# Basic Education

KwaZulu-Natal Department of Basic Education
REPUBLIC OF SOUTH AFRICA

## BUSINESS STUDIES

## PREPARATORY EXAMINATION

## SEPTEMBER 2016

## NATIONAL SENIOR CERTIFICATE

## GRADE 12

**MARKS: 300**

**TIME: 3 hours**

**N.B. This question paper consists of 18 pages including this page.**

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## INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

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

   SECTION A: COMPULSORY

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

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

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

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

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

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

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

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

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

8. Non-programmable calculator may be used.

9. Write neatly and legibly.

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## SECTION A: (COMPULSORY)

## QUESTION 1: MULTIPLE CHOICE

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

1.1.1 Legit provides fashionable clothing to fashion-conscious women between the ages of 16 and 24 years, who live on a shoestring budget. These young, fashionable women belong to Legit's_____ environment.

A micro
B market
C mega
D macro

1.1.2 The legislation with regards to employing a domestic worker had convinced many people to rather not employ full-time domestic workers. This could be regarded as ----------for Cinderella Home Cleaning services.

A a weakness
B a strength
C a threat
D an opportunity

1.1.3 ... oversees compliance with the National Credit Act, 2005 (Act 34 of 2005).

A A debt counsellor
B The National Credit Regulator
C A credit enforcement agency
D A credit counsellor

1.1.4 Hi Glow quality Paints sells indoor and exterior paints. Hi Glow wants to change its business structure and introduce new product lines that may attract more customers. This problem solving technique used by Hi Glow to change its structure is....

A Chair technique.
B Delphi technique.
C Force-field analysis.
D Brainstorming.

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1.1.5 Which ONE of the following is an advantage of corporate social responsibility for a business?

A CSR costs money that could have been invested more profitably.
B Good publicity to improve reputation
C Businesses are required to prepare detailed CSR reports –this is time consuming
D Projects must be constantly monitored

1.1.6 African Bank applies corporate governance in order to ensure sustainability of the organisation and its business. These principles and practices are applied in line with the ...

A Kyoto Protocol.
B King 3 report.
C Global Reporting Initiative (GRI).
D JSE SRI index.

1.1.7 Small groups of employees who voluntarily meet on a regular basis to discuss problems relating to an improvement in production is known as ...

A Quality circles.
B MBO strategies.
C Entrepreneurship.
D Empowerment.

1.1.8 Grouping and combining tasks according to job title, duties and responsibilities is known as_____

A job analysis.
B job description.
C job specification.
D induction.

1.1.9 This leadership style assumes a facilitators' role, if employees/followers are skilled and motivated.

A transactional
B laissez-fair
C transformational
D situational

1.10 The source of funding represents a long term loan to an enterprise:

A Government (RSA) retail savings bonds
B Unit trust
C Fixed deposit
D Debentures

(10 x 2) (20)

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1.2 Choose a description from **COLUMN B** that matches a term/Act in **COLUMN A**. Write only the letter (A-E) next to the question number (1.3.1-1.3.5) in the **ANSWER BOOK.**

**For Example: 1.2.6 F.**

| | COLUMN A | COLUMN B | |
|---|---|---|---|
| 1.2.1 | Management | A | selects the most suitable candidate for the job |
| 1.2.2 | Screening | B | provides financial security for the investor upon reaching pensionable age |
| 1.2.3 | Retirement annuity | C | a chicken farmer entering into a fixed supply agreement with a buyer such as KFC (a buyer): |
| 1.2.4 | Forward vertical integration | D | Set of standards of expected behaviour |
| 1.2.5 | Professionalism | E | use charm to inspire people |
| | | F | eliminates unsuitable candidates for the position |
| | | G | Payment when an employer resigns |
| | | H | Conforms to a set of values that are morally acceptable |
| | | I | directing people and resources according to preset policies |
| | | J | Clover Diary enters into fixed agreements with the jersey cow farmers for the daily provision of milk. |

(5 x 2) (10)

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1.3 Choose the correct word(s) from those given in brackets. Write only the words(s) next to the question number (1.3.1- 1.3.5) in the answer book.

1.3.1 A (SWOT/PESTLE model) analysis is a tool for assessing the internal and external environment.

1.3.2 (Quality assurance / quality control) is the process carried out during and after the production process to ensure required standards have been met at every stage of the process.

1.3.3 (Insurance/Assurance) covers the loss from an event that will definitely occur.

1.3.4 When a business enterprise support (the triple bottom line / human right) they will consider the social, environmental and economic impact in its business.

1.3.5 (Time-related/Piecemeal) pay is received on an agreed hourly rate.

5 x 2 (10)

**TOTAL SECTION A: 40**

## SECTION B: (COMPULSORY)

**Answer ANY THREE questions from this section.**

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

## QUESTION 2: BUSINESS ENVIRONMENT

2.1 Identify the legislation relevant to each of the following statements.

2.1.1 The management of Cupid Manufacturing Enterprise has to send their employees for training.

2.1.2 The Act that makes provision for working hours, leave conditions and remuneration.

2.1.3 This Act makes provision for the establishment of trade unions and chamber of commerce.

2.1.4 The main aim of this Act is to protect consumers against unfair credit terms.

2.1.5 The Act ensures that workers who are disabled or become ill as a result of performing their duties are paid.

(10)

2.2 Read the scenario below and answer the following questions.

**PHOTO DEVELOPMENT STORES**

With digital smart phones, cameras, high – quality home printing, and digital photos sharing becoming a cultural norm, taking that roll of film to the neighbourhood photo store just isn't a part of life any more .Companies such as Perfect Pictures and Candid Pictures are developing new ways to keep the customers with online services and touch screen stations in stores where customers can download and create their own CD albums.

2.2.1 Identify the challenge that is affecting the Photo Development Stores. (2)

2.2.2 Discuss the impact of the challenge identified in 2.2.1 on Photo Development Stores. (4)

2.2.3 Recommend TWO ways in which businesses can overcome the challenges of this environment. (4)

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2.3 Read the scenario below and answer the questions that follow

**FRUITY TREATS**

Dakyla is the manageress of Fruity Treats, who supplies their stock to various large supermarkets. The business repacks different types of dried fruits e.g. apple, rings, apricot and fruit munch. Packaging varies in sizes ready for consumption or reselling. With the economic decline, Dakyla feels that they need to diversify their business operations in order to continue making a profit.

2.3.1 Explain how Dakyla can apply concentric, horizontal and conglomerate diversification. Give examples to support your answer. (9)

2.3.2 Discuss TWO defensive strategies that Dakyla can use to alleviate pressure on the profitability of her business. (6)

2.4 The Skills Development Act,1998 (Act 97 of 1998) makes provision for employees skills to be improved. Mention challenges / negative impact the businesses may experience when implementing this Act. (8)

2.5 Describe the strategic management process . (10)

2.6 Justify the introduction of Broad-Based Black Economic Empowerment Act/(BBBEE). (7)
**[60]**

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## QUESTION 3 BUSINESS VENTURES

**Read the article below and answer the questions that follow**

### SHORT TERM INSURANCE

Short term insurance is useful in case of incidents such as a car accident or a burglary at your house. Few people have the cash to repair a car or buy new things that have been stolen in a burglary. Choose a broker who represents as many companies as possible or ask more than one broker for quotes.
When you have all the quotes, you have to look at:

- The excess you are responsible for when you claim.
- Make sure you insure property with short term insurance for the correct replacement value if you are under-insured only a pro rata portion of your claim will be paid. It is important and your responsibility to ensure that the sum insured is in line with inflation index and premium adjusted accordingly.
- It is important not to over insure as this will result in over payment of premium.
- Insurance companies also offer lower premiums to those who take special steps to ensure the safety of their possessions. These include security precaution, smoke detectors, water sprinklers, fire drill. safety inspections etc

3.1.1 Name the term used to describe "the portion of the claim the insured has to bear". (1)

3.1.2 Quote two steps from the scenario above the insured may take to reduce the premium on household and motor car policies. (2)

3.1.3 Explain the necessity to revise or adjust the sum insured regularly. (2)

3.2 Read the scenario below and answer the questions that follow

| |
|---|
| Property valued R1000 000 was insured against fire for R800 000.<br>Fire causes damages worth R30 000. |

3.2.1 Calculate the amount that the insurance company will pay as compensation. (4)

3.2 2 Name the clause that applies to this claim. (2)

3.3 Explain uninsurable and insurable risks and give two examples of each. (8)

3.4 Safia invested R5 000 for three years, at 10% interest per year, compounded annually, with Capital Bank.

3.4.1 Calculate the amount Safia will receive after three years. (Show all calculations) (6)

3.4.2 Calculate the amount of interest that Safia will earn. (Show all calculations. (4)

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

**FAST AND FURIOUS SPORTS CARS LTD (FFSC)**

A.Ally and B.Baba recently opened Fast and Furious Sports cars. They had an equal share in the business.

Soon they realised that they could not manage the business by themselves, as they did not have enough funds to meet the growing consumer demand. They decided to incorporate and sell shares.
The business is now called Fast and Furious Sports Cars LTD

3.5.1 Name the type of ownership Fast and Furious was before they decided to sell shares. (1)

3.5.2 Explain how taxation and legislation can contribute to the success or failure of Fast and Furious Sports Cars LTD. (12)

3.6 Describe the factors you would consider when preparing for a presentation. (12)

3.7 Evaluate the impact of the bureaucratic leadership style on a business. (6)
**[60]**

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## QUESTION 4: BUSINESS ROLES

4.1 Identify the unethical business practice illustrated in each scenario below and recommend one strategy to address each scenario in order to promote ethical conduct:

4.1.1 Fast Motors is paid cash for its services in order to avoid paying VAT on the transaction. This transaction is not recorded. (3)

4.1.2 John a manager at Friskys Resturant requests sexual favours from a waitress in return for a promotion. (3)

4.1.3 Employees of Fast and Furious are often on face book on the internet during work time. (3)

4.2 The King Code contains principles for ethical corporate governance. Independence and responsibility are two of these principles. Advise businesses on how they should apply these principles. (4)

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

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

**ROCKET BROKERS**

Rocket Brokers is committed to growing and investing in socially responsible activities such as Build schools in communities, offer bursaries to needy students, donates old computers to less privileged schools and provide adult education and training in the local community.

