✓ may be solved. ✓
- Productivity increases as management/employees may quickly generate multiple ideas ✓ which utilises time/money more effectively. ✓
- Managers/Employees have more confidence ✓ as they can live up to their full potential. ✓
- Managers will be better leaders ✓ as they will be able to handle/manage change(s) positively/creatively. ✓
- Managers/Employees can develop a completely new outlook, ✓ which may be applied to any task(s) they may do. ✓
- Leads to more positive attitudes ✓ as managers/employees feel that they have contributed towards problem-solving. ✓
- Improves motivation ✓ amongst staff members. ✓
- Managers/Employees have a feeling of great accomplishment ✓ and they may not resist/obstruct the process once they solved a problem/contributed towards the success of the business. ✓
- Management/Employees may keep up with ✓ fast changing technology. ✓
- Stimulates initiative from employees/managers, ✓ as they are continuously pushed out of their comfort zone. ✓
- Creativity may lead to new inventions, ✓ which improves the general standard of living. ✓
- Any other relevant answer related to the benefits of creative thinking in the workplace.

Max (6)

4.8 **Unprofessional business practices and ways in which professional, responsible ethical and effective business practices should be conducted by businesses**

4.8.1 **Unprofessional business practices from the scenario**

- Abuse of worktime ✓
- Sexual harassment ✓

NOTE:
1. **Mark the first TWO (2) only.**
2. **Do NOT award marks for UNFAIR ADVERTISING as it is an unethical business practice and not an unprofessional business practice.**

(2 x 1) (2)

4.8.2 **Ways in which professional, responsible, ethical and effective business practices should be conducted**

- Mission statement should include ✓ the values of equality/respect. ✓
- Businesses should develop ✓ equity programmes/promote strategies to ensure that all employees are treated equally regardless of status/rank/power. ✓
- Treat workers with respect/dignity ✓ by recognising work well done/the value of human capital. ✓
- Plan properly ✓ and put preventative measures in place. ✓
- Pay fair wages/salaries ✓ which are in line with the minimum requirements of the BCEA/Remunerate employees for working overtime/during public holidays. ✓
- Engage in environmental awareness programmes/Refrain from polluting the environment ✓ such as legally disposing of toxic waste. ✓
- Refrain from starting a venture using other businesses' ideas ✓ that are protected by law. ✓
- Business decisions and actions must be clear/transparent ✓ to all stakeholders. ✓
- Businesses should be accountable /responsible ✓ for their decisions and actions/patent rights. ✓
- Hire honest/trustworthy accountants/financial officers ✓ with good credentials. ✓
- Regular/Timeous payment ✓ of taxes. ✓
- All workers should have access to ✓ equal opportunities/positions/resources. ✓
- Ensure that employees work in a work environment ✓ that is conducive to safety/fairness/free of embarrassment. ✓
- Employers and employees need to comply with legislation ✓ with regard to equal opportunities/human rights in the workplace. ✓
- Training/ Information/Business policies should include ✓ issues such as diversity/ discrimination/harassment. ✓
- Employers should respond swiftly and fairly ✓ to reported incidents of discrimination in the workplace. ✓
- Orders/Tasks should be given respectfully ✓ and allow the recipient/employee to have a say in the way that task should be performed. ✓
- Draw up ✓ a code of ethics/conduct. ✓
- On-going development and training ✓ for all employees. ✓
- Performance management systems/Appraisals ✓ should be in place. ✓
- Adequate internal controls/monitoring/evaluation ✓ should be implemented. ✓
- Any other relevant answer related to ways in which professional, responsible, ethical and effective business practices should be conducted. **Max (4)**

4.9 **Ways to promote social rights in the workplace**

- The business must adhere to the right of workers to have access to clean water and social security in the workplace. ✓✓
- Provide opportunities for employees to attend skills training sessions and with adult basic education. ✓✓
- The business must register workers with the UIF to provide adequate protection in the event of unemployment or illness. ✓✓
- The business can encourage employees to participate in special events, such as, World AIDS Day. ✓✓
- They can provide health care services by establishing site clinics to give employees access to basic medical examinations. ✓✓
- Any other relevant answer related to ways to promote social rights in the workplace. **Max (4)**

