FINAL

KWAZULU-NATAL PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

PROVINCIAL STANDARDISED ASSESSMENT

GRADE 12

BUSINESS STUDIES P1

JUNE 2026

MARKING GUIDELINE

MARKS: 150

This marking guideline consist of 33 pages.

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NOTES TO MARKERS

PREAMBLE

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

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

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

Educator:	Red
Departmental Head:	Green
Cluster Moderator:	Brown
District Moderator:	Orange

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

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

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

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

4. Take note of other relevant answers provided by candidates which relate to 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.)

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

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

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

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**: *'COIDA eliminates time and costs spent*√ *on lengthy civil court proceedings.'*√

    11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g., 'COIDA eliminates time and costs spent√ on lengthy civil court proceedings√, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'√

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

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

Cognitive verbs, such as:

12.1 Name, state, give, outline, quote, identify, motivate, recommend, suggest, advise *(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 assessing 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 above still applies.

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

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

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

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

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

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

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

15. **SECTION C**

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

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

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, paragraphs and a conclusion?	**2**
Analysis and interpretation	Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show 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 (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis. Option 2: **Some relevant facts: 1 mark (One '-S')** Where a candidate answers less than 50% (only one sub-question) of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 3: **Some relevant facts: 1 mark (One '-S')** Where a candidate answers FOUR subquestions, but one/two/three sub-questions with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 4: **No relevant facts: 0 mark (Two '-S')** Where a candidate answers less than 50% (only one sub-question) of the questions with no relevant facts; two '-S' appears in the left margin. Award a ZERO mark for synthesis.	**2**
Originality	Is there evidence of one example in any TWO of the four sub-questions, not older than two (2) years that are based on recent information, current trends and developments?	**2**
	TOTAL FOR INSIGHT: TOTAL MARKS FOR FACTS: TOTAL MARKS FOR ESSAY (8 + 32):	**8** **32** **40**

NOTE: 1. The candidate must respond to at least any TWO of the four sub-questions in the INTRODUCTION and at least ONE of the four sub-questions in the CONCLUSION. Verbatim quoting of definitions/facts from credible sources is strongly discouraged.

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.

4. No marks will be awarded for contents repeated from the introduction and conclusion.

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 SUB MAX/MAX mark in a subsection has been attained. Write SUB MAX/MAX after maximum marks have been obtained but continue reading for originality 'O'.

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

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

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

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

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

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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.

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SECTION A

QUESTION 1

1.1 1.1.1 B✓✓

1.1.2 D✓✓

1.1.3 A✓✓

1.1.4 C✓✓

1.1.5 B✓✓

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

1.2 1.2.1 National Consumer Commission✓✓

1.2.2 leanership✓✓

1.2.3 secondary sector✓✓

1.2.4 recruitment procedure✓✓

1.2.5 quality control✓✓

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

1.3 1.3.1 C✓✓

1.3.2 D✓✓

1.3.3 A✓✓

1.3.4 B✓✓

1.3.5 F✓✓

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

TOTAL SECTION A: 30

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

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SECTION B

Mark the FIRST TWO QUESTION only.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 Porters five forces

- Power of buyers/ bargaining powers of suppliers✓
- Power of suppliers✓
- Power of competitors/competitive rivalry
- Threat of substitution/substitutes✓
- Threat /barriers of new entrants to the market✓

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

2.2 Ways in which businesses can comply with Consumer Protection Act

- Disclose prices of all products. ✓✓
- Provide/Conduct adequate training to staff/stakeholders on the CPA. ✓✓
- All agreements must provide for a five-day cooling off period. ✓✓
- Ensure that goods/services offered are standardised/of the same quality. ✓✓
- Comply with requirements regarding promotional competitions. ✓✓
- Comply with requirements regarding the display of information on labels/packaging. ✓✓
- Display name of the business on all business documents such as invoices/contracts. ✓✓
- Bundling of goods/services should benefit consumers such as offering a cell phone and a tablet at a special price. ✓✓
- Implement measures that will facilitate complaints by using suggestion boxes. ✓✓
- Any other relevant answer related to ways in which businesses can comply with Consumer Protection Act

Max (4)

2.3

2.3.1 Identification of BBBEE pillars from the scenario

- Management control✓✓
- Socio-economic development/ social responsibility✓✓

(4)