4.4.1 Define *Corporate Social Investments* and *Corporate Social Responsibility*. (4)

4.4.2 Quote FOUR ways in which Rocket Brokers contributes to the community. (4)

4.4.3 Name TWO other CSI projects Rocket Brokers can contributes to the community. (4)

4.5 Explain how businesses should address environmental issues to maintain sustainability. (10)

4.6 Suggest ways in which businesses may promote social rights in the workplace. (6)

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4.7 Discuss ways in which businesses can create an environment that promotes creative thinking. (8)

4.8 Describe the importance of team dynamic theories to understand team performance. (3)

**[60]**

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## QUESTION 5: BUSINESS OPERATIONS

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

**SPORTSCENE SPORTS SHOES**

Sportscene sports shoes is a South African company based in Pietermaritzburg that produces sport shoes, such as running shoes, cross trainers and soccer boots, for the domestic market .It competes for market share with international brands such as Nike, Adidas and Asics. However, over the past six months sales declined because the number of pairs of shoes returned by customers every month has increased. They have identified that the machinery and equipment in the factory have not been properly maintained or replaced for many years. The finishing on shoes is inferior and the stitching frequently comes apart if the shoes are heavily used.

5.1.1 Name the business function that is responsible for addressing Sportscsene sports shoe. (1)

5.1.2 Quote FOUR factors that contributed to the poor performance of the business function identified in QUESTION 5.1.1. (4 x 1) (4)

5.2 Read the employment contract below and answer the questions that follow.

**EMPLOYMENT CONTRACT**

Name of Employee: N. GOVENDER

Gender: Female Age: 46 years

**TERMS AND CONDITIONS OF THE CONTRACT**

- Annual leave is based on employee sales.
- Working hours: As per operational hours of the business.
- Resignation when she falls pregnant

5.2.1 Outline any FIVE aspects that should be included in an employment contract. (10)

5.2.2 Critically evaluate the terms and conditions of the contract in the scenario above. Make recommendations that are in line with the Basic Conditions of Employment Act, 1997 (Act 75 of 1997). (10)

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

> Matata Motors required the services of an experienced marketing manager to take over the management of the marketing department. They contacted, Quest Personnel, a recruitment agency, to find a suitable candidate for the vacancy.

5.3.1 Identify the type of recruitment used by Matata Motors in the scenario above. Motivate your answer. (3)

5.3.2 Discuss the impact of this type of recruitment referred to in Question 5.3.1. (8)

5.3.3 Mention reasons for the termination of employment contracts of employees at Matata Motors. (8)

5.4 Explain how quality of performance of the following business functions influence the success of a business.

5.4 1 Public relations function. (8)

5. 4.2 Financial Function. (8)

**[60]**

## QUESTION 6: MISCELLANEOUS

### BUSINESS ENVIRONMENTS

6.1 Identify the business sector represented by the statements below and support your answer.

6.1.1 Liberty Life offering tax free investment opportunities for 2016. (3)

6.1.2 Sappie forestry planting trees. (3)

6.2 Discuss the impact of the Compensation for Occupational Injuries and Diseases Act (COIDA), 1997 (Act 61 of 1997), as amended, on employers/ businesses. (10)

### BUSINESS VENTURE

6.3 List the criteria for a logical and effective presentation. (8)

6.4 Read the scenario below and answer the questions that follow:

> Jack Daniels is the manager of Tipsy Stores. He explains work procedures, rewards employees for excellence and punishes them if targets are not met.

6.4.1 Identify the leadership style described above. (1)

6.4.2 Discuss the impact of this leadership style on businesses. (4)

6.5 Discuss the role of a positive attitude in successful leadership. (4)

### BUSINESS ROLES

6.6 Recommend FOUR ways in which professional, responsible, ethical and effective business practice should be conducted. (8)

6.7 Evaluate the effectiveness of the Delphi technique in solving business problems. (5)

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## BUSINESS OPERATIONS

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

6.8.1 A decrease in the number of customers at Take and Pay supermarket. (2)

6.8.2 High staff turnover (employees resigning after being with the business for a short while) at grab and go take-away. (2)

6.8.3 Ensuring the correct quantities of inputs are available at the right time and place. (2)

6.9 Describe the positive impact of an induction programme in businesses. (8)
**[60]**

**TOTAL SECTION B: 180**

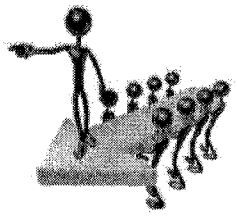
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**Answer ANY TWO questions.**

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

## QUESTION 7

## BUSINESS ENVIRONMENT



### Take and Pay's COMPLIANCE WITH THE CONSUMER PROTECTION ACT

Take and Pay has always and will always put the consumer first, and strive to uphold the principles of the Consumer Protection Act in all their dealings with their customers. As a consumer you should know and understand what the Consumer Protection Act aims to achieve, what your rights are as a consumer, and how and where to address your concerns.

With reference to the above statement:

- Discuss the purpose of the Consumer Protection Act, 2008 (Act 68 of 2008).
- Explain any FOUR rights of consumers outlined in the act.
- Evaluate the impact of the Consumer Protection Act, 2008 (Act 68 of 2008) on Pick and Pay.
- Discuss the penalties/consequences for Take and Pay if they do not comply with the act.

**[40]**

## QUESTION 8

## BUSINESS VENTURES

Great leaders don't set out to be a leaders. They set out to make a difference. Taking a team from ordinary to extraordinary means understanding and embracing the difference between management and leadership.

Refer to the statement above and elaborate on the on the following:

- Distinguish between leadership and management.
- Evaluate the consensus/democratic, autocratic and laissez-faire leadership styles.
- Recommend when each of the above mentioned style can be applied by management.

**[40]**

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## QUESTION 9: BUSINESS ROLES

**TEAMWORK ON THE SHOP FLOOR AT GENERAL MOTORS SOUTH AFRICA (GMSA)**

GMSA employs more than 3 500 employees at its vehicle assembly in Port Elizabeth. The workforce is divided into teams from diverse cultural backgrounds and beliefs which may lead to conflict in the workplace.
The team concept is a management system, which is driven by key empowerment principles and supported by clearly defined roles and responsibilities

(www.gmsa.co.za)

Write a detailed report to the Directors of GMSA in which you include the following aspects:

- Discuss any FOUR possible causes of conflict within the teams at GMSA.
- Explain the procedure that GMSA should apply to overcome conflict that teams usually experience.
- Outline the characteristics that team members may apply to assess their team's success.
- Suggest ways in which GMSA can deal with difficult people or different personalities within the different teams.

**[40]**

## QUESTION 10

## BUSINESS OPERATIONS

Total Quality Management (TQM) implies that every employee in the organisation accepts the responsibility for ensuring that, whatever they do in the job, adds value to the benefit of all stakeholders in order to ensure that the consumers are satisfied.

With reference to the above statement:

- Outline the benefits that a business may enjoy when implementing a good quality management system.
- Discuss how the quality of performance within the general management function will ensure success in the business.
- Analyse the impact of the following elements of Total Quality management on large businesses:

  - Continuous skills development
  - Total client satisfaction
  - Continuous improvement to processes and systems

**[40]**

**TOTAL MARKS: [300]**

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# Education

KwaZulu-Natal Department of Education
REPUBLIC OF SOUTH AFRICA

## BUSINESS STUDIES

## MEMORANDUM

## PREPARATORY EXAMINATION

## SEPTEMBER 2016

**NATIONAL SENIOR CERTIFICATE**

**GRADE 12**

**N.B. This memorandum consists of 50 pages including this page.**


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### NOTES TO MARKERS

**PREAMBLE**

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

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

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

| | |
|---|---|
| Marker | Red |
| Senior Marker | Green |
| Deputy Chief Marker | Brown |
| Chief Marker | Pink |
| Internal Moderator | Orange |
| DBE Moderator | Turquoise |

2. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
3. A comprehensive memorandum has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:

- Uses a different expression from that which appears in the memorandum
- Comes from another source
- Original
- A different approach is used.

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

4. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
5. The word 'Sub max' is used to facilitate the allocation of marks within a question or sub question.

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

7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in memo. Only the total for each answer should appear in the left-hand margin next to the appropriate question number.
8. In an indirect question, the theory as well as the response must be relevant and related to the question.


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9 Incorrect numbering of answers to questions or sub questions in Sections A and B will be severely penalised. Therefore, correct numbering is strongly recommended in all sections.

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

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

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

12.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** *'COIDA eliminates time and costs spent√ on lengthy civil court proceedings.'√*

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

**NOTE:** The above could apply to 'analyse' as well.

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

Cognitive verbs, *such as*:

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

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

## 14. SECTION B

14.1 If, for example, FIVE facts are required, mark the candidate's FIRST FIVE responses and ignore the rest of the responses. Indicate by drawing a line across the unmarked portion or use the word 'MAX'.
**NOTE:** This applies only to questions where the number of facts is specified.

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

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

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


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

- Fact 2 marks (or as indicated in the memorandum)
- Explanation 1 mark

The 'fact' and 'explanation' are given separately to facilitate mark allocation.

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

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

## 15. SECTION C

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

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

15.2 Insight consists of the following components:

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


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

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

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

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

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

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

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

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

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

15.10

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

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

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


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## SECTION A (COMPULSORY)

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

(10 x 2) (20)

1.2.1 I✓✓
1.2.2 F✓✓
1.2.3 B✓✓
1.2.4 C✓✓
1.2.5 D✓✓

(5 x 2) (10)

1.3.1 SWOT✓✓
1.3.2 Quality assurance ✓✓
1.3.3 Assurance✓✓
1.3.4 Triple bottom line ✓✓
1.3.5 Time-related ✓✓

(5 x 2) (10)

**BREAKDOWN OF MARKS**

| QUESTION 1 | MARKS |
|---|---|
| 1.1 | 20 |
| 1.2 | 10 |
| 1.3 | 10 |
| TOTAL | 40 |


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**SECTION B**

**QUESTION 2**

2.1.1 Skills Development Act / SDA✓✓

2.1.2 Basic Conditions of Employment Act / BCEA ✓✓

2.1.3 The Labour Relations Act / LRA✓✓

2.1.4 The National Credit Act/ NCA✓✓

2.1.5 Compensation for Occupational Injuries and Diseases Act/ COIDA ✓✓ (10)

2.2.1 Technology / taking the roll of film to the neighbourhood photo store just isn't a part of life anymore / competitors developing new ways to keep customers with online services ✓✓ (2)

2.2.2 Impact on challenges
- It makes some stores✓ obsolete/ outdated✓
- Some stores that are outdated ✓ have to close down✓
- Need more capital ✓to invest in new technology✓
- Might have to change ✓the service completely✓
- Any other relevant answer related to effect on photo development stores

Max (4)

2.2.3 Installing new technology to keep up with competition✓✓
Help staff to develop technological skills by sending them on courses/skills development✓✓
Any other relevant answer in which businesses can overcome the challenges. (4)

2.3.1 **Diversification strategies.**

Concentric diversification

- Business adds a new product✓ which is related to existing product lines. ✓
- Dakyla can add products to the existing lines where other products ✓ are made containing savoury peanuts, raisins and sweets ✓
- Any other relevant answer related to diversification.

