GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

PREPARATORY EXAMINATION

2020

MARKING GUIDELINES

BUSINESS STUDIES PAPER 1 (10721)

28 pages

NOTES TO MARKERS

PREAMBLE

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

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

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

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

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

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

3. 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.)

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

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

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

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

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

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

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

    10.1 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.'√*

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

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

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

    Cognitive verbs, such as:

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

    11.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, 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.

12. Mark only the FIRST answer where candidates offer more than one answer for SECTIONS B and C, where these questions require only one answer.

13. **SECTION B**

13.1 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 'Cancel'.

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

13.2 If two facts are written in one sentence, award the candidate FULL credit. Point 13.1 above still applies.

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

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

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

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

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

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

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

14. **SECTION C**

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

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

14.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body, and a conclusion?	**2**
Analysis and interpretation	Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked? Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	**2**
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Marks to be allocated using this guide: No relevant facts: 0 (Two '-S') Some relevant facts: 1 (One '-S') Only relevant facts: 2 (No '-S') Option 1: Where a candidate answers 50% or more of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis. Option 2: Where a candidate answers less than 50% of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 3: Where a candidate answers less than 50% of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.	**2**
Originality	Is there evidence of examples based on recent information, current trends and developments?	**2**
	TOTAL FOR INSIGHT: **TOTAL MARKS FOR FACTS:** **TOTAL MARKS FOR ESSAY (8 + 32):**	**8** **32** **40**

NOTE: 1. No marks will be awarded for contents repeated from the introduction and conclusion.

2. The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.

3. No marks will be awarded for layout, if the headings INTRODUCTION and CONCLUSION are not supported by an explanation.

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

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

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

14.6 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**

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

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

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

14.10 14.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.

14.10.2 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.

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

SECTION A

QUESTION 1

1.1
1.1.1 C√√
1.1.2 D√√
1.1.3 B√√
1.1.4 A√√
1.1.5 D√√

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

1.2
1.2.1 Affirmative Action√√
1.2.2 Fronting√√
1.2.3 Recruitment √√
1.2.4 Management√√
1.2.5 Piecemeal√√

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

1.3
1.3.1 G√√
1.3.2 J√√
1.3.3 A√√
1.3.4 C√√
1.3.5 I√√

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

TOTAL SECTION A: 30

BREAKDOWN OF MARKS

QUESTION	MARKS
1.1	**10**
1.2	**10**
1.3	**10**
TOTAL	**30**

SECTION B
Mark the FIRST TWO questions only
QUESTION 2: BUSINESS ENVIRONMENTS

2.1 **Pillars of BBBEE**

- Management control√
- Ownership√
- Enterprise and supplier development√
- Skills development√
- Socio economic development/social responsibility√

NOTE: Mark the first FIVE (5) only. (5 x 1) **(5)**

2.2 **Types of diversification strategies**

- Concentric√
- Horizontal√
- Conglomerate√

NOTE: Mark the first THREE (3) only. (3 x 1) **(3)**

2.3 **Legislation**

2.3.1 **Actions that can be regarded as discriminatory by the BCEA from the scenario.**

- Guan, the manager, only accepted a valid medical certificate from Gail, one of her employees who was off sick.√
- Jane was also off sick but her valid medical certificate was not accepted.√
- Guan also prevented some employees from having access to their employment contracts. √

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

2.3.2 **Ways in which businesses can comply with the BCEA**

- Workers should only work 9 hours per day √ in a 5 day work week. √/8 hours per day √ in a 6 day work week. √/Overtime should not exceed 10 hours √ per week.√
- Workers can take up to six weeks paid sick leave √ during a 36-month cycle.√
- Workers must receive double pay √ if they work during public holidays/Sunday. √
- They must have a break of 60 minutes √ after five hours of work. √
- Businesses should not employ children √ under the age of 16. √

Any other relevant answer related to ways in which the management of NDP can comply with the BCEA

Max (6)