2.3.2 Differences between BEE and BBBEE

BEE	BBBEE
- A government policy✓ that may not always be enforced. ✓	- An Act ✓that is enforced / must be complied with by businesses. ✓
- Benefitted only a few previously disadvantaged people✓ in the economy. ✓	- Encourages a wider group of previously disadvantaged people✓ which includes black women, people who are physically challenged, youth and people in rural areas to participate in the economy. ✓
- This resulted in a few previously disadvantaged individuals✓ sharing in the wealth of the economy. ✓	- Aims to distribute the country's wealth ✓across a broader spectrum of society. ✓
- Focused only on three pillars✓ that did not include all previously disadvantaged people. ✓	- Focuses on the five pillars✓ include all sectors of the society especially the previously disadvantaged people and previously disadvantaged communities. ✓
- Any other relevant answer related to BEE	- Any other relevant answer related to BBBEE
Sub max (2)	Sub max (2)

Max (4)

NOTE:
1. **The answer does not have to be in tabular format.**
2. **The differences do not have to link, but must be clear.**
3. **Award maximum of TWO (2) marks if differences are not clear/Mark either BEE or BBBEE only.**

2.4 Overtime as a provision of Basic Conditions of Employment Act

- Workers must agree✓ to work overtime. ✓
- Workers cannot work more than three hours overtime per day✓/ 10 hours per week. ✓
- Overtime must be compensated as follows:
  - One and a half times the normal rate of pay ✓for overtime worked on Saturday and weekdays✓
  - Double the normal rate pay✓ for overtime worked on Sunday and public holiday. ✓
  - Overtime must be paid either at specified rate for overtime ✓or an agreed may agree to receive paid time off. ✓
- The Minister of Labour may prescribe the maximum permitted working hours, ✓ including overtime, for health and safety reasons for certain categories of work. ✓
- Any other relevant answer related to overtime as a provision of Basic Conditions of Employment Act

Max (6)

2.5 Identification of integration strategy

2.5.1 Backward vertical strategy✓✓ (2)

Motivation

- NF took over Smith Forestry their main supplier of raw material. ✓ (1)

NOTE:
1. **Do not award for the motivation, if the integration strategy was incorrectly identified.**
2. **Award marks for Backward vertical strategy even if the motivation is incomplete.**

Max (3)

2.5.2 Other types of integration strategies

Forward vertical integration ✓✓

- The business combines with/ takes over its distributors down the supply chain/production chain/ the business merges with businesses that were once their customers, while still maintaining control of initial/primary business activity. ✓
- Involves expansion of business activities to gain control over the direct distribution of the product/service. ✓
- The business takes over the distribution system and sells products/services directly to consumers/customers.✓
- Increases profitability as the intermediary/distributor/ middlemen is excluded/eliminated. ✓
- Any other relevant answer related to forward integration strategy

Strategy: (2)
Explanation : (1)
Max: (3)

OR

Horizontal integration✓✓

- A business takes control of/incorporates other businesses in the same industry/which produce/sell the same/similar goods/services✓. /It is the acquisition /takeover of a related business that operates at the same level of supply chain in the industry . ✓
- The aim is to reduce the threat of competition/substitute products /services. ✓
- Increases the market share/sales/profits and enhance production/ distribution. ✓
- Suitable for businesses that operate in multiple geographical areas through joint ventures/licencing/franchising. ✓
- Any other relevant answer related to horizontal integration strategy

Strategy: (2)
Explanation : (1)
Max: (3)

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Notes: **Mark the first one only.**
Do not award marks for the type of integration strategy identified in QUESTION 2.5.1

2.6 The strategic management processes

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 analysis/Porter's Five Forces model/PESTLE analysis/industrial analysis tools. ✓
- Formulate alternative strategies✓ to respond to the challenges. ✓
- 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 the strategic management process

OR

Option 2

- Review/Analyse/Re-examine ✓their vision/mission statement. ✓
- Conduct an environmental analysis✓ using models such as SWOT/PESTLE/Porters Five Forces. ✓
- Formulate a strategy✓ such as a defensive/retrenchment strategy. ✓
- Implement a strategy, ✓using a template such as an action plan. ✓
- Control/Evaluate/Monitor the implemented strategy✓ to identify gaps/deviations in implementation✓.
- Take corrective action ✓to ensure goals/objectives are met. ✓
- Any other relevant answer related to the strategic management process

NOTE: **The steps may be in any order.**

Max (6)

2.7 Recommendations/Strategies/Ways businesses can use to deal with challenges posed by technological and environmental factors as PESTLE factors.

2.7.1 Technological factors

- Continuous research on the latest available technology/equipment in the market. ✓✓
- Train existing /appoint new employees to maintain /use new equipment✓✓
- Compare prices/ select suitable suppliers for new equipment at reasonable prices. ✓✓
- Businesses must be geared for online trading/ecommerce. ✓✓
- Any other relevant answer related recommendations/ strategies/ways businesses can use to deal with challenges posed by technological factor as PESTLE element.

