GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

JUNE EXAMINATION
GRADE 12

2023

MARKING GUIDELINES

BUSINESS STUDIES

(PAPER 1)

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 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:/HOD	Black
District Moderator	Green
Provincial Moderator	Turqu

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

3. Comprehensive marking guidelines have 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 guidelines
   - Comes from another source
   - Is 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 'Submax' is used to facilitate the allocation of marks within a question or subquestion.

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

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

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

9. Incorrect numbering of answers to questions or subquestions 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. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:

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

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

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

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

    Cognitive verbs, *such as*:

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

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

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

14. **SECTION B**

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

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

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

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

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

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

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

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

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

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 specifically to SECTIONS B and C (where applicable).**

15. **SECTION C**

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

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

15.2 Insig bestaan uit die volgende komponente:

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 ba awarded with this guide: Option 1: **Only relevant facts: 2 marks (No '-S')** Where a candidate answers 50% or more (two to four subquestions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis. Option 2: **Some relevant facts: 1 mark (One '-S')** Where a candidate answers less than 50% (only one subquestion) of the question with only one OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 3: **Some relevant facts: 1 mark (One '-S')** Where a candidate answers FOUR subquestions, but one/two/three subquestion/s with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 4: **No relevant facts: 0 mark (Two '-S')** Where a candidate answers less than 50% (only one subquestion) of the questions with no relevant facts; two '-S' appears in the left margin. Award a ZERO mark for synthesis.	
Originality	Is there evidence of examples, recent information, current trends and developments?	**2**
	TOTAL FOR INSIGHT:	**8**
	TOTAL MARKS FOR FACTS:	**32**
	TOTAL MARKS FOR ESSAY (8 + 32)	**40**

NOTE:

1. No marks will be awarded for contents repeated from the introduction and conclusion.
2. The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.
3. No marks will be 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, but continue reading for originality ‘O’.

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

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

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

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

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

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

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

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

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

SECTION A (COMPULSORY)

QUESTION 1

1.1 **Multiple-choice questions**

1.1.1 C ✓✓

1.1.2 B ✓✓

1.1.3 D ✓✓

1.1.4 A ✓✓

1.1.5 A ✓✓ (5 x 2) (10)

1.2 **Completion of sentences**

1.2.1 employers ✓✓

1.2.2 liquidation ✓✓

1.2.3 Unemployment Insurance Fund ✓✓

1.2.4 public relations ✓✓

1.2.5 management control ✓✓ (5 x 2) (10)

1.3 **Match columns**

1.3.1 H ✓✓

1.3.2 J ✓✓

1.3.3 D ✓✓

1.3.4 A ✓✓

1.3.5 G ✓✓ (5 x 2) (10)

TOTAL SECTION A: 30

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B

Mark only the answers to the FIRST TWO questions in this section

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 **Types of leave**

- Annual ✓
- Sick ✓
- Family responsibility ✓
- Maternity ✓
- Parental ✓

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

2.2 **Consumer rights as stipulated in the NCA**

Consumers have a right to:

- Apply for credit and to be free from discrimination. ✓✓
- Obtain reasons for credit being refused. ✓✓
- Receive pre-agreement documentation before concluding any credit transaction. ✓✓
- Fair and responsible marketing. ✓✓
- Surrender/Return goods to the credit provider in order to settle the outstanding amount/debt. ✓✓
- Apply for debt review/counselling if the consumers cannot afford to repay their debts. ✓✓
- Receive information in plain and understandable language. ✓✓
- Receive documents/statements as required by the Act. ✓✓
- Access and challenge credit records and information. ✓✓
- Receive protection of their personal information. ✓✓
- Receive protection from being held accountable for the use of their credit facility after they reported the loss/theft. ✓✓
- Refuse a credit limit increase. ✓✓

Any other relevant answer related to the consumer rights as stipulated in the NCA. **Max.** (6)

2.3 **COIDA**

2.3.1 **Compliance from the scenario**

- They ensure that the machinery used in the factory is in good working condition ✓
- PBM keeps records of employees' income and details of work for four years. ✓