Sub max (3)

Horizontal diversification

- Business adds new products that are unrelated, ✓ but may appeal to the existing target market. ✓
- Dakyla can add cranberry✓ and dates to the product line.✓
- Any other relevant answer related to diversification Sub max (3)


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Conglomerate diversification

- Business adds new products that are unrelated, ✓ but may appeal to a different target market. ✓
- Dakyla can add sweets ✓ and other confectionary to his product lines. ✓
- Any other relevant answer related to diversification

Sub max (3)
**Max (9)**

2.3 2 **Defensive strategies**

Retrenchment✓✓

- Dakyla will decrease costs by decreasing the number of employees in the business, resulting in decrease in wages and salaries✓
- Any other relevant answer related to retrenchment

Sub max (3)

Divestiture ✓✓

- Dakyla sells a part of the business that is not making profit or assets that are not used effectively✓
- Any other relevant answer related to divesture

Liquidation ✓✓

- Management decides to close the entire business and sell all assets ✓ to cover the liabilities because the business is not profitable. ✓
- Any other relevant answer related to liquidation

**NOTE: Mark first TWO (2) only** **Any (2 x 3) (6)**


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2.4 Skills Development Act

- There is a lot of paperwork/administrative work. Businesses has to complete the application form/registration form. ✓✓
- Businesses will have less money because they have to pay the skills levy . ✓✓
- Bureaucracy/Red tape when applying for learner ship programmes. ✓✓
- Less time is devoted to performance. Businesses have to train/coach/employees mentor ✓✓
- Short-term loss of profitability because employee has to take time off to go for training. ✓✓
- Employee needs regular training to keep up with the demands of a dynamic working environment/to improve customer care services. ✓✓
- Difficult to assess the service providers of SETAs. ✓✓
- Once employee's skills have been improved, he/she becomes marketable and may leave the business. ✓✓
- When employees becomes more skilled, he/she may demand a higher salary. ✓✓
- Any other relevant answer related to challenges/impact of the Skills Development.

Max (8)

2.5 Strategic management process

OPTION 1

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

Max (10)

OR


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OPTION 2

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

Max (10)

NOTE: The steps may be in any order.

2.6 BBBEE

- Through BBBEE the government✓ strives to involve all businesses (profit and non-profit organisations). ✓
- BBBEE Act includes a wider group of previously disadvantaged people, ✓ such as black women, people with disabilities, youth and people living in rural areas through social-economic strategies ✓such as management, ownership, employment equity, social responsibility, preferential procurement and enterprise development. ✓
- BBBEE Broad-based Black Economic Empowerment is a growth strategy✓ that targets inequality within the South African economy ✓ by encouraging more black management, promoting employment equality✓, encouraging skills training in businesses✓, nurturing black entrepreneurship and building black SMMEs by means of affirmative action. ✓
- Any other relevant answer related to the introduction of Broad-Based Black Economic Empowerment (BBBEE). Max (7)

**[60]**

**BREAKDOWN OF MARKS**

| QUESTION 2 | MARKS |
|---|---|
| 2.1 | 10 |
| 2.2.1 | 2 |
| 2.2.2 | 4 |
| 2.2.3 | 4 |
| 2.3.1 | 9 |
| 2.3.2 | 6 |
| 2.4 | 8 |
| 2.5 | 10 |
| 2.6 | 7 |
| TOTAL | 60 |


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**QUESTION 3 BUSINESS VENTURES**

3.1.1 Excess✓ (1)

3.1.2 Security precaution, ✓smoke detectors, ✓ water sprinklers, ✓ fire drill, ✓ safety inspections etc ✓ Any 2 x 1 (2)

NOTE: Mark first two only

3.1.3 Sum insured is in line with inflation✓ on so that sum insured is market related. ✓Sum insured is not under insured or over insured✓ Max (2)

3.2.1 $\frac{\text{Amount insured}}{\text{Market value}}$ x damages ✓

$\frac{800\,000}{1\,000\,000}$ ✓ x 30 000 ✓

= R24 000 ✓ (4)

NOTE: 1. Award full marks (4) if the answer is correct and no workings are shown.
2. If workings (process/procedure) demonstrate understanding of the concept, but the final answer is wrong, award a maximum of TWO (2) marks.
3. If there are no workings shown and the answer is incorrect, award a ZERO mark. Max (4)

3.2.2 Average clause✓✓ (2)

3.3 **Uninsurable risks**

- Risks which insurance companies✓ will not insure✓
- An insurance company cannot calculate✓ the probability of the risk ✓
- Example: losses caused by poor management decision/✓ changes in fashion/improvement in technology ✓
- Any other relevant explanation & examples of uninsurable interest etc.

Sub max 4

**Insurable risks**

- The insurer must prove that he/she stands to lose✓ if the property is damaged or lost ✓
- Must be expressed✓ in financial terms ✓
- Example: fire/storms/Burglary ✓/theft/money in transit/fidelity insurance etc✓
- Any other relevant explanation & examples of insurable interest

NOTE: Mark first two examples only

Sub max 4

Max (8)


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3.4

3.4.1 Investments
R5 000 + R500 (R5 000 x 10%) = R5 500√√
R5 500 + R550 (R5 500 x 10%) = R6 050√√
R6 050 + R605 (R6 050 x 10%) = R6 655√√

OR

$P(1+i)^n$√√

5 000(1+0,1)³ OR 5 000(1,1)³ OR 5 000(1,331) √√
= R6 655√√

NOTE:

1. Allocate full marks (6) if the answer is correct and no workings are shown.
2. If calculations were shown correctly, but the final answer is wrong, award a maximum of FOUR marks.
3. If the answer is incorrect, award a maximum of TWO marks for the understanding of concept and method.
4. If there are no workings shown and the answer is incorrect, allocate a ZERO mark. (6)

3.4.2 R6 655 (answer from 3.4.1) - R5 000√√
= R1 655√√

NOTE:1. Award full marks (4) if answer is correct.
2. If the answer is incorrect, award a maximum of TWO (2) marks for the understanding of concept, method and accuracy.
3. If there are no workings shown and the answer is incorrect, allocate a ZERO mark. (4)

**(8)**

3.5.1 Partnership✓ (1)


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3.5.2 **How taxation and legislation impact positively (contribute to the company's success) and negatively (can lead to failure)**

| | | |
|---|---|---|
| Taxation | Success<br><br>-Public companies have more opportunities to reduce their tax liability✓ e.g. allowances can be claimed as company expenses✓<br><br>-A company pays tax on the income brought into the business, ✓ after the expenses of running the business have been deducted✓<br><br>-Any other relevant answer related to taxation as a success factor | Failure<br><br>-Large tax payments✓ can have a negative effect on profits✓<br><br>-Subject to double taxation ✓which reduces the company's profit and shareholders<br><br>dividends ✓<br><br>-Failure to comply with company tax regulations ✓could lead to substantial financial penalties✓<br><br>-Any other relevant answer related to taxation as failure factor<br><br>Sub max (6) |
| Legislation | Success<br><br>-Limited liability allows for greater risk taking✓, which can lead to growth of the business✓<br><br>-Audit of financial statements ✓gives shareholders the assurance that the business is properly run and helps in raising additional finance ✓<br><br>-There is no limit✓ on the number of shareholders ✓<br><br>-Any other relevant answer related to legislation as success factor | Failure<br><br>-Long and complicated✓ registration process which may delay the commencement of the business✓<br><br>-Failure by management to meet the requirements of the Act may lead to major challenges.✓<br><br>-Changes in legislation affecting companies✓ can cause extra challenges✓<br><br>-Can be complicated to follow the correct process ✓and obtain all the necessary legal documents ✓<br><br>-Directors can be sued personally✓ if they allow reckless trading ✓<br><br>- Any other relevant answer related to taxation as legislation factor<br><br>Sub max (6) |

Max (12)


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3.6. Factors to be considered when preparing for a presentation

- Clear purpose/intentions/objectives✓ and main points of the presentation. ✓
- Main aims captured✓ in the introduction/opening statement of the presentation. ✓
- Information presented✓ should be relevant and accurate. ✓
- Fully conversant✓ with the content/objectives of the presentation. ✓
- Background/Diversity/Size/Pre-knowledge of the audience✓ to determine the appropriate visual aids. ✓
- Prepare a rough draft of the presentation√ with a (n) logical structure/format/introduction, body and conclusion. ✓
- Conclusion shows a summary of the key facts✓ and how it relates to the objectives/shows that all aspects have been addressed. ✓
- Create visual aids/graphics✓ that will consolidate the information/facts to be conveyed to the audience. ✓
- Find out about the venue for the presentation✓, e.g. what equipment is available/appropriate. ✓
- Consider the time frame for presentation✓, e.g. fifteen minutes allowed to complete the presentation. ✓
- Rehearse✓ to ensure a confident presentation/time was used effectively. ✓
- Prepare for the feedback session√, by anticipating possible questions/comments.√
- Any other relevant answer related to the factors that must be considered when preparing for a presentation.

Max (12)

**3.7** Positives

- Managers ensure that government policies/business rules/procedures✓ are always followed accurately. ✓
- Tight control measures implemented/followed✓ ensure high quality service delivery. ✓
- Ensures accountability✓ to the general public/community. ✓
- Improves health and safety in dangerous workplaces✓, e.g. mines, construction sites. ✓
- Any other relevant answer related to positives of a bureaucratic leadership style.

AND/OR

Negatives

- Complicated/Involving/Official rules✓ may seem unnecessary/time consuming. ✓
- Leaders/Directors may acquire power✓ and can disregard/ignore inputs from others. ✓
- Very little room for error✓, so workers feel they are not treated as


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humans. ✓

- Lack of creativity/innovation/self-fulfilment✓ may lead to stagnation/ decrease in productivity. ✓
- Any other relevant answer related to negatives of a bureaucratic leadership style.