Sub max (4)

2.7.2 Environmental factor

- Chemicals/ Ingredients should be clearly indicated on labels /packaging to inform customers about possible side effects/correct use of products. ✓✓
- Implement cost effective measures to dispose off medical waste. ✓✓
- Implement recycling measures to prevent pollution of the environment/ use packaging that is re-usable/recyclable. ✓✓
- Any other relevant answer related recommendations/ strategies/ways businesses can use to deal with challenges posed by environmental factor as PESTLE element.

Sub max (4)
Max (8)
[40]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	2
2.2	4
2.3.1	4
2.3.2	4
2.4.	6
2.5.1	3
2.5.2	3
2.6	6
2.7.1	4
2.7.2	4
Total	40

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QUESTION 3: BUSINESS OPERATIONS

3.1 Aspects that should be included in the employment contract

- Personal details of the employee. ✓
- Details of the business/employer such as the name and address.✓
- Job title/Position✓
- Job description such as duties/responsibilities and working conditions✓
- Job specification such as formal qualifications/willingness to travel. ✓
- Date of employment/Commencement of employment. ✓
- Place where employee will spend most of his/her working time. ✓
- Hours of work such as normal time and overtime. ✓
- Remuneration such as weekly or monthly pay. ✓
- Benefits/Fringe benefits/Perks/Allowances. ✓
- Leave such as sick/maternity/annual/adoption leave. ✓
- Employee deductions such as compulsory/non-compulsory. ✓
- Duration/Period of employment contract/Details of termination/Expiry date of an employment contract. ✓
- Probation period. ✓
- Signatures of both the employer and employee. ✓
- List of documents that form part of the contract such as the appointment letter/code of conduct/ethics. ✓
- Disciplinary policy such as rules and disciplinary procedure for unacceptable behaviour✓

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

3.2 Placement procedure as a human resource activity

- Employer should outline specific responsibilities /expectations of the employee new position. ✓✓
- Determine the relationship between the position and the competencies of the new employees. ✓✓
- Determine the employee's strengths/weaknesses/skills/interest by subjecting him/her to various psychometric tests. ✓✓
- Any other relevant answer related to placement procedure as a human resource activity

Max (4)

3.3 Identification of job analysis components

3.3.1

COMPONENTS OF JOB ANALYSIS	MOTIVATIONS
1. Job specification✓✓	The vacancy requires Sally to have good communication and problem solving skills. ✓
2. Job description✓✓	The key performance area includes monitoring staff and resolving customer complaints. ✓
Sub max 4	Sub max 2

NOTE:

1. **Answer does not have to be in a tabular format.**
2. **Award marks for components of job analysis even if the quotes were incomplete.**
3. **Do not award marks for motivations if the components of job analysis were incorrectly identified.** **Max (6)**

3.3.2 Impact of internal recruitment to businesses

Positives/Advantages

- Provides opportunities for career paths✓ within the business. ✓
- Cheaper/Quicker to fill the post✓ as this method focuses on promoting existing employees. ✓
- Reduces the chances of losing employees, ✓ as future career prospects are available. ✓
- Placement is easy, ✓ as management knows the employees' skills/personality/ experience/strengths. ✓
- The employee already understands how the business operates,✓ induction/training is not always necessary. ✓
- Detailed, reliable information can be obtained✓ from the supervisors/employee records. ✓
- Any other relevant answer related to the positive impact of internal recruitment to businesses.

AND/OR

Negative/Disadvantages

- The number of applicants is limited✓to current staff only. ✓
- Staff that is not promoted may feel demotivated✓ which may affect productivity. ✓
- Employees who do not really have the required skills for the new job✓ may be promoted. ✓
- Current employees may not bring/close the door to/new ideas✓ into the business/from outsiders. ✓
- Promoting a current employee may cause resentment✓amongst other employees. ✓
- Promotion may disrupt business operations✓ as it creates open vacancies that need to be filled. ✓
- Current employees may need to be trained/developed before they can be promoted, ✓ which can be expensive. ✓

- Any other relevant answer related to the negative impact of internal recruitment to businesses.

Max (4)

3.4 Importance of training/skills development in HRM

- The employees who receive necessary training is more able to perform in their job. ✓✓
- The investment in training that a company makes shows employees that they are valued. ✓✓
- An effective training program allows employees to strengthen their skills. ✓✓
- Productivity usually increases when the human resource function implements training courses. ✓✓
- Ongoing training and up skilling of the workforce, encourages creativity. ✓✓
- Any other relevant answer related to importance of training/skills development in HRM.