2.4 **Porter's Five Forces**

2.4.1 **Power of competitors**

- If competitors have a unique product/service√ then they will have greater power.√
- A business with many competitors in the same market has very little power√ in their market.√
- Draw up a competitor's profile√ so that they can determine their own strength as well as that of competitors.√
- Some businesses have necessary resources to start price wars√ and continue selling at a loss until some/all competitors leave the market.√

Any other relevant answer related to how the power of competitors can be used to analyse the business position in the market **Max (4)**

2.4.2 **Threat of substitution**

- If the business's product can be easily substituted√, it weakens the power of the business in the market.√
- Establish whether the sellers of substitute products have improved their product/sell lower quality goods√ at lower prices.√
- If the business sells unique products√ it will not be threatened by substitute products.√
- Assess whether customers are using substitute products/services√ and determine reasons for using substitutes.√

Any other relevant answer related to how the threat of substitution can be used to analyse the business position in the market **Max (4)**

2.5 **Business strategies**

2.5.1 Market penetration√√ **(2)**

2.5.2 **Advantages of intensive strategies**

- Increase in sales/income√ and profitability√
- Regular sales to existing customers√ may increase.√
- Gain customer loyalty√ through effective promotion campaigns.√
- Improved service delivery√ may positively impact/increase sales.√
- Eliminate competitors√ and dominate market prices√
- Decrease in price√ could influence customers to buy more products.√
- Businesses can have more control√ over the prices of products/services.√

Any other relevant answer related to the advantages of intensive strategies **Max (6)**

2.6 **Application of the strategic management process**
Option 1

- Have a clear vision, a mission statement and measurable/realistic objectives in place.√√
- Identify opportunities/weaknesses/strengths/threats by conducting environmental scanning/situational analysis.√√
- Tools available for environmental scanning may include a SWOT analysis/Porter's Five Forces model/PESTLE analysis/industrial analysis tools.√√
- Formulate alternative strategies to respond to the challenges.√√
- Develop (an) action plan(s), including the tasks to be done/deadlines to be met/resources to be procured, etc. √√
- Implement selected strategies by communicating it to all stakeholders/organising the business's resources/motivating staff. √√
- Continuously evaluate/monitor/measure strategies in order to take corrective action. √√

Any other relevant answer related to the application of the strategic management process

OR

Option 2

- Review the vision statement.√√
- Analyse/Re-examine the mission statement.√√
- Conduct an environmental analysis using models such as PESTLE/PORTER'S/SWOT.√√
- Formulate a strategy such as a defensive/retrenchment strategy.√√
- Implement a strategy, using a template such as an action plan.√√
- Control/Evaluate/Monitor the implemented strategy to identify gaps/deviations in implementation.√√
- Take corrective action to ensure goals/objectives are met.√√

Any other relevant answer related to the application of the strategic management process

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

[40]

BREAKDOWN OF MARKS

QUESTION	MARKS
2.1	5
2.2	3
2.3.1	2
2.3.2	6
2.4.1	4
2.4.2	4
2.5.1	2
2.5.2	6
2.6.	8
TOTAL	40

QUESTION 3: BUSINESS OPERATION

3.1 **Examples of employee benefits**

- Medical Aid Fund/Health Insurance Fund√
- Pension Fund√
- Provident Fund√
- Funeral benefits√
- Car/Travel/Housing/Cell phone/Clothing allowance√
- Performance based incentives√
- Issuing of bonus shares√
- Staff discount/Free or low cost meal/Canteen facilities√

Any other relevant examples of employee benefits

NOTE: Mark the first THREE (3) only. (3 x 1) **(3)**

3.2 **Recruitment method from the scenario**

3.2.1 Internal recruitment √√ **(2)**

Motivation: Value Traders advertised a vacancy for an administrative assistant on their notice board. √ **(1)**

NOTE: Do not award marks for the motivation if the recruitment method was incorrectly identified. **Max (3)**

3.2.2 **Examples of job description and job specification from the scenario**

JOB DESCRIPTION	JOB SPECIFICATION
1. Managing and distributing information√	1. Excellent computer skills√
2. Answering phones and minutes taking√	2. Good interpersonal relations√
Sub max (2)	Sub max (2)