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	2
4.2	4
4.3.1	2
4.3.2	2
4.4	6
4.5	4
4.6	4
4.7	6
4.8.1	2
4.8.2	4
4.9	4
TOTAL	40

TOTAL SECTION B: 80

QUESTION 5: BUSINESS VENTURES (INVESTMENT: SECURITIES)

5.1 **Introduction**

- The memorandum of incorporation/articles of incorporation specifies all details regarding the rights of preference shareholders. ✓
- Preference shareholders benefit from certain advantages compared to that of ordinary shareholders. ✓
- The financial goals/planning/nature of the investment influences whether shareholders choose simple interest or compound interest. ✓
- Investors meticulously/carefully research and consider various factors before making investment decisions to ensure that they reach their financial goals and simultaneously managing their risk. ✓
- RSA Retail Savings bonds and fixed deposits are attractive forms of investments as they are often chosen by conservative investors who prefer to minimise risk. ✓
- Any other relevant introduction related to the rights of preference shareholders/ differences between simple interest and compound interest/factors that should be considered when making an investment decision/impact of RSA Retail savings bonds and fixed deposits as forms of investment.

Any (2 x 1) (2)

5.2 **Rights of preference shareholders**

- The investor is entitled to receive dividends irrespective of the profit levels of the company. ✓✓
- Dividends are payable according to the type of preference share. ✓✓
- They only have voting rights at the AGM under particular circumstances/for certain resolutions. ✓✓
- In the event of the company being declared bankrupt/insolvent, they have a claim on the assets of the company before ordinary shareholders. ✓✓
- Full disclosure must be made to the investors by providing them with copies of all financial reports. ✓✓
- These shares enjoy preferential rights to dividends/repayment over ordinary shares. ✓✓
- The voting rights of the investor is limited to issues affecting the rights of the preference shareholders/Voting rights are restricted to particular circumstances/ resolutions. ✓✓
- Any other relevant answer related to the rights of preference shareholders.

Max (10)

5.3 **Differences between simple interest and compound interest**

SIMPLE INTEREST	COMPOUND INTEREST
- Interest earned on the original amount ✓ and not on the interest accrued. ✓	- Interest earned on original amount invested, ✓ as well as interest earned in previous period(s). ✓
- The principal amount remains the same ✓ over the entire period of investment. ✓	- The principal amount grows ✓ with the addition of interest to it. ✓
- The interest is kept separate ✓ unless it is reinvested. ✓	- Interest is calculated on the higher principal amount ✓ and again added to it. ✓
- Yields less ✓ return on investment. ✓	- Yields high ✓return on investment. ✓
- Total amount of interest earned ✓ on investment is less. ✓	- Total amount of interest earned ✓ on investment is high. ✓
- Any other relevant answer related to simple interest.	- Any other relevant answer related to compound interest.
Submax (6)	Submax (6)

NOTE:
1. **The answer does not have to be in tabular format.**
2. **The difference does not have to link, but must be clear.**
3. **Award a maximum of SIX (6) marks if the difference is not clear/Mark either simple interest or compound interest only.**

Max (12)

5.4 **Factors that should be considered when making an investment decision**

5.4.1 **Return on investment (ROI)** ✓✓

- The ROI refers to the amount of money the investor earns ✓ in addition to the original investment amount. ✓
- The additional amount after tax is expressed as a percentage ✓ of the original investment amount. ✓
- The ROI will be higher ✓ if the risks involved in the investment are high. ✓
- The ROI will be lower ✓ if the risk involved in the investment is low. ✓
- Any other relevant answer related to return on investment (ROI) as a factor that should be considered when making investment decisions.