Max (4)

3.5 Meaning of quality management

- Refers to techniques/tools used✓to design/improve the quality of a product. ✓
- Can be used for accountability✓ within each of the business functions. ✓
- Aims to ensure that the quality of goods/services✓ is consistent/.✓/Focuses on the means✓ to achieve consistency. ✓
- Any other relevant answer related to meaning of quality management.

Max (4)

3.6 Impact of TQM if poorly implemented by businesses

3.6.1 Impact of TQM if poorly implemented by businesses quoted from the scenario

- Uncontrolled quality systems have resulted in deviations from present quality standards. ✓
- This has led to decline in sales because of returns by customers. ✓

NOTE: **1. Mark the first TWO (2) only**
2. Only award marks for responses that are quoted from the scenario. **(2x1)(2)**

3.6.2 Other impact of TQM if poorly implemented by businesses.

- 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 of products/services✓ to satisfy the needs of customers. ✓
- Business reputation/image may suffer✓ because of poor quality/ defective 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. ✓
- High staff turnover, ✓ because of poor skills development. ✓
- Any other relevant answer related to impact of TQM if poorly implemented by businesses

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Notes: 1. **Do not award marks for responses repeated from the scenario** **Max (4)**

3.7 Impact of Total Client/Customer Satisfaction on large businesses

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. ✓
- Large businesses may be able to gain access✓ to the global market. ✓
- May lead to increased✓ competitiveness/profitability. ✓
- Any other relevant answer related to the positive impact total client/customer satisfaction on large businesses

AND/OR

Negatives/Disadvantages

- Large businesses that become complacent with the existing customer satisfaction/target market✓ may experience limited long term growth potential. ✓
- 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 negative impact of total client/customer satisfaction on large businesses

Max (6)

3.8 Ways in which TQM can reduce the cost of quality

- Introduce quality circles to discuss ways of improving the quality of work/ workmanship. ✓✓
- Schedule activities to eliminate duplication of tasks. ✓✓
- Share responsibilities for quality output amongst management and workers. ✓ ✓
- Train employees at all levels, so that everyone understands their roles 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 experience. ✓✓

- 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 TQM can reduce the cost of quality

Max (4)

[40]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	2
3.2	4
3.3.1	6
3.3.2	4
3.4	4
3.5	4
3.6.1	2
3.6.2	4
3.7	6
3.8	4
TOTAL	40

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QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 Types of defensive strategies

- Divestiture✓
- Retrenchment✓
- Liquidation✓

NOTE: Mark the first THREE (3) only

(3 x 1)(3)

4.2 Advantages of intensive strategies to businesses

- Increase in sales/income and profitability due to a variety of advertising campaigns.✓✓
- Regular sales to existing customers may increase.✓✓
- Gain customer loyalty through effective promotion campaigns.✓✓
- Improved service delivery may positively impact/increase sales.✓✓
- Eliminate competitors and dominate market prices.✓✓
- Decrease in price could influence customers to buy more products.✓✓
- Enables the business to focus on markets/well researched quality Products that satisfy the needs of consumers.✓✓
- Increased market share reduces the business's vulnerability to actions of competitors. ✓✓
- Any other relevant answer related to advantages of intensive strategies to businesses

Max (6)

4.3 Labour Relations Act

4.3.1 Employees rights quoted from the scenario

- Employees at DC embarked on a legal strike demanding salary increase✓
- The dispute was unresolved and referred to the CCMA✓

NOTE:
1. **Mark the first TWO (2) only**
2. **Only award marks for responses that are quoted from the scenario (2 x 1) (2)**

4.3.2 Impact of Labour Relations Act on businesses

Positives/Advantages

- Protects the rights of businesses✓ in labour related issues. ✓
- Labour disputes are settled quicker✓and are less expensive. ✓
- Promotes a healthy relationship✓ between the employer and employees. ✓
- Workplace forums can add value to businesses✓ if it functions properly. ✓
- Provides specific guidelines for employers✓ on correct and fair disciplinary procedures. ✓
- Protect employers who embark on lawful lockouts✓ when negotiations between parties fail. ✓
- LRA provides for the principles of collective bargaining✓ and puts structures in place with which disputes in the workplace can be settled. ✓
- Provides sound dispute resolution processes✓ through consensus between organised labour, businesses and the state. ✓
- Employers and employees have guidelines✓ regarding correct and fair dismissal procedures. ✓
- Provides mechanism/framework✓ such as statutory councils/collective bargaining / CCMA. ✓
- Employers are entitled to compensation from the Labour Court✓if they suffered damages as a result of unprotected strikes. ✓
- Any other relevant answer related to the positive impact of Labour Relations Act