NOTE: 1 The examples must be clearly linked to job description and job specification.
2 The examples can be in any order as long as they are linked to the correct concept.
3 Only award marks for responses that are quoted from the scenario. **(4)**

3.3 **The role of the interviewer before the interview**

- Book and prepare the venue√ for the interview.√
- Inform all shortlisted candidates√ about the date and place of the interview.√
- Set the interview date√ and ensure that all interviews take place on the same date, if possible.√
- Notify all panel members conducting the interview√ about the date and place of the interview.√
- The interviewer should develop a core set of questions√ based on the skills/knowledge/ability required.√
- Check/read the application/verify the CV of every candidate√ for anything that may need to be explained.√
- Plan the programme for the interview√ and determine the time that should be allocated to each candidate.√
- Allocate the same amount of time√ to interview each candidate on the program.√

Any other relevant example related to the role of the interviewer before the interview **Max (4)**

3.4 **The benefits of induction for businesses**

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

Any other relevant answer related to the benefits of induction for businesses **Max (6)** **(6)**

3.5 **Quality circles**

3.5.1 **The roles of quality circles from the scenario**

- They requested quality circles to suggest ideas on how they can improve the quality of their products. √
- The quality circles are also expected to investigate problems and suggest solutions to management.√

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

3.5.2 **Other roles of quality circles in improving the quality of products**

- Solve problems related to quality and implement improvements. √√
- Ensures that there is no duplication of activities/tasks in the workplace.√√
- Improve the quality of products/services/productivity through regular reviews of quality processes.√√
- Monitor/Reinforce strategies to improve the smooth running of business operations.√√
- Reduce costs of redundancy in the long run.√√
- Increase employees' morale/motivation.√√
- Quality circles discuss ways of improving the quality of work/workmanship.√√
- Contribute towards the improvement and development of the organisation.√√
- Reduce costs/wasteful efforts in the long run.√√
- Increase the demand for products/services of the business.√√
- Create harmony and high performance in the workplace.√√
- Build a healthy workplace relationship between the employer and employee.√√
- Improve employees' loyalty and commitment to the organisation and its goals.√√
- Improve employees' communication at all levels of the business. √√
- Develop a positive attitude/sense of involvement in decision making processes of the services offered. √√

Any other relevant answer related to other roles of quality circles in in improving the quality of products. **Max** **(6)**

3.6 **Quality indicators of the production function**

- Provide high quality services/products √ according to specifications.√
- The production/operating processes of a business should be done correctly √ through proper production planning and control.√
- Products and services should be produced at the lowest possible cost √ to allow for profit maximisation.√
- Businesses should clearly communicate the roles and responsibilities √ to the production workforce.√
- Products must meet customers' requirements √ by being safe, reliable and durable.√
- Businesses should have good after-sales services √ and warrantees.√
- Empower workers so that they can take pride √ in their workmanship.√
- Get accreditation from the SABS/ISO 9001 √ to ensure that quality products are being produced.√
- Specify the product or service standards √ and take note of the factors that consumers use to judge quality.√
- Monitor processes √ and find the root causes of production problems. √
- Implement quality control systems √ to ensure that quality building products are consistently being produced.√
- Utilise machinery and equipment √ optimally.√
- Accurately calculate √ the production costs.√
- Select the appropriate production system √ e.g. mass/batch/jobbing.√

Any other relevant answer related to the quality indicators of the production function **Max (6)**

3.7 **Impact of TQM if poorly implemented by businesses**

- Setting unrealistic deadlines √ that may not be achieved√
- Employees may not be adequately trained √ resulting in poor quality products.√
- Decline in productivity√, because of stoppages√
- Businesses may not be able to make necessary changes of products/services√ to satisfy the needs to customers.√
- Business reputation/image may suffer √ because of poor quality/defective goods.√
- Customers will have many alternatives to choose from √ and the impact could be devastating to businesses.√
- Investors might withdraw investment√, if there is a decline in profits.√
- Decline in sales as more goods are returned √ by unhappy customers√
- High staff turnover√, because of poor skills development√
- Undocumented/Uncontrolled quality control systems/processes could result in errors/deviations √ from pre-set quality standards.√