Max (6)

**[60]**

**BREAKDOWN OF MARKS**

| QUESTION 3 | MARKS |
|---|---|
| 3.1.1 | 1 |
| 3.1.2 | 2 |
| 3.1.3 | 2 |
| 3.2.1 | 4 |
| 3.2.2 | 2 |
| 3.3 | 8 |
| 3.4.1 | 6 |
| 3.4.2 | 4 |
| 3.5.1 | 1 |
| 3.5.2 | 12 |
| 3.6 | 12 |
| 3.7 | 6 |
| TOTAL | 60 |


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**QUESTION 4: BUSINESS ROLES**

4.1.1 Tax evasion ✓
Possible strategy:
- Policy regarding payment to service providers must be followed. ✓✓
- Every transaction should be properly documented/recorded. ✓✓
- Ensure that all financial records are checked/audited. ✓✓
- Any other relevant answer related to addressing tax evasion.

Identification (1)
Strategy (2)
Sub max (3)

4.1.2 Sexual harassment ✓
Possible strategy:

- A code of conduct/ethics should be in place, containing a framework of corrective action and procedures. ✓✓
- Formulate a clear policy on sexual harassment. ✓✓
- Educate employees to use/understand the policy/procedure contained in the code of conduct/ethics. ✓✓
- Encourage employees to report cases of sexual harassment. ✓✓
- Address complaints. ✓✓
- Conduct disciplinary procedures. ✓✓
- Ensure that all complaints are dealt with in a sensitive/serious way. ✓✓
- Take action against those found guilty. ✓✓
- Any other relevant answer related to addressing sexual harassment.

Identification (1)
Strategy (2)
Sub max (3)

4.1.3 Abusing work time/resources ✓
Possible strategy:

- The code of conduct/ethics should contain clear rules about abusing work time. ✓✓
- Policy should be signed by all employees so that they are aware of it's content. ✓✓
- Implement policies for employees to have restricted access to business assets. ✓✓
- Employees should be monitored and work towards realistic goals to get work done. ✓✓
- Structure working hours in such a way that employees have free/flexible time for personal matters. ✓✓
- Create a culture of responsibility towards the business/Strengthen team spirit so that all employees feel responsible for what has to be achieved. ✓✓
- Any other relevant answer related to addressing abuse of work time.

Identification (1)
Strategy (2)
Sub max (3)


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4.2 King Code

Independence

- Business must have mechanisms in place. (ie board members and committee composition ) and implement the mechanisms to minimize or avoid potential conflicts of interests. ✓✓

Any other relevant answer related to how businesses can apply independence. (2)

Responsibility:

- Board members must act responsibly towards all stakeholders and management should allow for corrective action. ✓✓

Any other relevant answer related to how businesses can apply responsibility. (2)

4.3 Procedure for dealing with grievances in the workplace

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

NOTE: The procedure may be in any order. Max (8)


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4.4.1 **Corporate social investment**

- Refer to any project undertaken by an organisation which is over and above normal business activities of the company and not directly aimed at increasing profitability. ✓✓
- Programmes that will benefit the community and/or the environment, into which time, skills, expertise and money are invested. ✓✓
- Any other relevant answer related to corporate social investment.

Sub Max (2)

**Corporate social responsibility**

- Refers to any strategy used by a business to take responsibility for their impact on society and the environment. ✓✓
- It is not a single action but rather an approach to doing business that guides all decision making in the firm. ✓✓
- It is the way in which companies manage their business operations so that it does not negatively affect all stakeholders. ✓✓
- Any other relevant answer related to corporate social responsibility.

Sub Max (2)
Max(4)

4.4.2 **CSI projects from the scenario**

Build schools in communities✓/Offer bursaries to needy students/✓Donate old computers to less privileged schools✓/Provide/Support adult education and training in the local community✓. (4 x 1) (4)

4.4.3 **Other CSI projects**

- Charitable contribution towards NGOs/Businesses can donate blankets to old-age homes/orphanages/running soup kitchens.√√
- Involvement in community education/ - Teach entrepreneurial skills/Offer support to individuals starting new business ventures.√√
- Conduct skills development/job creation projects/Offering bricklaying courses.√√
- Sponsor art and cultural programmes, such as school choirs.√√
- Support youth programmes, such as sport/recreational activities.√√
- Any other relevant answer related to the contribution of corporate social investment (CSI) projects to the community.

NOTE: 1. **Mark the first TWO (2) only.**
2. **Award a maximum of TWO (2) marks if the example demonstrates the same practical way and contribution of CSI projects to the community.**

Any (2 x 2) (4)


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4.5 Addressing environmental issues

- Comply with laws and regulations put in place by SA government ✓such as National Environmental Management Act, Environment Conservation Act and other strategies. ✓
- Promote environmental sustainability✓ through minimising pollution. ✓
- Use alternative sources of energy✓ with minimum impact on the environment. ✓
- Take an active role in environmental sustainability initiatives✓ organised by government or communities, e.g. by funding those initiatives. ✓
- Reduce input and increase output ✓to save natural resources✓
- Use recyclable packaging✓ to avoid unnecessary waste and thus save the natural resources✓
- Any relevant answer related to how South African businesses should address environmental issues. (Max10)

4.6 Ways of promoting social rights in the workplace

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

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

Max (6)

4.7 Creative thinking

- Emphasise the importance of creative thinking√ to ensure that all staff know that you want to hear their ideas.√
- Encourage staff√ to come up with new ideas/opinions/solutions.√
- Make time for brainstorming sessions√ to generate new ideas, e.g. regular workshops/generate more ideas/build on one another's ideas.√
- Place suggestion boxes around the workplace√ and keep communication channels open for new ideas.√
- Train staff√ in innovative techniques/creative problem solving skills/mind-mapping/lateral thinking.√
- Encourage job √ swops within the organisation/studying how other businesses are doing things.√
- Encourage alternative ways√ of working/doing things.√
- Respond enthusiastically to all ideas√ and never let anyone feel less important.√
- Reward creativity by introducing reward schemes√ for teams/individuals who come up with creative ideas.√


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- Provide a conducive working environment √ free from distractions.√
- Any other relevant answer related to ways in which businesses can promote creative thinking in the workplace.

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

Max (8)

4.8 **Reasons why businesses use team dynamic theories to understand team performance**

- Team leaders need to understand the personality types of their team members ✓so that they assign tasks ✓that suit their members' personality types and attitudes. ✓
- Allocating tasks ✓ according to the roles of team members. ✓
- Any other relevant answer related to the reasons why businesses use team dynamic theories to understand team performance Max 3

**[60]**

**BREAKDOWN OF MARKS**

| QUESTION 4 | MARKS |
|---|---|
| 4.1.1 | 3 |
| 4.1.2 | 3 |
| 4.1.3 | 3 |
| 4.2 | 4 |
| 4.3 | 8 |
| 4.4.1 | 4 |
| 4.4.2 | 4 |
| 4.4.3 | 4 |
| 4.5 | 10 |
| 4.6 | 6 |
| 4.7 | 8 |
| 4.8 | 3 |
| TOTAL | 60 |


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**QUESTION 5: BUSINESS OPERATIONS**

5.1.1 Production function/ Accept any other business function ✓ (1)

5.1.2 Machinery and equipment not properly maintained ✓
Machinery and equipment not replaced for many years✓
Finishing on shoes is inferior✓
Stitching frequently comes apart if shoes are heavily used✓

Max (4)

5.2.1 Employment Contract

- Key performance areas/Duties and responsibilities. ✓✓
- Code of conduct. ✓✓
- Job description. ✓✓
- Name and address of the business/employer. ✓✓
- Name and address and other personal information of the employee. ✓✓
- Job title. ✓✓
- Probation period. ✓✓
- Bonus and salary/employee wage/salary and method of calculating the wage/salary. ✓✓
- Remuneration package/other payments the employee is entitled to. ✓✓
- The date of commencement of employment. ✓✓
- Details of termination of a contract/notice period. ✓✓
- Rate of overtime payment. ✓✓
- All deductions that will be made from the employee salary/wage must be clearly indicated. ✓✓
- Leave. ✓✓
- Working hours. ✓✓
- Any other relevant answer related to the aspects included in an employment contract.

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

(Any 5 x 2) (10)

5.2.2 BCEA

- The terms and conditions of employment ✓ are not in accordance with labour legislation/BCEA. ✓
- Employees are entitled to leave ✓ regardless of work performance. ✓
- Hours of work that are not specified ✓ could lead to labour exploitation. ✓
  The law (BCEA) stipulates that pregnant women✓ are entitled to take 4 months maternity leave✓
- Any other relevant answer related to evaluation of leave and working hours.

Sub max (4)

Recommendation


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- Employees are entitled to 21 days annual leave or 1 day after every 17 days worked. ✓✓
- Working hours are restricted to 8 or 9 hours per day in a 45 hour work week, depending on the employment contract. ✓✓
- A meal interval of 60 minutes after every 5 hours worked, should be allowed. ✓✓
- The contract is incomplete e.g. maximum of 10 hours overtime per week. This must be specified in the contract. ✓✓
- The business will experience many disputes where the contract is not clear/specific. ✓✓
- Any other relevant answer related to recommendation of leave and working hours.

Sub max (6)

Discussion (4)
Recommendations (6)
(Max) (10)

5.3 1 External recruitment ✓
A recruitment agency was used. ✓✓

Max (3)

5.3.2 Impact of external recruitment
Positives /Advantages

- The business recruits from other businesses/educational✓ institutions/advertisements in the media/recruitment agencies/ headhunting, etc. ✓
- New candidates bring new talents/✓ideas/experiences/skills into the business. ✓
- It may help the business to meet affirmative ✓action and BBBEE plans. ✓
- There is a larger pool✓ of candidates to choose from. ✓
- There is a better chance ✓of getting a suitable candidate with the required skills/qualifications✓/competencies who do not need much training/development which reduce costs. ✓
- Minimises unhappiness/conflict amongst current employees✓ who may have applied for the post. ✓
- Any other relevant answer related to positive aspects of external recruitment.

AND/OR

Negatives/Disadvantages

- External sources can be expensive, e.g. ✓ recruitment agencies' fees and advertisements in newspapers/magazines. ✓
- The selection process may not be effective✓ and an incompetent candidate may be chosen. ✓
- Information on CV's✓or from references may not be reliable. ✓
- Recruitment process takes longer/is✓ more expensive as background checks must be conducted. ✓
- New candidates generally take longer✓ to adjust to a new work environment. ✓
- In-service training✓ may be needed which decreases productivity during the time of training. ✓
- Many unsuitable applications✓ can slow down the selection


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process✓
- Any other relevant answer related to negative aspects of external recruitment.