AND/OR

Negatives/Disadvantages

- Costs of labour increases✓ because of legal strikes. ✓
- Employers may not get a court interdict✓to stop a strike. ✓
- Reduced global competitiveness✓ due to lower productivity. ✓
- Employers may not dismiss employees at will, ✓ as procedures have to be followed. ✓
- Strike actions always result in loss of production ✓for which employers may not claim. ✓
- Productivity may decrease✓ if employees are allowed to participate in the activities of trade unions during work time. ✓
- Employers may have to disclose information about workplace issues to union representatives✓ that could be the core of their competitive advantage. ✓
- Many employees take advantage of the right to strike✓ without acknowledging their responsibilities. ✓
- Many employees and employers do not understand/respect✓the Labour Relations Act. ✓
- Some trade unions may not promote the mandate of their members but embark on industrial action, ✓ which is harmful to labour relations between employers and employees. ✓
- Some businesses may feel that the LRA gives employees too much power as it creates lengthy procedures✓ such as consulting with workplace forums. ✓
- Labour disputes and bargaining council processes become disruptive/ time consuming✓ and can lead to a decrease in productivity/profitability in businesses. ✓
- Any other relevant answer related to the negative impact of Labour Relations Act

Max (4)

4.4 Role of SETAs in supporting Skills Development Act

- Report to the Director General. ✓✓
- Promote and establishes learnerships. ✓✓
- Collect levies and pays out grants as required. ✓✓
- Provide accreditation for skills development facilitators. ✓✓
- Register learnership agreements/learning programmes. ✓✓
- Approve workplace skills plans and annual training reports. ✓✓
- Monitor/Evaluate the actual training by service providers. ✓✓
- Allocate grants to employers, education and training providers. ✓✓
- Oversee training in different sectors of the South African economy. ✓✓
  Identify suitable workplaces for practical work experiences
- Develop skills plans in line with the National Skills Development Strategy. ✓✓
- Draw up skills development plans for their specific economic sectors. ✓✓
- Provide training material/programmes for skills development facilitators. ✓✓
- Pay out grants to companies that are complying with the requirements of the Skills Development Act. ✓✓
- Promote learnerships and learning programmes by identifying suitable workplaces for practical work experience. ✓✓
- Any other relevant answer related to role/functions of SETAs in supporting Skills Development Act on businesses.

Max (4)

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BUSINESS OPERATIONS

4.5 Examples of fringe benefits

- Medical Aid Fund/Health Insurance Fund✓
- Pension fund✓
- Provident fund✓
- Funeral benefit✓
- Car/travel/Housing/Cell phone/Clothing allowance✓
- Performance based incentives✓
- Issuing of bonus shares✓
- Staff discount/free or low cost meal/canteen facilities✓

NOTE: Mark the first THREE (3) only

(3x1) (3)

4.6 Purpose of induction

4.6.1 Purpose of induction quoted from the scenario

- The induction programme aims to communicate business policies regarding employment contract. ✓
- The HR manager also wanted to give new employees a tour about office layout✓

NOTE: 1. Mark the first TWO (2) only
2. Only award marks for responses that are quoted from the scenario. (2 x 1) (2)

4.6.2 UIF as a benefit required by law

- Employees are required to contribute 1% ✓ of their basic salary towards UIF.✓
- Employers are required to contribute 1% ✓ of an employee's basic salary towards UIF. ✓
- Employers must pay unemployment insurance contributions of 2% directly to UIF ✓ of the value of each worker's salary per month. ✓
- The fund also assists the dependants √ of a contributing worker who has died. ✓
- The fund offers short-term financial assistance to workers ✓ when they become unemployed or are unable to work due to illness, maternity or adoption leave. ✓
- Contributions are paid ✓to the Unemployment Insurance Fund (UIF)/ South African Revenue Services (SARS). ✓
- Any other relevant answer related to UIF as a benefit required by law

Max (6)

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4.7 Benefits of good quality management systems to businesses