Factor (2)
Discussion (4)
Submax (6)

5.4.2 **Risk** ✓✓

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

Factor (2)
Discussion (4)
Submax (6)

5.4.3 **Investment term/period** ✓✓

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

Factor (2)
Discussion (4)
Submax (6)

5.4.4 **Inflation rate** ✓✓

- People are affected by a high inflation rate, ✓ because their money/purchasing power decreases. ✓
- The return on investment ✓ should be higher than the inflation rate. ✓
- Inflation has a positive effect on some investments ✓ such as property/shares where the income will increase as inflation increases. ✓
- Any other relevant answer related to inflation rate as a factor that should be considered when making investment decisions.

Factor (2)
Discussion (4)
Submax (6)

5.4.5 **Taxation** ✓✓

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

Factor (2)
Discussion (4)
Submax (6)

5.4.6 **Liquidity** ✓✓

- An amount could be invested in a type of investment ✓ that can easily be converted to cash. ✓
- It is used to describe the ease and speed ✓ with which investors can convert an investment into cash. ✓
- Example: an investment in a savings account/unit trust will be easier to convert into cash ✓ than an investment in a fixed deposit which is usually deposited for a fixed period of time. ✓
- Any other relevant answer related to liquidity as a factor that should be considered when making investment decisions.

Factor (2)
Discussion (4)
Submax (6)

NOTE: Mark the first TWO (2) only.

Max (12)

5.5 **Impact of the forms of investments**

5.5.1 **Impact of RSA Retail savings bonds**

Positives/Advantages

- Guaranteed returns ✓, as interest rate is fixed for the whole investment period. ✓
- Interest rates are market related ✓ and attract more investors. ✓
- Interest can be received ✓ twice a year. ✓
- Investment may be easily accessible ✓, as cash may be withdrawn after the first twelve months. ✓
- Low risk/Safe investment ✓, as it is invested with the South African Government which cannot be liquidated. ✓
- It is an affordable type of investment ✓ for all levels of income earners including pensioners. ✓
- Retail bonds are easily/conveniently obtained ✓ electronically/from any Post Office/directly from National Treasury. ✓
- No charges/costs/commissions payable ✓ on this type of investment. ✓
- Interest is usually higher ✓ than on fixed deposits. ✓
- Retail bonds are listed ✓ on the capital bond markets/on the JSE. ✓
- Investors younger than 18 years/Minors may invest with the help of a legal guardian, ✓ which encourages saving from a young age. ✓
- Any other relevant answer related to the positive impact/advantages of RSA Retail Savings Bonds/Government Retail Bonds on investors.

AND/OR

Negatives/Disadvantages

- Retail bonds cannot be ceded to banks ✓ as security for obtaining loans. ✓
- A minimum of R1 000 must be invested ✓, which may be difficult for some small investors to accumulate. ✓
- Retail bonds are not freely transferable ✓ amongst investors. ✓
- Investors need to have valid SA identification/should be older than 18 years ✓ which may discourage foreigners/young people to invest. ✓
- Penalties are charged for early withdrawals, ✓ if the savings is less than 12 months old. ✓
- Any other relevant answer related to the negative impact/disadvantages of RSA Retail Savings Bonds/Government Retail Bonds on investors.

Submax (6)

5.5.2 **Impact of fixed deposits**

Positives/Advantages

- Interest is earned at a fixed rate ✓ regardless of changes in the economic climate. ✓
- The period of investment ✓ can be over a short/medium/long term. ✓
- Ensures financial discipline ✓ as investors cannot withdraw their funds before the maturity date. ✓
- Investors can choose the investment period ✓ that suits them. ✓
- Investors earn a better return on investment ✓ than on an ordinary savings account. ✓
- Principal amount plus interest earned is paid out ✓ on the maturity date. ✓
- It has a low risk ✓ as investors are guaranteed of the final payment. ✓
- The higher the principal amount/The longer the investment period, ✓ the higher the interest rate offered by a financial institution. ✓
- Any other relevant answer related to the positive impact/advantages of fixed deposits as a form of investment.