Any other relevant answer related to the impact of TQM if poorly implemented by businesses **Max (6)**

[40]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	3
3.2.1	3
3.2.2	4
3.3	4
3.4	6
3.5.1	2
3.5.2	6
3.6	6
3.7	6
TOTAL	40

QUESTION 4: MISCELLENEOUS

BUSINESS ENVIRONMENTS

4.1 **Business environments and extent of control**

BUSINESS ENVIRONMENTS	EXTENT OF CONTROL
Micro√	Full control√
Market√	Partial/Some/Limited/Less control√
Macro√	No control√
Sub max (2)	Sub max (2)

NOTE
1. **Mark the first TWO (2) only.**
2. **The answer does not have to be in tabular format.**
3. **Award marks for the business environment even if the extent of control is not indicated.**
4. **The extent of control must be linked to the business environment.** **Max (4)**

4.2 **Challenges posed by economic and social factors**

FACTOR	CHALLENGES
4.2.1 Economic factors	- Inflation/Interest rates may negatively impact√ on business.√
	- Loans may be expensive√ due to high interest rates.√
	- Fluctuations in foreign currency√ may restrict imports.√
	Any other relevant answer related to the challenges of economic environmental factors
	OR
4.2.2 Social factors	- Customers may not be able to afford products√ due to low income levels/high unemployment.√
	- Businesses may not be conversant with the language√ of their customers.√
	- Some customers may prefer to spend their money on medical bills/health care products√ for the treatment of chronic illnesses.√
	- High crime rate may affect the trading hours√ of businesses resulting in decreased profits.√
	Any other relevant answer related to the challenges of social environmental factors
	Max (4)

NOTE: Do not award marks for the examples of economic and social factors if they are not used to explain how they pose challenges to businesses.

4.3 **Types of integration strategies**

Forward vertical integration√√

- The business combines business with, or take-over its distributors.√
- Involves expansion of business activities to gain control over the direct distribution of the products.√

Any other relevant answer related to forward integration strategy

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

Backward vertical integration√√

- The business combines business with or take-over its suppliers.√
- The aim is to decrease the business's dependency on the supplier.√

Any other relevant answer related to backward integration strategy

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

Horizontal integration√√

- A business takes control of/incorporates other businesses in the same industry/which produce/sell the same goods/services. √
- The aim is to reduce the threat of competition/substitute products/services.√

Any other relevant answer related to horizontal integration strategy

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

NOTE: Mark the first TWO (2) only. **Max (6)**

4.4 **Role of SETAs in supporting the Skills Development Act**

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

Any other relevant answer related to the roles of SETAs in supporting the Skills Development Act.

NOTE: Mark the first THREE (3) only. (3 x 2) **(6)**

BUSINESS OPERATIONS

4.5 **Employment contract**

4.5.1 **Aspects of the employment contract from the scenario**

- Remuneration√
- Hours of work√
- Leave√
- Probation period√

NOTE: Mark the first FOUR (4) only. (4 x 1) **(4)**

4.5.2 **Legal requirements of the employment contract**

- The employer and employee must both√ sign the contract.√
- Employer and employee must agree√ to any changes to the contract.√
- No party may unilaterally change√ aspects of the employment contract.√
- The remuneration package/including benefits√ must be clearly indicated.√
- It may not contain any requirements that are in conflict√ with the BCEA.√
- The employment contract should include a code of conduct√ and a code of ethics.√
- Aspects of the employment contract can be renegotiated√ during the course of employment.√
- The employer must explain the terms and conditions√ of the employment contract to the employee.√
- Conditions of employment/duties/responsibilities of the employees√ must be clearly stipulated.√
- All business policies/procedures/disciplinary codes/rules√ can form part of the employment contract.√
- The employer must allow the employee to read through the contract thoroughly √ before it is signed.√