- Vision/Mission/Business goals✓ may be achieved. ✓
- A business has a competitive advantage✓ over its competitors. ✓
- Effective customer services are rendered, ✓ resulting in increased customer satisfaction. ✓
- Time and resources✓ are used efficiently. ✓
- Productivity increases✓ through proper time management/using high quality resources. ✓
- Products/Services are constantly improved✓ resulting in increased levels of customer satisfaction. ✓
- Regular training will continuously improve✓ the quality of employees' skills/ knowledge/competencies. ✓
- Employers and employees will have a healthy working relationship✓ resulting in happy/productive workers/improved employee morale/productivity. ✓
- Increased market share/More customers✓ improve profitability/financial sustainability✓
- Improves business image✓ as there are less defects/returns✓
- Any other relevant answer benefits of good quality management systems to businesses

Max (6)

4.8 Quality indicators of general management function

- Develop/Implement/Monitor effective strategic plans. ✓✓
- Efficient organisation/allocation of business resources to provide for the successful achievement of long-term and short-term plans. ✓✓
- Structured standards and norms should be in place so that control mechanisms can be implemented. ✓✓
- Learn about/understand changes in the business environment on an on-going basis. ✓✓
- Effectively communicate shared vision, mission and values. ✓✓
- Set direction and establish priorities for their business. ✓✓
- Be prepared to set an example of the behaviour that is expected from employees in terms of ethics as well as productivity. ✓✓
- Be proactive and always seeks to improve competitive advantage over competitors. ✓✓
- Ensure that all departments/the business meet their deadlines/ targets.✓✓
- Any other relevant answer related to quality indicators of general management function

Max (4)

[40]

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BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1.	4
4.2.	6
4.3.1	3
4.3.2	3
4.4	4
4.5	4
4.6.	6
4.7	6
4.8	4
TOTAL	40

TOTAL SECTION B: 80

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SECTION C

Mark the FIRST question only.

QUESTION 5: BUSINESS ENVIRONMENTS (LEGISLATION)

5.1 Introduction

- Businesses must ensure that consumers understand their rights as stipulated in National Credit Act. ✓
- Businesses should analyse the benefits and challenges posed by National Credit Act on their operations. ✓
- Businesses should explore various ways to comply with National Credit Act. ✓
- Businesses that do not comply with NCA may face severe consequences. ✓
- Any other relevant introduction related to Rights of consumers as stipulated in NCA/ Impact of NCA on businesses/Ways in which businesses can comply with NCA/Penalties for non-compliance with NCA

(2 x 1) (2)

5.2 Right of consumers as stipulated in the National Credit Act

- Apply for credit and to be free from discrimination. ✓✓
- Receive Information in plain and understandable language. ✓✓
- Receive documents as required by the Act. ✓✓
- Receive pre-agreement documentation before concluding any credit transaction. ✓✓
- Obtain reasons for credit being refused. ✓✓
- Fair and responsible marketing by the credit provider. ✓✓
- Access and challenge credit records and information. ✓✓
- Choose which goods they will buy and return such goods if they are not satisfied. ✓✓
- Surrender/Return goods to the credit provider in order to settle the outstanding amount/debt. ✓✓
- Apply for debt review/counselling if the consumers cannot afford to repay their debts. ✓✓
- Receive protection of their personal information. ✓✓
- Receive protection from being held accountable for the use of their credit facility after they reported the loss/theft. ✓✓
- Refuse a credit limit increase. ✓✓
- Any other relevant answer related to rights of consumers as stipulated in National Credit Act

Max (12)

5.3 Impact of the NCA on businesses

Positives/Advantages

- Lower bad debts✓ resulting in better cash flow. ✓
- Protects businesses against✓ non-paying consumers. ✓
- Authorised credit providers✓ may attract more customers. ✓
- Leads to more customers✓ through credit sales as they are now protected from abuse. ✓
- Increases cash sales as credit can only be granted✓ to qualifying customer. ✓
- Prevents reckless lending✓and prevents businesses from bankruptcy. ✓
- The whole credit process is transparent✓ e.g. both businesses and customers know their responsibilities. ✓
- Businesses do thorough credit checks and receive up-to-date documentation from the consumer✓ as proof that they can afford the repayment. ✓
- Credit bureau information is made available to businesses so that they can check the credit worthiness of consumers✓ before granting credit. ✓
- Any other relevant answer related to positive impact of National Credit Act.