AND/OR

Negatives/Disadvantages

- The investor cannot withdraw their funds ✓ before the maturity date. ✓
- May not outperform the effect of inflation ✓ over the long term. ✓/Hedging is not possible with fixed deposits ✓ because of the fixed interest rate over the investment period. ✓
- Low return compared to other investments. ✓
- Any other relevant answer related to the negative impact/disadvantages of fixed deposits as a form of investment.

Submax (6)
Max (12)

5.6 **Conclusion**

- Preference shareholders are often issued by companies to raise capital and are attractive for investors due to the stability of the return on investments (ROI) associated with preference shares. ✓✓
- Investors often prefer to choose compound interest over simple interest as compound interest generates a much higher exponential growth rate in the long-term. ✓✓
- Investors carefully evaluate/assess the various investment decision factors in order to correctly balance/manage their risk and return on investment (ROI). ✓✓
- Investors often choose RSA Retail Savings bonds and fixed deposits as forms of investment because of the minimal risk/safety/stability/predictability of the return on investment (ROI). ✓✓
- Any other relevant conclusion related to the rights of preference shareholders/ differences between simple interest and compound interest/factors that should be considered when making an investment decision/impact of RSA Retail savings bonds and fixed deposits as forms of investment.

Any (1 x 2) (2)

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	**2**	**Max 32**
Rights of preference shareholders	**10**	
Differences between simple interest and compound interest	**12**	
Factors that should be considered when making an investment decision	**12**	
Impact of the forms of investments: • RSA Retail savings bonds • Fixed deposits	**12**	
Conclusion	**2**	
INSIGHT		**8**
Layout	**2**	
Analysis/Interpretation	**2**	
Synthesis	**2**	
Originality/Examples	**2**	
TOTAL MARKS		**40**

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

QUESTION 6: BUSINESS ROLES (CORPORATE SOCIAL RESPONSIBILITY AND CORPORATE SOCIAL INVESTMENT)

6.1 **Introduction**

- CSR includes the commitment of businesses to take responsibility for the impact of their operations on society and the environment. ✓
- CSI focuses on investments that are aimed at transforming a positive difference on society, the environment and supporting community development. ✓
- Understanding the components of CSR is important for the effective integration of CSR into business operations that are aligned to stakeholder expectations and sustainable viability of its initiatives. ✓
- CSI has a lasting impact on the development and wellbeing of the community. ✓
- CSI impacts positively/favourably on businesses as it directly contributes to improving customer service, employee relations and improving brand loyalty with the necessary stakeholders. ✓
- Businesses that contribute time and effort in improving the wellbeing of their employees acquire a positive business culture which results in a harmonious workplace environment. ✓
- Any other relevant introduction related to the differences between CSR and CSI/ components of CSR/impact of CSI on businesses and communities/ways in which businesses can contribute time and effort in improving the wellbeing of their employees.

Any (2 x 1) (2)

6.2 **Differences between CSR and CSI**

CORPORATE SOCIAL RESPONSIBILITY (CSR)	CORPORATE SOCIAL INVESTMENT (CSI)
The intention is to change business practices. ✓✓	Actively committing money and resources to uplift the community. ✓✓
Focus is on increasing image and profits. ✓✓	Focus is on the upliftment of community without return on investment. ✓✓
Ensure that all internal CSI policies/ practices include stakeholders' interests/environmental issues. ✓✓	Ensure that CSI projects are relevant to the needs of communities. ✓✓
Often intended as a marketing initiative. ✓✓	Intended to benefit and uplift communities through social development. ✓✓
Projects are usually linked to the business, such as a manufacturing business offering to train the unemployed. ✓✓	Projects are external to the business and have a strong developmental approach. ✓✓
Any other relevant answer related to CSR.	Any other relevant answer related to CSI.
Submax (4)	Submax (4)

NOTE:
1. **The answer does not have to be in tabular format.**
2. **The difference does not have to link, but must be clear.**
3. **Award a maximum of SIX (6) marks if the difference is not clear/Mark either corporate social responsibility or corporate social investment only.**

Max (8)

6.3 **Components of CSR**

6.3.1 **Environment** ✓✓

- Businesses must take care of the environment by participating in environmental programmes ✓ like recycling waste, reducing their carbon emissions, and so on. ✓
- Any other relevant answer related to environment as a component of CSR.