Sub max (10)
Max (8)

5.3.3 Termination of contract
- Matata Motors may dismiss employees for valid reason(s), e.g. unsatisfactory job performance, misconduct✓✓, etc.
- Matata Motors (employer) may no longer have work for redundant employees/cannot fulfil the contract/is restructuring. ✓✓
- Matata Motors may retrench some employees due to insolvency/may not be able to pay the employees. ✓✓
- Employees decided to leave and resign voluntarily. ✓✓
- An employee may have reached the pre-determined age✓ for retirement. ✓✓
- Any other relevant answer related to the reasons for termination of an employment contract.

Max (8)

5.4.1 **Quality of performance within the public relations function**

Success factors
- Improved relations with clients✓through effective after sales, e.g. handling complaints.✓
- Phones to be answered promptly✓and receptionists to act professionally. ✓
- Ensuring that internal publicity, ✓e.g. appearance of correspondence is up to standard. ✓
- Negative publicity is countered✓by releasing regular press statements. ✓
- Compliance to relevant legalisation,✓ e.g. the Basic Conditions of the Employment Act. ✓
- Improve the positive image of the business✓through good publicity. ✓
- Any other relevant contribution related to public relations function.

Max (8)

5.4.2 **Quality of performance within the finance function**

Success factors
- Financial control measures/systems✓ to eliminate fraud. ✓
- Investing strategies✓ to increase profitability. ✓
- The financial department must determine the profitability✓, gearing and liquidity✓ on a regular basis. ✓
- Implementing ✓credit granting ✓and collecting policies. ✓
- Accurately analyzing✓ and interpreting financial information. ✓
- Any other relevant contribution related to finance function.

Max (8)

**[60]**

**BREAKDOWN OF MARKS**


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| QUESTION 5 | MARKS |
|---|---|
| 5.1.1 | 1 |
| 5.1.2 | 4 |
| 5.2.1 | 10 |
| 5.2.2 | 10 |
| 5.3.1 | 3 |
| 5.3.2 | 8 |
| 5.3.3 | 8 |
| 5.4.1 | 8 |
| 5.4.2 | 8 |
| TOTAL | 60 |

**QUESTION 6: MISCELLANEOUS TOPICS**


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6.1.1 **Identification**

Tertiary sector ✓ Sub max (1)

**Reason**

This is rendering of service. ✓✓ Sub max (2)
**Max (3)**

6.1.2 **SAPPI forestry planting trees.**

**Identification**

Primary sector ✓ Sub max (1)

**Reason**

This extraction of natural resources ✓✓ Sub max (2)
**Max (3)**

6.2 Positive impact on businesses

- Promotes safety✓ in the workplace. ✓
- Creates a framework for acceptable employment practices✓ and safety regulations. ✓
- Supply administrative guidelines/mechanisms✓ for dealing with/processing claims. ✓
- Eliminates time and costs spent✓ on lengthy civil court proceedings. ✓
- Any other relevant answer related to the positive impact of COIDA on businesses.

AND/OR

Negative impact on businesses

- Claiming processes/procedures✓ can be time consuming. ✓
- Processes/Procedures required by this Act may be costly✓ as paperwork places an extra administrative burden on businesses. ✓
- Implementation processes/procedures required by the Act✓ may be expensive. ✓
- Employers have to register all their workers and make annual contributions to COIDA, ✓ which may result in cash flow problems. ✓
- Employers may be forced to pay heavy penalties✓ if they are found guilty of negligence/not enforcing safety measures. ✓
- Any other relevant answer related to the negative impact of COIDA on businesses.

MAX (10)


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6.3 Criteria for a logical and effective presentation of information:

- Know your audience✓✓
- Organise the content✓✓
- Capture attention in the introduction✓✓
- Organise the body ✓✓
- State the aims in your introduction✓✓
- Put the most important information first ✓✓
- Use visuals effectively✓✓
- Use your conclusion to summarise your key point✓✓
- Any other relevant answer relating to a logical and effective presentation.

Max (8)

6.4.1 Transactional leadership style✓ (1)

6.4.2 **The impact of a transactional leadership style**

**Positives**

- Encourages employees✓ to work hard because they will receive rewards. ✓
- Improves employees' productivity✓ and morale. ✓
- The goals and objectives✓ of the business can be achieved. ✓
- Employees should know ✓what is expected of them. ✓
- Disciplinary action procedures✓ are well communicated. ✓
- Any other relevant answer related to the advantages/positive impact of a transactional leadership style.

**Negatives**

- Employees can become bored✓because they have to follow rules and procedures therefore there is no creativity in the workplace. ✓
- A transactional leader will have to monitor the work performance ✓ of the employees to ensure that expectations are met and this can be time-consuming. ✓
- Some employees may be demoralised or unmotivated ✓if they fail to reach/meet targets despite having worked very hard. ✓
- This theory is not suitable for team work✓ because all team members can be punished for poor performance caused by a member of a team. ✓
- Any other relevant answer related to the disadvantages/negative impact of a transactional leadership style .

Max (4)

6.5 Role of Positive attitude

- Self-confidence and believing✓– belief in yourself as a leader✓
- Desire and drive ✓– strong feeling of wanting to have something✓
- Courage✓ – never gives up – the strength to take on challenges✓


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- Persistence ✓– dedication and commitment to overcome obstacles✓
- Belief✓ in others – see the good in others and recognize their abilities✓
- Taking personal responsibility✓ (accept it) – see you role in situations, don't blame others. ✓
- Perseverance✓– seeing things through, not✓ giving up, being patient
- Optimism – ✓seeing opportunities and possibilities✓
- Reliability, ✓ honesty and professional ethics. ✓

(any 2 x 2 = 4)

6.6 Ways in which professional, responsible, ethical and effective business practice should be conducted.

- Starting the business at the expense of someone else ✓✓
- Businesses should not be started at the expense of someone else. ✓✓
- The aim should never be profit at all cost, as it will always be to the disadvantage of others. ✓✓
- Businesses should not use other's ideas to enrich themselves. ✓✓
- Putting someone else out of business for own gain, is unethical and a poor moral choice✓✓
- Any other relevant answer related to starting business at the expense of someone else. Sub max (2)

Payment of fair wages/salaries✓✓

- Workers must not be exploited with low salaries just because it is difficult to find a job. ✓✓
- Workers' rights and dignity should be respected. ✓✓
- Employees make a contribution to the success and profitability ✓✓ of the business, therefore they must be remunerated fairly.
- Remunerate workers for working overtime and on public holidays. ✓✓
- Any other relevant answer related to payment of fair remuneration. Sub max (2)

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

- Businesses should appoint accountants who are known for their ethical and professional reputation and who can prove it with documentation. ✓✓
- Any other relevant answer related to hiring honest accountants. Sub max (2)

Regular payment of taxes✓✓

- Businesses should complete tax returns in detail and on time. ✓✓
- Businesses should not evade tax and honestly declare all income earned. ✓✓
- Business should pay tax to avoid government penalties and fines. ✓✓


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- Any other relevant answer related to regular tax payments. Sub max (2)

Transparent processes and procedures✓✓

- Staffing and other processes should be open and transparent. ✓✓
- Employees should be aware of the employment policy of the business✓✓.
- All laws that govern employment should be communicated to workers. ✓✓
- Any other relevant answer related to transparent processes and procedures. Sub max (2)

Draw up a code of ethics✓✓

- Ethical codes of conduct should be communicated to workers, so that they know what is expected and what the company stands for. ✓✓
- Employees should buy into the expectations for ethical norms/ conduct as set out in company's code of ethics. ✓✓
- Any other relevant answer related to drawing up a code of ethics. Sub max (2)

On-going development and training for all employees✓✓

- Continuous and regular training is necessary to explain the importance of ethical and professional conduct. ✓✓
- Employees should understand that certain conduct/actions have certain consequences. ✓✓
- Employees should be encouraged to attend training courses and upgrade their skills. ✓✓
- Employees promote their own career development and also contribute to an increase in productivity. ✓✓
- Any other relevant answer related to on-going training and development. Sub max (2)

Performance management system should be in place✓✓

- Business should evaluate employees' performance against the job description. ✓✓
- Employees should be acknowledged for good performance. ✓✓
- Training needs can be based on the results obtained from conducting performance appraisals. ✓✓
- Management systems should ensure that employees are treated equally to prevent conflict. ✓✓
- Workers' rights should also be considered when management systems are introduced. ✓✓
- Any other relevant answer related to performance management systems. Sub max (2)

)


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Managers must set the tone and example. ✓✓

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

Sub max (2)

Adequate internal controls ✓✓

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

Sub max (2)

Honesty, accountability and transparency in relationships and transactions✓✓

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

Sub max (2)

Protection of the environment✓✓

- All laws and regulations applicable to environmental protection should be taken seriously. ✓✓
- Laws and regulations should be adhered to so that profits are not generated at the expense of the environment. ✓✓
- Pollution and other environmental issues should always be considered in all business activities, e.g. safe disposal of waste/ dumping of toxic waste, etc. ✓✓
- Become involved in environmental awareness programs✓✓.
- Physical working conditions should always be worker friendly, safe and should promote occupational health✓✓.


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- Physical working conditions, e.g. adequate lighting, ventilation should be taken care of. ✓✓
- Any other relevant answer related to the protection of the environment.

Sub max (2)
Max 8

Any other relevant answers on ways in which professional, responsible, ethical and effective business practice should be conducted.

6.7 Effectiveness of the Delphi technique in solving business problems

Positives

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

AND/OR

Negatives

- It is an expensive technique to use✓ due to high administrative costs. ✓
- May be time consuming and complicated to analyse data✓ received from experts. ✓
- Not all experts are willing/interested✓ to give feedback/complete questionnaires. ✓
- Some experts might not have an in-depth knowledge✓ of certain topics. ✓
- Questionnaires may be completed by experts without giving it much thought✓, so solutions might not be suitable/applicable. ✓
- This technique may not be suitable to all types of business problems✓ and may not always be reliable. ✓
- Any other relevant negative evaluation related to the use of the Delphi technique in solving business problems.