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

2.3.2 **Advantages of COIDA**

- Promotes safety ✓ in the workplace. ✓
- Employees do not contribute ✓ towards this fund. ✓
- Claiming processes ✓ are relatively simple. ✓
- Eliminates time and costs ✓ spent on lengthy civil court proceedings. ✓
- Any compensation to an employee/the family ✓ is exempt from income tax. ✓
- Employers are protected from financial burden ✓ should an accident occur in the workplace provided that the employer was not negligent ✓
- Makes businesses more socially responsible ✓ as they cannot just employ workers at random in dangerous working conditions. ✓
- Workers are treated with dignity and respect ✓ as businesses view them as valuable assets and not just as workers. ✓
- Covers all employees at the workplace ✓ if both parties meet all the necessary safety provisions in the Act. ✓
- Creates a framework for acceptable employment practices ✓ and safety regulations. ✓
- Supplies administrative guidelines/mechanisms ✓ for dealing with/processing claims. ✓
- Employees are compensated financially for any injury/disability resulting from performing their duties at their workplace. ✓
- In the event of the death of an employee as a result of a work-related accident/disease, ✓ his/her dependent(s) will receive financial support. ✓
- Employees receive medical assistance ✓ provided there is no other medical assistance option. ✓/Cannot claim medical assistance ✓ from the fund and medical aid. ✓
- Medical expenses/Other types of compensation are paid to employees ✓ and/or their families depending on the type/severity of the injuries. ✓
- Employers have to pay a monthly amount to the Compensation Fund ✓ depending on the number of employees/the level of risk they are exposed to. ✓

Any other answer related to advantages of COIDA. **Max.** (6)

2.4 **Types of integration Strategies**

Forward vertical integration ✓✓

- The business combines business with or takes over its distributors. ✓
- Involves expansion of business activities to gain control over the direct distribution of the products. ✓
- Increases profitability as the distributor/intermediary/middleman is excluded. ✓

Any other relevant answer related to this type of forward vertical integration strategy.

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

Backward vertical integration ✓✓

- The business combines business with or takes over its suppliers. ✓
- The aim is to decrease the business's dependency on the supplier. ✓
- Enables businesses to cut costs and have influence over the prices/quality/quantity of raw materials. ✓

Any other relevant answer related to this type of backward vertical integration strategy.

Strategy (2)
Discussion (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. ✓
- Increases the market share/sales and profits. ✓
- Suitable for businesses that operate in multiple geographical areas through joint ventures/licencing/franchising. ✓

Any other relevant answer related to type of horizontal strategy.

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

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

2.5 **PESTLE elements**

2.5.1 Political ✓✓

2.5.2 Social ✓✓ **Max.** (4)

2.6 **Advantages of diversification strategies**

- Increases sales ✓ and business growth. ✓
- Improves the business brand ✓ and image. ✓
- Reduces the risk ✓ of relying only on one product. ✓
- More products can be sold to existing customers ✓ and additional more new markets can be established. ✓
- Businesses gain more technological capabilities ✓ through product modification. ✓
- Diversification into a number of industries or product lines can help create a balance ✓ during economic fluctuations. ✓
- Business produces more output using less inputs ✓ as one factory may be used to manufacture more products. ✓

Any other relevant answer related to the advantages of diversification strategies.

Max. (4)

2.7 **Distinction between BEE and BBBEE**

BLACK ECONOMIC EMPOWERMENT (BEE)	BROAD BASED BLACK ECONOMIC EMPOWERMENT (BBBEE)
It is a government policy which may not be enforced. ✓✓	It is an Act that is enforced/must be complied with by businesses. ✓✓
Benefits only a few previously disadvantaged people in the economy. ✓✓	Encourages a wider group of previously disadvantaged people/black women/people who are physically challenged/youth/people in rural areas to participate in the economy. ✓✓
Few previously disadvantaged individuals share in the wealth of the economy. ✓✓	Aims at distributing the country's wealth across a broader spectrum of society. ✓✓
Focuses only on three pillars that did not include all previously disadvantaged people. ✓✓	Focuses on seven/five pillars which includes all sectors of the society, especially the previously disadvantaged. ✓✓
Any other relevant answer related to BEE.	Any other relevant answer related to BBBEE.
Sub max (4)	Sub max (4)