Component (2)
Explanation (2)
Submax (4)

6.3.2 **Ethical corporate social investment** ✓✓

- The business is compelled to look after human rights ✓ like respect for employees, customers, and suppliers. ✓
- Any other relevant answer related to ethical corporate social investment as a component of CSR.

Component (2)
Explanation (2)
Submax (4)

6.3.3 **Health and safety** ✓✓

- The business must ensure ✓ that the working environment is safe for all stakeholders. ✓
- Any other relevant answer related to health and safety as a component of CSR.

Component (2)
Explanation (2)
Submax (4)

6.3.4 **Corporate governance** ✓✓

- The business must always be accountable/transparent, ✓and comply with the law, as suggested by the King code principles. ✓
- Any other relevant answer related to environment as a component of CSR.

Component (2)
Explanation (2)
Submax (4)

6.3.5 **Business ethics** ✓✓

- Every business must integrate its core values like honesty/respect/and fairness ✓ into all its policies and practices. ✓
- Any other relevant answer related to corporate governance as a component of CSR.

Component (2)
Explanation (2)
Submax (4)

6.3.6 **Employment equity** ✓✓

- To comply with the laws, the business must have diversity/equity/equality ✓ in the workplace as prescribed by the EEA and other Acts. ✓
- Any other relevant answer related to employment equity as a component of CSR.

Component (2)
Explanation (2)
Submax (4)

6.3.7 **Supply chain/Distribution channel** ✓✓

- Bad practices of business associates ✓ reflect negatively on the business. ✓
- Any other relevant answer related to supply chain/distribution channel as a component of CSR.

Component (2)
Explanation (2)
Submax (4)

6.3.8 **Customers** ✓✓

- Customers consider the manner in which goods and services are produced by the business, ✓ in addition to the cost and quality. ✓
- Customers are also concerned with the impact of the business's practices ✓ on the environment and community. ✓
- Any other relevant answer related to customers as a component of CSR.

Component (2)
Explanation (2)
Submax (4)

6.3.9 **Community** ✓✓

- A business must be in close contact with its community to know their real needs/ issues/risks ✓ before the business can develop a CSR strategy for the community. ✓
- Any other relevant answer related to community as a component of CSR.

Component (2)
Explanation (2)
Submax (4)

NOTE: Mark the first THREE (3) only.

Max (12)

6.4 **Impact of corporate social investment (CSI)**

6.4.1 **Impact of CSI on businesses**

Positives/Advantages

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

AND/OR

Negatives/Disadvantages

- Businesses may not be supported/Customers may not buy their products/services ✓ resulting in a decrease in sales. ✓
- Small and medium enterprises find it difficult ✓ to implement CSI programmes. ✓

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

Submax (8)

6.4.2 **Impact of CSI on communities**

Positives/Advantages

- Socio-economic issues are addressed by businesses ✓ which will improve the welfare of the community. ✓
- Training opportunities in the community increase✓ the possibility of appointments of members of the community. ✓
- Implementing developmental programmes in the community✓ improves entrepreneurial skills of communities. ✓
- Provision of bursaries encourages communities✓ to improve their skills. ✓
- The standard of living of the community ✓ is uplifted. ✓/Quality of life of communities ✓ is improved. ✓
- Better educational facilities are established ✓ in poor communities. ✓
- Improve the health of communities ✓ by providing medical infrastructure. ✓
- Provide rehabilitation centres to community members ✓ who have addiction problems. ✓
- Assist communities to deal with challenges ✓ posed by HIV/Aids/unemployment/poverty. ✓
- Any other relevant answer related to the positive impact/advantages of CSI on communities.