Max (5)


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6.8.1 Marketing function (2)

6.8.2 Human resource function (2)

6.8.3 Purchasing function (2)

6.9 Positive impact on induction programmes

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

Max (8)

**[60]**

**BREAKDOWN OF MARKS**

| QUESTION 4 | MARKS |
|---|---|
| 6.1.1 | 3 |
| 6.1.2 | 3 |
| 6.2 | 10 |
| 6.3. | 8 |
| 6.4.1 | 1 |
| 6.4.2 | 4 |
| 6.5 | 4 |
| 6.6 | 8 |
| 6.7 | 5 |
| 6.8.1 | 2 |
| 6.8.2 | 2 |
| 6.8.3 | 2 |
| 6.9 | 8 |
| TOTAL | 60 |



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**QUESTION 7**

**BUSINESS ENVIROMENTS**

7.1 Introduction

- The Consumer Protection Act was introduced to create awareness of consumer rights and protect consumer rights. . ✓
- Consumers in South Africa need protection against the actions of dishonest businesses. ✓
- CPA deals mainly with regulating consumer credit and businesses must comply with the act. ✓
- The CPA encourages consumers✓ to take action if their rights are violated. ✓

Any other relevant introduction related to CPA Max (2)

7.2 Purpose of Consumer Protection Act

- CPA promotes and advances the social✓ and economic welfare of consumers. ✓
- It promotes the rights✓ and full participation of historically disadvantaged individuals as consumers; ✓
- Enables access to goods and services✓ by low-income communities and vulnerable consumers; ✓
- Promotes fair✓ business practices; ✓
- Promotes business innovation✓ and excellence; ✓
- Promotes access to information for consumers✓ to make informed choices; ✓
- Protects consumers against misleading suppliers✓ of goods and services; ✓
- Promotes consumer safety✓ from hazards to their wellbeing;✓
- Strengthens the culture of consumer rights ✓and responsibility. ✓

Any other relevant answer related to the purpose of CPA.

Max 12

7.3 Consumer rights

- Right to choose ✓✓
  Consumers have the right to
  - choose suppliers and/or goods. ✓
  - shop around for the best prices. ✓
  - reject goods that are unsafe/defective for a full refund. ✓
  - cancel/renew fixed term agreements. ✓
  - request written quotations and cost estimates. ✓
  - Any other relevant answer related to the consumer's right to choose as defined in the CPA.

Sub max (4)



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- Right to return goods/have goods replaced/claim a refund ✓✓

  - Goods that are unsafe/defective may be replaced by the supplier. ✓
  - Faulty items may be returned for a full refund. ✓
  - They may return faulty items if the fault occurs within six months after purchasing the item. ✓
  - Any other relevant answer related to the consumer's right to return goods/have it replaced/claim a refund as defined in the CPA.

Sub max (4)

- Right to complain ✓✓

  - Consumers may use various methods/channels to complain about poor quality goods/services. ✓
  - They can complain via customer care desks/consumer hotlines/ombudsman etc. ✓
  - Any other relevant answer related to the consumer's right to complain as defined in the CPA.

Sub max (4)

- Right to privacy/confidentiality ✓✓

  - Consumers have the right to stop/restrict unwanted direct marketing. ✓
  - They can object to unwanted promotional e-mails and telesales. ✓
  - They have the right to stop/lodge complaints about sharing personal details. ✓
  - Any other relevant answer related to the consumer's right to privacy and confidentiality as defined in the CPA.

Sub max (4)

- Right to fair/honest dealings✓✓
  - Suppliers may not use physical force/harass customers. ✓
  - They may not give misleading/false information about the product/service/transaction. ✓
  - Businesses cannot promote pyramid/chain-letter schemes. ✓
  - Businesses may not overbook/oversell goods/services and then not honour the agreement. ✓
    Any other relevant answer related to the consumer's right to fair and honest dealings as defined in the CPA.

Sub max (4)

- Right to information about products/agreements/disclosure of Information ✓✓
  - Contracts and agreements should be in plain language and easy to understand. ✓
  - Businesses should display prices fully inclusive of all costs. ✓
  - Consumers may request the unit and bulk price of the same product. ✓
  - Businesses should label products and trade descriptions correctly. ✓
  - Any other relevant answer related to the consumer's right to information as defined in the CPA.

Sub max (4)


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- Right to fair/responsible marketing/promotion ✓✓
  - Businesses should not mislead consumers on pricing/benefits/uses of goods. ✓
  - Consumers may cancel purchases made through direct marketing within five working days/cooling off-period. ✓
  - All information related to the country of origin/expiry dates/ingredients of the products should be disclosed. ✓
  - Any other relevant answer related to the consumer's right to fair/responsible marketing/promotion as defined in the CPA.

Sub max (4)

- Right to fair value/good quality/safety ✓✓
  - Consumers may demand quality services/goods. ✓
  - They may receive an implied/written warranty. ✓
  - Any other relevant answer related to the consumer's right to fair value/quality as defined in the CPA.

Sub max (4)

- Right to accountability from suppliers✓✓
  - Consumers have the right to be protected in lay-bye agreements. ✓
  - Businesses should honour credit vouchers/prepaid services. ✓
  - Any other relevant answer related to the consumer's right to accountability from suppliers as defined in the CPA.

Sub max (4)

- Right to fair/just/reasonable terms/conditions✓✓
  - Businesses should provide consumers with written notices of clauses that may limit consumer rights. ✓
  - Businesses may not market/sell goods at unfair prices. ✓
  - Any other relevant answer related to the consumer's right to fair terms and conditions as defined in the CPA.

Sub max (4)

- Right to equality in the consumer market place✓✓
  - Businesses should not limit access to goods/services. ✓
  - They may not vary the quality of their goods/services supplied to different types of consumers. ✓
  - Different prices for identical goods/services may not be charged. ✓
  - Businesses should not discriminate when marketing their products/services in different areas/places. ✓
  - Any other relevant answer related to consumer rights to equality in the consumer market place as defined in the CPA.

Sub max (4)
Max 16

NOTE: Mark the first Four only


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7.4 Impact of Consumer Protection Act on businesses
Positive impact/Advantages

- There is now only one law for protecting consumers✓ and this makes it easier to enforce and apply the law✓
- Protects the consumers from unfair, exploitative and aggressive business ✓and marketing activities. ✓
- Promotes consumer rights ✓and ensures that businesses do not violate these rights. ✓
- Allows all consumers fair access✓ to goods and services. ✓
- Educates consumers✓ about how to participate in the goods and services market responsibly. ✓
- Enables consumers and businesses to resolve disputes fairly✓ and in a way that respects the rights of both parties. ✓
- Disputes may also be addressed✓ by the National Consumer Commission. ✓
- Ensures that consumers do not buy goods of poor quality ✓which do not meet quality standards. ✓
- Forces businesses to promote ✓and provide consumer education. ✓
- Consumers are forced to make responsible ✓and informed decisions. ✓
- Any other relevant answer related to the advantages of CPA.

AND/OR

Negative impact /Disadvantages

- Take and Pay must disclose more information✓ about their products and processes. ✓
- The Act encourages✓ consumers to complain. ✓
- Consumers can take advantage✓ of businesses. ✓
- The processes and procedures required of the businesses✓ by the Act can be expensive and time consuming. ✓
- Some businesses feel they are unnecessarily burdened ✓by the processes required by the CPA. ✓
- Non-compliance✓e may result in heavy penalties. ✓
- Staff need to be trained and legal experts need to be consulted, ✓ which can be expensive for smaller businesses. ✓
- Take and Pay documents need to be redone/translated✓ in order to comply with the requirement that consumers have a right to receive contracts in simple and understandable language. ✓
- The provisions in the Act increase the risks for insurance companies✓ in protecting businesses against unforeseen claims and lawsuits. ✓
- Supply chain management for stock levels will have to be managed differently✓ as defective goods have to be replaced within six months at the request of the customer. ✓
- Legal contracts must be worded in plain language and pitched✓ at the level of the consumer who is being targeted. ✓

Any other relevant answer related to impact on CPA.

Max 12


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**7.5** Penalties for non-compliance:

- The Act imposes fines of up to R1million ✓or 10% of turnover for each offence.✓
- The National Consumer Commission is responsible for overseeing✓ the compliance by businesses with the CPA. ✓
- Failure to adhere with CPA may result in a fine✓ or even imprisonment in severe cases; ✓
- In special cases an employer will be held jointly and severally liable ✓ with its employee for contravening the CPA✓

Max (6)

□7.6 Conclusion

- Businesses have a duty to perform quality services and supply
- quality goods; ✓✓
- Consumers must act responsibly when purchasing goods and/or services. ✓✓
- Any other relevant conclusion relating to CPA.

Max (2)

**BREAKDOWN OF MARK ALLOCATION**

| DETAILS | MAXIMUM | TOTAL |
|---|---|---|
| 7.1 Introduction | 2 | |
| | | |
| 7.2.2 Purpose of CPA | 12 | |
| | | |
| 7.3 Consumer rights | 16 | **32** |
| 7.4 Impact of Consumer Protection Act on businesses | 12 | |
| 7.5 Penalties for non-compliance | 6 | |
| 7.6 Conclusion | 2 | |
| **INSIGHT** | | |
| Layout | | 2 |
| Analysis, interpretation | | 2 |
| Synthesis | | 2 |
| Originality, examples | | 2 |
| **TOTAL MARKS** | | 40 |
| LASO – For each component: | | |


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## QUESTION 8

## BUSINESS VENTURES

### 8.1 Introduction

- Leaders have vision for their businesses. ✓
- Leaders encourage workers through motivation. ✓
- Leaders who take calculated risks are able to make use of profitable opportunities. ✓
- Managers are able to manage the business effectively. ✓
- Any other relevant introduction related to leadership and management.