Any other relevant answer related to the legal requirements of the employment contract **Max (6)**

4.6 **Distinction between quality control and quality assurance**

QUALITY CONTROL	QUALITY ASSURANCE
- System that ensures the desired quality is met√ by inspecting the final product√	- Checks carried out during√ and after the production process√
- Ensure that finished products√ meets the required standards.√	- Ensure that required standards√ have been met at every stage of the process.√
- Process of ensuring that products are consistently√ manufactured to high standards.√	- Processes put in place to ensure that the quality of products/services/systems adhere to pre-set standards√ with minimal defects/delays/short- comings.√
- Checking raw materials/employees/ machinery/workmanship/products√ to ensure that high standards are maintained.√	- Ensuring that every process is aimed to get the product "right the first time"√ and prevent mistakes from happening.√
Any other relevant answer related to the explanation of quality control	Any other relevant answer related to the explanation of quality assurance
Sub max (2)	Sub max (2)

NOTE: 1. The answer does not have to be in a tabular format.
2. The distinction does not have to link, but must be clear.
3. Award a maximum of TWO (2) marks if the distinction is not clear/Mark either quality control or quality assurance only. **Max (4)**

4.7 **Application of PCDA model/cycle to improve the quality of products.**

Plan√
- Identify the problem.√
- Develop a plan for improvement to processes and systems.√
- Answer questions such as 'what to do' and 'how to do it'.√
- Plan the method and approach.√ Sub Max (2)

Do√
- Implement the change on a small scale.√
- Implement the processes and systems.√ Sub Max (2)

Check /Analyse√
- Use data to analyse the results of change. √
- Determine whether it made a difference. √
- Check whether the processes are working effectively. √
- Assess, plan and establish if it is working/if things are going according to plan. √ Sub Max (2)

Act as needed√
- Institutionalise the improvement. √
- Devise strategies on how to continually improve. √
- If the change was successful, implement it on a wider scale. √
- Continuously revise the process. √ Sub Max (2)

Any other relevant answer related to how businesses can apply the PDCA model in order to improve the quality of their products
NOTE: Mark the first THREE (3) only. (3 x 2) **(6)**
[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	**4**
4.2.	**4**
4.3	**6**
4.4	**6**
4.5.1	**4**
4.5.2	**6**
4.6	**4**
4.7	**6**
TOTAAL	**40**

SECTION C
Mark only ONE question in this section.
QUESTION 5: BUSINESS ENVIRONMENTS (IMPACT OF RECENT LEGISLATION)

5.1 **Introduction**

- The Labour Relations Act regulates the relationship between employees and their trade unions/employers and their organisations.√
- The Act may include amendments/repeal laws related to labour relations in order to promote sound labour relations.√
- The Act promotes employment equity in the workplace through the prevention of unfair labour practices.√
- The rights of employers and employees are protected in terms of this Act.√
- Businesses need to be well conversant with this Act so that it is effectively implemented in the workplace.

Any other relevant introduction related to the LRA (2 x 1) **(2)**

5.2 **Rights of employers and employees in terms of the LRA**

5.2.1 **Rights of employers**

Employers have a right to:

- Form employer organisations√√
- Form a bargaining council for collective bargaining purposes√√
- Lockout employees who engage in unprotected/illegal strike/labour action√√
- Dismiss employees who are engaged in an unprotected strike/misconduct such as intimidation/violence during a strike action√√
- Not pay an employee who has taken part in a protected strike for services/work they did not do during the strike√√

Any other relevant answer related to the rights of employers in terms of the LRA Sub max (6)

5.2.2 **Rights of employees**

Employees have a right to:

- Join a trade union of their choice √√
- Embark on legal strikes as a remedy for grievances √√
- Refer unresolved workplace disputes to the CCMA √√
- Refer unresolved CCMA disputes to the Labour Court on appeal √√
- Request trade union representatives to assist/represent employees in the grievance/disciplinary hearing √√
- Trade union representatives may take reasonable time off from work with pay, to attend to trade union duties. √√