AND/OR

Negative/Disadvantages

- Businesses can no longer carry out✓credit marketing. ✓
- Businesses struggle to get credit✓such as bank loans/overdrafts. ✓
- Businesses that do not comply with the NCA✓ may face legal action. ✓
- Debt collection procedures are more complex✓ and expensive. ✓
- Fewer customers buy on credit✓ as it is more difficult to obtain credit. ✓
- Increases the administration burden✓ on credit providers✓/The paperwork and administrative process required by the act are costly✓ and time consuming. ✓
- Leads to loss of sales✓ as many consumers may no longer qualify to buy on credit. ✓
- The business needs to appoint additional staff✓ to deal with the extra administration. ✓
- Should the credit agreement be declared reckless✓ the business can forfeit the outstanding debt and the goods. ✓
- Businesses that are official credit providers, ✓ must submit a compliance report every year. ✓
- A business must make sure that all attempts have been made✓ to recover the debt before blacklisting the customer. ✓
- Credit providers cannot collect from consumers✓ who are under debt reviews. ✓
- More working capital is needed as businesses cannot sell many goods on credit✓ due to stricter credit application processes. ✓
- Any other relevant answer related to negative impact of National Credit Act.

Max (16)

5.4 Ways in which businesses can comply with National Credit Act

- Offer applicants✓pre-agreement statements. ✓
- Disclose all costs✓ of the loan✓/No hidden costs✓ should be charged /added. ✓
- Businesses should be registered✓ with the National Credit Regulator. ✓
- Submit an annual compliance report✓ to the National Credit Regulator. ✓
- Conduct affordability assessment✓ to ensure the consumer has the ability to meet his/her obligation. ✓
- Conduct credit check with registered credit bureau✓ and consult with National Credit Regulator before granting of credit. ✓
- Verify the identity of clients, report suspicious transactions/train staff on their obligations✓ in terms of Financial Intelligence Centre Act(FICA) ✓
- Businesses must ensure that their procedures adhere✓ to the provisions of FICA. ✓
- Any other relevant answer related to ways in which businesses can comply with National Credit Act

Max (12)

5.5 Penalties/consequences for non-compliance with the NCA

- The business may not demand payment, sue or attach the client /consumers salaries/assets. ✓✓
- The business may not charge any fee/interest/other charges under that specific credit agreement. ✓✓
- The court may declare the granting of credit by the business reckless and may order consumers not to repay the credit/or part thereof to the business✓✓
- The National Credit Regulator may impose a fine/penalty on the business for non-compliance. ✓✓
- The business will bear all costs of removing the negative information of clients/ consumers who were blacklisted as a result of reckless lending. ✓✓
- Any other relevant answer related to penalties/consequences for non-compliance with the NCA

Max (8)

5.6 Conclusion

- Businesses should ensure that they do not violate the rights of consumers outlined in the NCA to maintain good relations with customers/clients.✓✓
- Businesses and clients should analyse the impact of the NCA to make informed decisions when granting/buying on credit. ✓✓
- Businesses can gain recognition from the government by complying with the NCA. ✓✓
- Businesses can avoid penalties by complying with the National Credit Act. ✓✓
- Any other relevant conclusion related to purpose of the NCA/Rights of consumers as stipulated in the NCA/Impact of NCA on businesses/Ways in which businesses can comply with the NCA/Penalties for non-compliance with the NCA

(1 x 2) (2)

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Rights of consumers as stipulated in NCA	12	
Impact of NCA on businesses	14	
Ways in which businesses can comply with NCA	12	
Penalties for non-compliance with NCA	8	
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

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QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCES)

6.1 Introduction

- Selection procedure is a systematic human resource activity designed to identify the most suitable candidate for the job. ✓
- An Interviewee should demonstrate work-related skills and knowledge through effective communication during an interview.✓
- Induction is an important process of getting new employees introduced into the workplace.✓
- Human resource function should play a crucial role in aligning their activities with Employment Equity Act. ✓
- Any other relevant answer related to introduction of selection procedure/Role of interviewee during interview/ Benefits of induction to businesses/ implications of Employment Equity Act on human resources function.

(2 x 1) (2)

6.2 Selection procedure as a human resource activity

Option 1

- Determine fair assessment criteria on which selection will be based. ✓✓
- Applicants must submit the application forms/curriculum vitae and certified copies of personal documents/IDs/proof of qualifications, etc. ✓✓
- Sort the received documents/CVs according to the assessment/selection criteria. ✓✓
- Screen/Determine which applications meet the minimum job requirements and separate these from the rest. ✓✓
- Preliminary interviews are conducted if many suitable applications were received/to identify suitable applicants. ✓✓
- Reference checks/Vetting process should be made/followed to verify work experience/criminal records/credit records/qualification on the CV. ✓✓
- Compile a shortlist of potential candidates identified. ✓✓
- Shortlisted candidates may be subjected to various types of selection tests such as skills test. ✓✓
- Invite shortlisted candidates for an interview. ✓✓
- A written offer is made to the selected candidate. ✓✓
- Inform unsuccessful applicants about the outcome of their application/Some advertisements indicate the deadline for informing only successful candidates. ✓✓
- Any other relevant answer related to selection procedure as a human resource activity.