Max (2)

### 8.2 Distinguish between leadership and management

| MANAGEMENT | LEADERSHIP |
|---|---|
| Demands respect, . ✓ authority and wants to control. ✓ | Invites and motivates . ✓freedom of speech and inspires trust. ✓ |
| Gives orders. ✓/instructions. ✓ | Seeks to empowe. ✓r/facilitates employees. ✓ |
| Thinks that they know. ✓ all the answers. ✓ | Asks the right questions . ✓to get to the right answers. ✓ |
| Focuses ✓ on the task. ✓ | Focuses on individuals/groups. ✓ |
| Focuses ✓ on the implementation of policies. ✓ | Focuses on motivating workers. ✓ to help with the implementation processes. ✓ |
| Follows/Implements . ✓the vision of the enterprise. ✓ | Provides a vision. ✓ for the enter-prise. ✓ |
| Minimises. ✓ and controls risk. ✓ | Always on the lookout . ✓for business opportunities. ✓ |
| Ensures that profit targets. ✓ are met. ✓ | Strategises. ✓ to increase profitability. ✓ |
| Administer ✓management. ✓ | Innovate ✓calculated risk. ✓ |
| Have a short-term. ✓ view ✓ | Have a long-term view ✓ |
| Monitor people ✓ | Inspire people ✓ |
| Implement plans ✓ | Develop goals ✓ |
| Maintain. ✓ and monitor ✓ | Challenge staff ✓and managers ✓ |
| Ask when, how,. ✓ where and who ✓ | Ask. ✓why ✓ |

Any other relevant distinction between management and leadership. Max (8)

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### 8.3.1 Consensus/democratic leadership

**Positives: /Advantages**

- Has the expertise and needs✓ to consult with the subordinates. ✓
- Involves the subordinates✓ in decision-making/policy formulation/ problem solving. ✓
- Seeks opinions and ideas from subordinates✓ , but the leader remains accountable and has the authority to make the final decision. ✓
- Wins the support of the subordinates✓ because they feel part of the team. ✓
- Better decisions are made, ✓ because of various inputs. ✓
- New leaders may benefit from ideas✓ obtained from experienced subordinates. ✓
- Any relevant answer related to the evaluation of the Consensus/ democratic leadership style.

**Negatives: /Disadvantages**

- This leadership style is time-consuming ✓especially when urgent decisions have to be made. ✓
- Some leaders are reluctant to use this style, ✓because they may view it as a sign of weakness to ask for advice from subordinates. ✓
- Leaders who do not consider the inputs✓ from subordinates may discourage any future inputs. ✓
- Any relevant answer related to the evaluation of the Consensus/ democratic leadership style.
- Any other relevant answer

Sub max (8)

**Application:**

- This leadership style is useful when the leader and the subordinates need to contribute towards decision making. ✓✓
- May be used when making decisions that affect the whole business. ✓✓
- Cannot be applied in urgent/quick decision making. ✓✓
- Applied only if subordinates have necessary knowledge/information to contribute towards decisions. ✓✓
- Applied when the leader knows the problem, but does not have all the information to make a final decision. ✓✓
- Any relevant application of the Consensus/democratic leadership style.

Sub max (4)
(Max) (12)

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**8.3.2 Autocratic leadership style**

**Positives: /Advantages**

- Gives directives and instructions✓ as a way of communicating with subordinates. ✓
- This leadership style can be used when urgent✓/quick decisions must be made. ✓
- Works well✓ with inexperienced employees. ✓
- Deadlines may be met, ✓as work is completed according to the leader's specification. ✓
- Any other relevant answer related to the evaluation of the Autocratic leadership style

**Negatives/Disadvantages**

- Can de-motivate ✓subordinates/followers. ✓
- Makes all decisions alone ✓with little or no consideration for the inputs of subordinates. ✓
- Subordinates are told what to do and how to do it✓ without being given the opportunity to give inputs or make suggestions. ✓
- Employees' inputs✓ and innovations may be lost. ✓
- Any other relevant answer related to the evaluation of the Autocratic leadership style.

Sub max (8)

**Application:**

- Used in crisis situations, e.g. disaster relief management. ✓✓
- Applied when implementing business policies/government legislation. ✓✓
- Used when all the information is available to solve the problem. ✓✓
- Used when dealing with employees who are not cooperative in the workplace. ✓✓
- Any other relevant application of the Autocratic leadership style.

Sub max (4)
(Max) (12)

8.3.3 **Laissez-faire/free reign leadership/management style**
**Positives/Advantages**

- The leader is not part of the decision making process, ✓ but allows employees to make all the decisions within the framework/limits of the policy. ✓
- The leader gets involved✓ when requested. ✓
- The leader is responsible and accountable✓ for the employees' decisions and actions. ✓
- Employees are left on their own✓ with minimal interference. ✓
- This may lead to frustration on the part of employees✓ when they lack experience or have not earned the trust of the leader. ✓
- Any other relevant advantages related to Laissez-faire/free reign leadership/management style.





**Negatives:/Disadvantages**

- Incorrect decisions can be taken✓ if the staff are inexperienced ✓
- This style can prevent goals from being reached ✓if the staff loses their direction. ✓
- Can be time✓ consuming. ✓
- Team members might misunderstand✓ the objectives. ✓
- Could lead✓ to under performance. ✓
- Productivity✓ might be low. ✓
- Could lead to conflict✓ when some team members assume the role of leaders and dictate the work to others ✓
  Any other relevant disadvantages related to the Laissez-faire/free reign leadership/management style

Sub max (8)

**Application**

- This leadership style can be used when the leader is empowering his/her employees through the delegation of duties. ✓✓
- Useful when employees are knowledgeable and experienced. ✓✓
- It works well in situations where employees are highly skilled in analysing situations and offering solutions. ✓✓
- Any other relevant answer related to the application of Laissez-faire/ free reign Leadership/management style

Sub max (4)
(Max) (12)

**8.4 Conclusion**

- Not all people are able to be both leaders and managers. ✓✓
- It is very important for the success of a business to have managers and leaders with certain qualities. ✓✓
- Any other relevant conclusion on leadership and management. Max (2)

**NOTE: 1. Candidates should be awarded marks when examples demonstrate understanding.**
**2. If another approach is used in answering this question, take into consideration the sub max's as indicated above.**

**Breakdown of mark allocation**

| Details | Maximum | Total |
|---|---|---|
| Introduction | 2 | |
| Distinguish between leadership and management | 8 | |
| Consensus leadership style | 12 | |
| Autocratic leadership style | 12 | Max 32 |
| Laissez-faire/free reign | 12 | |
| Conclusion | 2 | |
| **INSIGHT** | | |
| Layout | | 2 |
| Analysis, interpretation | | 2 |
| Synthesis | | 2 |
| Originality, Examples | | 2 |
| **TOTAL MARKS** | | 40 |

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

**[40]**





QUESTION 9

BUSINESS ROLES

9.1 INTRODUCTION

- Team work refers to a number of people collaborating/working together effectively in order to reach a common goal. ✓
- Each team member should contribute towards the success of the team. ✓
- The success of a business depends on the successful collaboration within a team to contribute to the objectives of the business. ✓
- Diversity in teams may lead to better ideas/solutions, but may also cause conflict. ✓
- Conflict is a result of differences in values and attitudes. ✓
- Effective conflict management may have a positive influence on team performance. ✓
- Poor conflict management may lead to team failure or the dissolution of a team. ✓
- Any other relevant introduction to team work and conflict.

Max (2)

9.2 Possible causes of conflict within a team

9.2.1 Personal differences/Different personalities✓✓

- Conflict is inevitable when people from different backgrounds/cultures/values races/gender✓ work in the same environment. ✓
- When employees fail to understand or accept the differences in each other's personalities✓, problems arise in the workplace. ✓
- Humour and sarcasm may be perceived as insulting behaviour✓ by employees of other cultures/backgrounds. ✓
- Different personality types within a group can cause conflicts✓ because some employees' may be introverts while others are extroverts resulting in different perceptions. ✓
- Different opinions✓ may make it difficult to reach agreements. ✓
- Any other relevant answer related to personal differences/different personalities as a possible cause of conflict.

Cause (2)
Discussion (2)
Submax (4)

9.2.2 Poor communication✓✓

- Poor communication can lead to all types of misunderstanding✓ and can become very destructive. ✓
- If employees or management decide to sidestep each other's opinions✓, team members may become unhappy. ✓
- Any other relevant answer related to poor communication as a possible cause of conflict.

Cause (2)
Discussion (2)
Submax (4)

9.2.3 **Competition**✓✓

- Although competition may be a good motivator, ✓ it can become negative if the focus is on competition only, as team members may lose their team spirit. ✓
- Team members who always loose when competing✓, may feel incompetent/ demotivated and may not complete their tasks/reach deadlines. ✓
- Unhealthy workplace competition may spark conflict✓ as it demoralises employees who cannot always meet targets. ✓
- When salary is linked to employee productivity✓, a workplace may experience strong competition between employees. ✓
- Any other relevant answer related to competition as a possible cause of conflict.

Cause (2)
Discussion (2)
Submax (4)

9.2.4 Ignoring rules/procedures✓✓

- Employees who do not follow the rules/procedures✓ can cause conflict as tasks may not be performed according to the business specification. ✓
- Team members who ignore/disobey rules/procedures✓ may delay the completion of tasks. ✓
- Any other relevant answer related to ignoring rules/procedures as a possible cause of conflict.

Cause (2)
Discussion (2)
Submax (4)

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9.2.5 Poor organisation/leadership/administrative procedures and systems✓✓

- Poor systems and procedures cause stress to workers✓ and makes them frustrated✓.
- If there are not enough guidelines for team members✓, they will be unorganised/uncoordinated in their work. ✓
- Any other relevant answer related to poor organisation/leadership/ admini-strative procedures and systems as a possible cause of conflict.

Cause (2)
Discussion (2)
Submax (4)

9.2.6 Workload and stress/Unrealistic expectation ✓✓

- When employees are overloaded with work✓, they become stressed/feel unappreciated/burnt-out. ✓
- Some employees may depend on their colleagues✓to help them to complete their work. ✓
- Any other relevant answer related to workload and stress/unrealistic expectation as a possible cause of conflict.

Cause (2)
Discussion (2)
Submax (4)

9.2.7 Confusion about scheduling and deadlines✓✓

- Individual deadlines and the team schedules that are not clearly communicated/are not easily available✓can cause confusion. ✓
- Employees working in a team may be available at different times/finding a suitable time when everyone is available✓, which can be a challenge in reaching deadlines. ✓
- Any other relevant answer related to confusion about scheduling and deadlines as a possible cause of conflict.

Cause (2)
Discussion (2)
Submax (4)

9.2.8 Unclear responsibilities✓✓

- Employees who are not clear about their responsibilities✓ are more likely to avoid and blame others for work not done. ✓
- They may not effectively perform✓ their task as expected. ✓
- Any other relevant answer related to unclear responsibilities as a possible cause of conflict.

Cause (2)
Discussion (2)
Submax (4)

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9.2.9 Distracted by personal objectives✓✓

- Some employees may pursue their own personal objectives✓ and they will try to force their own desires onto the team. ✓
- They may lose focus of the task at hand✓ and distract others from performing their tasks effectively. ✓
- Any other relevant answer related to being distracted by personal objectives as a possible cause of conflict.