Any other relevant answer related to the rights of employees in terms of the LRA Sub max (6)

Max (12)

5.3 **Purpose of the Labour Relations**

- Promotes collective bargaining√ at the workplace√
- Establishes Labour Courts√ and Labour Appeal Courts√
- Promotes fair labour practice√ between the employers and employees√
- Promotes workplace forums√ to accommodate employees in decision making√
- Provides for the right to lock-out by the employer√ as a reaction to lengthy strikes√
- Promotes simple procedures for the registration of trade unions√ and employer organisations√
- Establishes the Commission for Conciliation, Mediation and Arbitration (CCMA) √ for dispute resolutions√
- Provides a framework/structure for labour relations√ between employers and employees√
- Clarifies the transfer of employment contracts√ between the existing and new employers√
- Advances economic development/social justice/labour peace√ to ensure that the workplace maintains the basic rights of employees√

Any other relevant answer related the purpose of LRA **Max (12)**

5.4 **Impact of the LRA on businesses**

Positives/Advantages

- Promotes a healthy relationship√ between the employer and employees√
- Protects the rights of businesses√ in labour related issues√
- Labour disputes are settled quicker√ and are less expensive.√
- Workplace forums can add value to businesses√ if it functions properly. √
- Protect employers who embark on lawful lock-outs√ when negotiations between parties fail√
- LRA provides for the principles of collective bargaining√ and puts structures in place with which disputes in the workplace can be settled.√
- Provides specific guidelines for employers√ on correct and fair disciplinary procedures. √
- Employers and employees have guidelines √regarding correct and fair dismissal procedures. √
- Provides mechanisms√ such as statutory councils/collective bargaining/CCMA√
- Employers are entitled to compensation from the Labour Court√ if they suffered damages as a result of unprotected strikes.√

Any other relevant answer related to the advantages of LRA on business

AND/OR

Negatives/Disadvantages

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

Any other relevant answer related to the disadvantages of LRA on businesses **Max (14)**

5.5 **Ways in which businesses can comply with the LRA**

- Employees should not be unfairly/illegally dismissed.√√
- Allow/Support the establishment of workplace forums.√√
- Employers should not breach/ignore any collective agreement.√√
- Businesses must allow employees to form trade unions/participate in union activities/legal strikes.√√
- Disclose all relevant information required by trade union representatives to do their jobs effectively.√√

Any other relevant answer related to ways in which businesses can comply with the LRA **Max (8)**

5.6 **Conclusion**

- LRA provides for conflict resolution mechanisms in the workplace.√√
- Fair labour practices in the workplace may result in efficient business operations with minimal disruptions.√√
- Businesses need to comply with the Act to promote a healthy working/workplace relationship.√√
- Businesses and employees need to know their rights regarding this Act. √√

Any other relevant conclusion related to the LRA **Max (2)**

[40]

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	**2**	**Max 32**
Employers' and employees' rights in terms of the LRA	**12**	
Purpose of LRA	**12**	
Impact of LRA on businesses	**14**	
Ways in which businesses comply with LRA	**8**	
Conclusion	**2**	
INSIGHT		**8**
Layout	**2**	
Analysis, interpretation	**2**	
Synthesis	**2**	
Originality/Examples	**2**	
TOTAL MARKS		**40**

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

QUESTION 6: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)

6.1 **Introduction**

- Quality management should not just be an inspection process, but become part of the culture of the business.√
- Businesses should always provide employees with opportunities to increase their knowledge and skills by attending training programmes.√
- TQM ensures that everyone can afford to have systems in place to prevent defects in products.√
- Maintenance programmes for equipment should be implemented to reduce breakdowns.