NOTE: 1. **The answer does not have to be in tabular format, but the distinction must be clear.**
2. **Award a maximum of FOUR (4) marks if the distinction is not clear./Mark either BEE or BBBEE only.**

Max. (8)
[40]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	**4**
2.2	**6**
2.3.1	**2**
2.3.2	**6**
2.4	**6**
2.5.1	**2**
2.5.2	**2**
2.6	**4**
2.7	**8**
TOTAAL	**40**

QUESTION 3: BUSINESS OPERATIONS

3.1 **Sources of internal recruitment**

- Internal e-mails/Intranet/Web sites to staff ✓
- Word of mouth ✓
- Business newsletter/circulars ✓
- Internal/management referrals ✓
- Notice board of the business ✓
- Internal bulletins ✓
- Recommendation of current employees ✓
- Head hunting within the business/organisational database ✓

Any other relevant answer related to the sources of internal recruitment.
NOTE: Mark the first FOUR (4) only. (4 x 1) (4)

3.2 **Placement procedure**

- Employer should outline specific responsibilities/including expectations and skills of the employee's new position. ✓✓
- The employer should determine the relationship/similarities between the expectations of the position and the competencies of the employee. ✓✓
- Determine the employee's strengths/weaknesses/skills/ interests by subjecting him to various psychometric tests. ✓✓

Any other relevant answer related to the placement procedure. **Any** (2 x 2) (4)

3.3 **Employment contract**

3.3.1 **Legal requirements of an employment contract from the scenario.**

- Charlene explained the terms and conditions of the employment contract to Bonang. ✓
- Charlene allowed Bonang to read through the contract thoroughly before it was signed. ✓

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

3.3.2 **Reasons for the termination of an employment contract**

- The employer may dismiss an employee for a valid reason(s) ✓, e.g. unsatisfactory job performance, misconduct ✓, etc.
- Employer may no longer have work ✓ for redundant employees/ Cannot fulfil the contract/Is restructuring. ✓
- The employer may retrench ✓ some employees due to insolvency ✓/ May not be able to pay ✓ the employees. ✓
- Employees decided to leave ✓ by resigning voluntarily for better job opportunities. ✓
- An employee may have reached the pre-determined age ✓ for retirement. ✓
- Incapacity to work ✓ due to illness/injuries. ✓
- The duration of the employment contract ✓ expired/came to an end. ✓
- By mutual agreement ✓ between the employer and employee. ✓

Any other relevant answer related to the reasons for the termination of an employment contract. **Max.** (6)

3.4 **Role of the interviewee during the interview**

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

Any other relevant answer related to role of the interviewee during the interview.
Max. (4)

3.5 **Meaning of quality assurance**

- Checks carried out during and after ✓ the production process. ✓
- Ensures that required standards have been met ✓ at every stage of the process. ✓
- Processes put in place to ensure that the quality of products/services/ systems ✓ adhere to pre-set standards with minimal defects/delays/short-comings. ✓
- 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 meaning of quality assurance. **Max.** (4)

3.6 **PDCA model identified from given statements**

3.6.1 Plan ✓✓

3.6.2 Act as needed ✓✓ (2 x 2) (4)

3.7 **Contribution of quality indicators of the financial function to the success of the business**

- Obtain capital ✓ from the most suitable/available/reliable sources. ✓
- Negotiate better interest rates ✓ to keep financial costs down. ✓
- Draw up budgets ✓ to ensure sufficient application of monetary resources. ✓
- Keep financial records up to date ✓ to ensure timely/accurate tax payments. ✓
- Analyse strategies ✓ to increase profitability. ✓
- Invest surplus funds ✓ to create sources of passive income. ✓
- Implement financial control measures/systems ✓ to prevent fraud. ✓
- Implement credit granting/debt collecting policies ✓ to monitor cash flow.✓
- Draw up accurate financial statements ✓ timeously/regularly. ✓
- Accurately analyse and interpret ✓ financial information. ✓
- Invest in strategies that will assist the business ✓ to remain profitable. ✓
- Avoid over/under-capitalisation ✓ so that financial resources will be utilised effectively. ✓

Any other relevant answers related to the quality indicators of the financial function.