Cause (2)
Discussion (2)
Submax (4)

9.2.10 Lack of/Insufficient resources✓✓

- Limited resources may cause conflict, because employees may All ✓ want to use the resources at the same time. ✓
- Team members may fight over the limited resources available✓ to accomplish their/the team's tasks. ✓
- Any other relevant answer related to insufficient resources as a possible cause of conflict.

Cause (2)
Discussion (2)
Submax (4)

9.2.11 Constant changes✓✓

- Constant changes in a business may cause instability/lack of clarity✓ regarding the roles and responsibilities of each employee/team member. ✓
- Staff of businesses that continuously change✓, may experience 'change fatigue'. ✓
- People may have less patience✓ and fail to understand the reasons for change. ✓
- Any other relevant answer related to constant changes as a possible cause of conflict.

Cause (2)
Discussion (2)
Submax (4)
Max (16)





9.3 Conflict resolution procedure/steps

- Identify/Acknowledge. ✓ that there is conflict. ✓
- Analyse the cause(s) of conflict. ✓ by breaking it down into different parts. ✓
- Pre-negotiations may be arranged where members. ✓ will be allowed to state their case/views separately. ✓
- Arrange a meeting ✓between conflicting team members. ✓
- A time and place for discussion is arranged. ✓ for negotiations where all members are present. ✓
- Each member has the opportunity to express his/her own opinions/feelings/. ✓Conflicting members may recognise that their views are different. ✓
- Devise/Brainstorm possible ways. ✓ of resolving the conflict. ✓
- Conflicting members agree on criteria. ✓ to evaluate the alternatives. ✓
- The best possible solution(s) is/are selected. ✓ and implemented. ✓
- Evaluate/Follow up on the implementation. ✓ of the solution(s). ✓
- Monitor progress . ✓to ensure that the conflict has been resolved. ✓
- Any other relevant answer related to a positive analysis of conflict resolution techniques.

Max (10)

9.4 Characteristics for team's success

9.4.1 Interpersonal attitudes and behaviour ✓✓

- Members have a positive attitude of support and motivation towards each other. ✓ ✓
- Good/Sound interpersonal relationships will ensure job satisfaction/ increase productivity of the team. ✓✓
- Members are committed/passionate towards achieving a common goal/objectives. ✓✓
- Team leader acknowledges/gives credit to members for positive contributions. ✓ ✓
- Any other relevant answer related to interpersonal attitudes and behaviour of successful teams.

9.4.2 Shared values/Mutual trust and support✓✓

- Shows loyalty/respect/trust towards team members despite differences. ✓ ✓
- Shows respect to the knowledge/skills of other members. ✓✓
- Perform team tasks with integrity/pursuing responsibility/meeting team deadlines with necessary commitment to team goals. ✓✓
- Any other relevant answer related to shared values/mutual trust and support of members in successful teams.

9.4.3 Communication✓✓

- A clear set of processes/procedures for team work ensures that every team member understands his/her role. ✓✓
- Ability to communicate well and make quick decisions. ✓✓
- Communicates with team members and allows for feedback. ✓✓
- Encourages discussion about the problem so that solutions can be found. ✓✓
- Continuous review of team progress ensures that team members can rectify mistakes/act pro-actively to ensure that goals/targets are reached. ✓✓
- Any other relevant answer related to communication in successful teams.

9.4.4 Co-operation/Collaboration✓✓

- Clearly defined realistic goals are set, so that all members know exactly what is to be accomplished. ✓✓
- Willingness to co-operate as a unit to achieve team objectives. ✓✓
- Co-operate with management to achieve team/business objectives. ✓✓
- Agree on methods/ways to get the job done effectively without wasting time on conflict resolution. ✓✓
- All members take part in decision making. ✓✓
- A balanced composition of skills/knowledge/experience/expertise ensures that teams achieve their objectives. ✓✓
- Any other relevant answer related to co-operation/collaboration in successful teams.

Consider any other relevant criteria for a successful team.

Max (10)

9.5 Ways of dealing with difficult people

OPTION 1

- Get perspective from others who have experienced the same kind of situation to be able to understand the difficult employee. ✓✓
- Act pro-actively if possible, as a staff/personnel problem is part of a manager's responsibilities. ✓✓
- Regular meetings with supervisors/departmental heads should help to identify difficult/problem behaviour. ✓✓
- Ask someone in authority for their input into the situation. ✓✓
- Identify the type of personality which is creating the problem. ✓✓
- Meet privately with difficult employees, so that there are no distractions from other employees/issues. ✓✓
- Make your intentions and reasons for your actions known so that they will feel at ease. ✓✓





- Employees should be told what specific behaviours are acceptable by giving details about what is wrong/unacceptable and also an opportunity to explain their behaviour. ✓✓
- A deadline should be set for improving bad/difficult behaviour. ✓✓
- The deadline date should be discussed with the employee and his/her progress should be monitored/assessed prior to the deadline. ✓✓
- Guidelines for improvement should be given. ✓✓
- Do not judge the employee, but try to understand him/her/ understand the person's intentions and why they react in a certain way. ✓✓
- Keep communication channels open and encourage employees to communicate their grievances to management. ✓✓
- Build rapport/sound relations by re-establishing personal connection with colleagues, instead of relying on e-mails/messaging/social media. ✓✓
- Help difficult employees to be realistic about the task at hand. ✓✓
- Remain calm and in control of the situation to get the person(s) to collaborate. ✓✓
- Treat people with respect, irrespective of whether they are capable/competent or not. ✓✓
- Sometimes it may be necessary to ignore but monitor a difficult person. ✓✓
- Identify and provide an appropriate support program to address areas of weakness. ✓✓
- Any other relevant answer related to managing difficult employees.

Max (10)

9.6 Conclusion

- Effective team work will contribute to achieving goals and improve productivity. ✓. ✓
- Continuous team assessment will ensure that teams remain focused on the tasks/targets. ✓. ✓
- Constructive/Positive conflict should be encouraged to promote creativity and effective problem solving. ✓. ✓.
- Teams generally take longer to arrive at a decision. ✓✓
- The use of teams may have greater cost implications. ✓
- Any other relevant conclusion related to team performance and conflict Management

(2)

**[40]**

**Breakdown of mark allocation**

| Details | Maximum | Total |
|---|---|---|
| Introduction | 2 | Max 32 |
| Possible causes of conflict within a team | 16 | |
| Conflict resolution procedure/steps | 10 | |
| Characteristics for team's success | 10 | |
| Ways of dealing with difficult people | 10 | |
| Conclusion | 2 | |
| **INSIGHT** | | |
| Layout | | 2 |
| Analysis, interpretation | | 2 |
| Synthesis | | 2 |
| Originality, Examples | | 2 |
| **TOTAL MARKS** | | 40 |

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

[40]

**QUESTION 10**

**BUSINESS OPERATIONS**

**10.1 Introduction**

- TQM is a quality assurance and control system that was developed by the Japanese. ✓
- This system involves every part of the business and quality is everyone's responsibility, including every department and every employee. ✓
- The principles and value of quality are embedded in the organizational culture and ethics. ✓
- All employees take responsibility for the quality of their work and outputs, and machines and equipment are checked regularly. ✓
- All inputs including raw materials are checked thoroughly and discussions are often held on how to improve quality. ✓
- The quality management process includes a customer satisfaction survey, which informs the business of any changes that need to be made. ✓
- Any other relevant introduction related to TQM.

Max (2





10.2 Benefits of a good quality management system

- Effective customer services will be rendered, resulting in an increased customer satisfaction. ✓✓
- Time and resources are used efficiently. ✓✓
- Productivity increase through proper time management when using high quality resources. ✓✓
- Products and services are constantly improved, resulting in greater customer satisfaction. ✓✓
- Vision and mission may be achieved. ✓✓
- The business may achieve a competitive advantage over its competitors. ✓✓
- Continuous training will constantly improve the quality of employees' skills and knowledge. ✓✓
- Employers and employees will have a healthy working relationship which results in happy workers. ✓✓
- Increased market share and profitability. ✓✓

- Any other relevant answer related to the benefits of a good quality management system.

**Max (6)**

10.3 Quality of performance within the general management function

- Develop, implement and monitor✓ effective strategic plans. ✓
- Efficient organisation and allocation of business resources✓ to allow for the successful achievement of long-term and short-term plans. ✓
- Ensure that structured standards and norms are in place✓ so that control mechanisms can be implemented. ✓
- Learn about/Understand changes in the business environment√ on an on-going basis. ✓
- Set direction✓ and establish priorities for their business. ✓
- Effectively communicate✓ shared vision/mission/values. ✓
- Be prepared to set an example of the behaviour they expect from employees✓ in terms of ethics/productivity. ✓Ensures that employees have the resources✓ needed to do their work ✓/Effective allocation✓ of resources. ✓
- Be proactive and always seek to improve comparative advantage✓ over competitors. ✓
- Any other relevant answer related to how the quality of performance in the General Management function will ensure success of a business.

Max (4)

**10.4 Impact of Total Quality Management System on large Business**

10.4.1 **Continuous skills development/Education and Training**
**Positives/Advantages**

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

**AND/OR**

**Negatives/Disadvantages**

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

Sub max (12)

10.4.2 **Total client/customer satisfaction**
**Positives/Advantages**

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

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- Any other relevant answer related to the positives/advantages of total client/customer satisfaction.

**AND/OR**
**Negatives/Disadvantages**

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

Sub max (12)

10.4.3. **Continuous improvements to systems and processes**

**Positives/Advantages**

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

**AND/OR**
**Negatives/Disadvantages**

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

Sub max (12)
**Max (24)**

**10.5 Conclusion**

TQM is about more than just the quality of the products or service

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but includes the whole organisation from the customer's point of view. ✓✓
It is about continuously planning, doing and checking quality. ✓ ✓
In this way, customer satisfaction is considered by each employee and business in all their tasks and activities. ✓✓ Max (2)

- Any other relevant **conclusion** related to TQM.

**[40]**

**Breakdown of mark allocation**

| Details | Maximum | Total |
|---|---|---|
| Introduction | 2 | Max 32 |
| Benefits | 6 | |
| General management | 4 | |
| Continuous Skills Development | 12 | |
| Total Client Satisfaction | 12 | |
| Continuous Improvements | 12 | |
| Conclusion | 2 | |
| **INSIGHT** | | |
| Layout | | 2 |
| Analysis, interpretation | | 2 |
| Synthesis | | 2 |
| Originality, Examples | | 2 |
| **TOTAL MARKS** | | 40 |

**GRAND TOTAL: [300]**

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