Any other relevant introduction related to the meaning of TQM/benefits of a good quality management/continuous skills development/adequate finance and capacity/TQM reduction of the cost of quality (2 x 1) **(2)**

6.2 **Meaning of total quality management (TQM)**

- TQM is an integrated system/methodology applied throughout the organisation√, which helps to design/produce/provide quality products/services to customers.√
- It is a thought revolution in management√, where the entire business is operated with customer orientation in all business activities.√
- TQM enables businesses to continuously improve on the delivery of products/services√ in order to satisfy the needs of customers.√
- Management ensures that each employee is responsible√ for the quality of his/her work/actions.√

Any other relevant answer related to the meaning of total quality management (TQM) **Max (6)**

6.3 **Benefits of a good quality management system**

- Effective customer services are rendered√, resulting in increased customer satisfaction.√
- Time and resources√ are used efficiently.√
- Productivity increases√ through proper time management/using high quality resources.√
- Products/Services are constantly improved√ resulting in increased levels of customer satisfaction.√
- Vision/Mission/Business goals√ may be easily achieved.√
- Business has a competitive advantage√ over its competitors.√
- Regular training will continuously improve √ the quality of employees' skills/knowledge.√
- Employers and employees will have a healthy working relationship√ resulting in happy/productive workers.√
- Increased market share√ and profitability√

Any other relevant answer related to the benefits of a good quality management system **Max (10)**

6.4 **Impact of TQM elements: Continuous skills development and adequate finance and capacity on large businesses**

6.4.1 **Impact of continuous skills development on large business**

Positives/Advantages

- Large businesses have a human resources department√ dedicated to skills training and development.√
- Human resources experts√ ensure that training programmes are relevant/focused to increased customer satisfaction.√
- Financially able to afford√ specialised/skilled employees√
- May be able to conduct skills audits√ to establish the competency/education levels of staff√
- May be able to hire qualified trainers√ to train employees on a regular basis.√

Any other relevant answer related to the positive impact/advantages of continuous skills development on large businesses

AND/OR

Negatives/Disadvantages

- Poor communication systems√ may prevent effective training from taking place.√
- Trained employees may leave for better jobs√ after they gained more skills.√
- Low/No recognition for training√ results in de-motivated employees.√
- Employees who specialise in narrowly defined jobs√ may become frustrated/de-motivated.√
- 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 negative impact/disadvantages of continuous skills development on large businesses Sub max (10)

6.4.2 **Impact of adequate financing and capacity on large businesses**

Positives/Advantages

- Large businesses have sufficient financing √ to test everything before implementing.√
- They can afford to have systems in place √ to prevent errors in processes/defects in raw materials/products.√
- Able to afford product research/market researchers √ to gather information√
- Can afford to purchase quality raw materials √ and equipment√

Any other relevant answer related to the positive impact/ advantages of adequate financing and capacity on large businesses

AND/OR

Negatives/Disadvantages

- If the demand for a company's product increases, orders begin coming in faster than expected√, and the company lacks the capital required to fund the production of the stock to fill the orders.√
- These rapidly growing companies can consume large amounts of capital √ as they try to balance normal operations and expansion.√

Any other relevant answer related to the negative impact/disadvantages of adequate financing and capacity on large businesses Sub max (10)

Max (20)

6.5 **Ways in which TQM can reduce the cost of quality**

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

Any other relevant answer related to ways in which business can reduce the cost of quality through TQM **Max (10)**

6.6 **Conclusion**

- Large businesses are more likely to have formal quality control/management systems that function well.√√
- Businesses must ensure that they have sufficient capital to get things right the first time√√.
- All employees may be committed to utilising machines and equipment optimally to reduce costs.√√

Any other relevant conclusion related to the meaning of TQM/benefits of a good quality management/continuous skills development/adequate finance and capacity/TQM reduction of the cost of quality **Max (2)**

[40]

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	**2**	**Max 32**
Meaning of total quality management (TQM)	**6**	
Benefits of a good quality management system	**10**	
Impact of continuous skills development and adequate financing and capacity	**20**	
Ways in which TQM can reduce the cost of quality	**10**	
Conclusion	**2**	
INSIGHT		**8**
Layout	**2**	
Analysis/Interpretation	**2**	
Synthesis	**2**	
Originality/Examples	**2**	
TOTAL MARKS		**40**

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

TOTAL SECTION C: 40

TOTAL: 150