NOTE: The procedure can be in any order

OR

Option 2

- Receive documentation such as application forms and sort it according to the criteria of the job. ✓✓
- Evaluate CVs and create a shortlist/Screen the applicants. ✓✓
- Check information in the CVs and contact references. ✓✓
- Conduct preliminary sifting interviews to identify applicants who are not suitable for the job, although they meet all requirements. ✓✓
- Assess/Test candidates who have applied for senior positions/to ensure the best candidate is chosen. ✓✓
- Conduct interviews with shortlisted candidates. ✓✓
- Offer employment in writing to the selected candidate(s). ✓✓
- Any other relevant answer related to selection procedure as a human resource activity.

NOTE: The procedure can be in any order

Max (12)

6.3 Role of interviewee during an interview

- Greet the interviewer by name with a solid handshake✓ and a friendly smile. ✓
- Listen carefully to the questions✓ before responding. ✓
- Make eye contact✓ and have good posture/body language. ✓
- Show confidence✓ and have a positive attitude/be assertive. ✓
- Be inquisitive✓ and show interest in the business. ✓
- Ask clarity seeking questions✓ about the job. ✓
- Show respect and treat the interview✓ with its due importance. ✓
- Be honest about mistakes✓ and explain how you dealt with it. ✓
- Know your strengths and weaknesses✓ and be prepared to discuss it . ✓
- Thank the interviewer for the opportunity given✓ to be part of the interview✓
- Any other relevant answer related to role of interviewee during the interview.

Max (14)

6.4 Benefits of induction to businesses

- Allows new employees to settle in quickly✓ and work effectively. ✓
- Ensures that new employees understand rules✓ and restrictions in the business. ✓
- New employees may establish relationships with fellow employees✓ at different levels. ✓
- Make new employees feel at ease in the workplace, ✓ which reduces anxiety/ insecurity/fear. ✓
- The results obtained during the induction process provide a base✓ for focused training. ✓
- Increases the quality of performance/productivity✓ which promotes the effective use of working methods/resources. ✓
- Minimises/Decreases the need for on-going training✓ and development. ✓
- Employees will be familiar with the organisational structure, ✓ such as who are their immediate 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✓ which saves production time. ✓
- Learn more about the business so that new employees understand their roles/ responsibilities✓ to be more efficient. ✓
- 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. ✓
- Reduces the staff turnover✓ as new employees have been inducted properly. ✓
- Any other relevant answer related to benefits of induction to businesses

Max (10)

6.5 Implications of Employment Equity Act on human resources function

- Equal pay for work of equal value. ✓✓
- Ensure that affirmative action promotes diversity in the workplace. ✓✓
- The human resource manager must treat employees fairly and promote/ provide equal opportunities in the workplace. ✓✓
- Retrain/Develop/Train designated groups through skills development programmes. ✓✓
- Define the appointment process clearly to ensure all parties are well informed. ✓✓
- Compile employment equity plans that indicate how they will implement affirmative action. ✓✓
- Assign a manager to ensure that the employment equity plan will be implemented/regularly monitored. ✓✓
- Display a summary of the Act where employees can clearly see it/have access to it. ✓✓
- Report to the Department of Labour on the progress in the implementation of the equity plan. ✓✓
- Conduct medical/psychological tests fairly to employees/when deemed necessary. ✓✓
- Ensure that the workplace represents the demographics of the country at all levels. ✓✓
- Restructure/Analyse current employment policies/practices/procedures to accommodate designated groups. ✓✓
- Any other relevant answer related to the implications of Employment Equity Act on human resources function

Max (10)

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6.6 Conclusion

- Proper selection procedure is important as it assists businesses in choosing the most suitable candidate.✓✓
- Businesses must understand the role of interviewee during an interview in order to conduct fair processes. ✓✓
- Induction process is essential as it ensures that appointed employees are well prepared to contribute to the success of the business.✓✓
- Employment Equity Act compels human resource management to be well informed and come up with policies that are fair and non-discriminatory.✓✓
- Any other relevant answer related to introduction of Selection procedure/Role of interviewee during interview/ Benefits of induction to businesses/ Implications of Employment Equity Act on human resources function.

Any (1 x 2) (2)

[40]

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Selection procedure	12	
Role of interviewee during interview	14	
Benefits of induction to businesses	10	
Implications of Employment Equity Act to human resources function	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

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