AND/OR

Negatives/Disadvantages

- Businesses are not always equipped ✓ to address social problems. ✓
- Communities tend to be dependent on CSI programmes ✓ and struggle to take their own initiatives. ✓

- Distribution of scarce resources to selected beneficiaries in the community ✓ may cause problems such as discrimination. ✓
- Some businesses only participate in CSI initiatives to raise profit✓ and do not really care for the community in which they operate. ✓
- Businesses cannot meet ✓ the longer-term needs of the society. ✓/Business cannot deliver√ sustainable CSI programmes. ✓
- The benefits of CSI programmes may not filter through ✓ to the intended groups/persons within the community. ✓
- Expenditure on CSI programmes are recovered by charging higher prices ✓ which have a negative impact on the economy. ✓
- Businesses tend to focus on CSI programmes that do not ✓ directly benefit the community. ✓
- Less money is available for community projects ✓ during unfavourable economic conditions. ✓
- Consumers are not easily convinced that the business is acting ✓ in the best interest of the community/environment. ✓
- Businesses often appear to benefit more from the CSI expenditure ✓ than the perceived benefits to the communities. ✓
- Any other relevant answer related to the negative impact/disadvantages of CSI on communities.

Submax (8)
Max (16)

6.5 **Ways in which businesses can contribute time and effort in improving the wellbeing of their employees**

- Businesses should pay fair wages/salaries to the workers based on the nature of their work/the prevailing economic conditions in the market. ✓✓
- Pay fair bonuses based on business earnings, as acknowledgement for hard work and commitment. ✓✓
- Offer financial assistance in the case of any hardship caused by unexpected medical costs. ✓✓
- Working conditions should include safety/medical/canteen facilities/benefits such as housing/leave/retirement. ✓✓
- Businesses could offer annual physical/medical assessments to workers. ✓✓
- Make trauma debriefing/counselling/assistance/support programmes available to any employee who requires these services. ✓✓
- Start a nutritional programme so that employees can enjoy one meal per day to keep them in a healthy condition. ✓✓
- Encourage employees to stay fit and healthy by getting them involved in health activities to minimise stress/substance abuse/obesity. ✓✓
- Provide recreational facilities for employees. ✓✓
- Provide opportunities for employees' participation in decision-making that affects them. ✓✓
- Allow flexible working hours to enhance productivity. ✓✓
- Make childcare facilities available on the premises for working mothers in the business. ✓✓
- Give time to staff to get involved in projects they choose/Allow staff to use some of the working hours to participate in the projects of their choice. ✓✓
- Businesses can 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/programmes for training/staff development/team development. ✓✓
- Any other relevant answer related to ways in which businesses can contribute time and effort in improving the well-being of employees.

Max (10)

6.6 **Conclusion**

- The critical importance of CSR and CSI extends beyond the dimensions of business operations only, but has a much larger impact on society and the environment. ✓✓
- The successful integration of the various components of CSR into the regular business operations may improve the overall success of the business and society. ✓✓
- Businesses should strive to improve the positive impact of CSI on their operations as well as on the community, and reduce the negative impact of CSI on their operations as well as the community. ✓✓
- Continuous efforts and strategies that businesses implement by contributing time and effort in improving the wellbeing of their employees improves the overall productivity and profitability within the business. ✓✓
- Any other relevant conclusion related to the differences between CSR and CSI/ components of CSR/impact of CSI on businesses and communities/ways in which businesses can contribute time and effort in improving the wellbeing of their employees.

Any (1 x 2) (2)

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Differences between CSR and CSI	8	
Components of CSR	12	
Impact of CSI • Businesses • Communities	16	
Ways in which businesses can contribute time and effort in improving the wellbeing of their employees	10	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		**40**

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

TOTAL SECTION C: [40]
GRAND TOTAL: [150]