Max. (6)

3.8 **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 the necessary changes to products/services in order to satisfy the needs of customers. ✓✓
- The reputation/image of the business may suffer damages 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 investments 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 processes/systems 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	4
3.2	4
3.3.1	2
3.3.2	6
3.4	4
3.5	4
3.6.1	2
3.6.2	2
3.7	6
3.8	6
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 **Meaning of learnerships**

- Agreement between a learner/trainee and an employer/a training provider ✓ to use the workplace as an active learning environment. ✓
- Theoretical/Practical training opportunities ✓ that can lead to a recognised occupational qualification. ✓
- Structured learning programmes ✓ completed during work hours for a specified period. ✓
- May include employment for a specified period ✓ after a learnership is completed. ✓
- Includes a training course with learning material ✓ as well as practical work experience. ✓

Any other relevant answer related to the meaning of learnerships. **Max.** (4)

4.2 **Challenges from scenario and extent of control**

CHALLENGES (4.2.1)	BUSINESS ENVIRONMENTS (4.2.2)
1. She is struggling with her employees as they are always arriving late for work. ✓	Micro ✓
2. Xiluva is losing many of her customers due to the local taxi rank in the area, where people are opening informal nail salons. ✓	Market ✓
3. She is concerned that due to the increase in the petrol price, she will have to increase the prices of her services. ✓	Macro ✓
Max. (3)	**Max. (3)**

NOTE: 1. Mark the first THREE (3) only.
2. The answer does not have to be in tabular format.
3. The business environment must be linked to the challenge.

4.3 **Ways in which businesses deal with technology as a PESTLE challenge**

- Do continuous research on the latest available technology/equipment ✓ in the market. ✓
- Train existing/new employees ✓ to maintain/use new equipment. ✓/Equip employees with the necessary knowledge and skills to deliver services.
- Compare prices./Select suitable suppliers ✓ for new equipment at reasonable prices. ✓
- Businesses must be geared ✓ for online trading/e-commerce. ✓

Any other relevant answer related to ways to deal with technology as a PESTLE challenge. **Max.** (6)

4.4 **Ways in which businesses could comply with the Consumer Protection Act/CPA**

- Disclose prices of all products on sale. ✓✓
- Provide adequate training to staff on the CPA. ✓✓
- All agreements must provide for a five-day cooling off period. ✓✓
- Ensure that goods/services offered are standardised/of the same quality. ✓✓
- Comply with the requirements regarding promotional competitions. ✓✓
- Comply with requirements regarding the display of information on labels/ packaging. ✓✓
- Display the name of the business on all business documents, e.g. invoices/ contracts. ✓✓
- Bundling of goods/services should benefit consumers, e.g. offering a cell phone and a tablet at a special price. ✓✓
- Implement measures that will facilitate complaints, e.g. suggestion boxes. ✓✓

Any other relevant answer related to ways in which businesses could comply with the CPA. **Max.** (4)

BUSINESS OPERATIONS

4.5 **Salary determination methods from the scenario**

EMPLOYEES	SALARY DETERMINATION METHODS	MOTIVATIONS
Shanize	Piecemeal ✓✓	Shanize works in the factory and is paid according to the number of items she has produced. ✓
Jabu	Time related ✓✓	Jabu is the secretary in the office and is paid by the number of hours he spends at work. ✓
	Sub max (4)	Sub max (2)

NOTE:
1. **The answer does not have to be in tabular format.**
2. **Award marks for the methods of salary determinations even if the quotes were incomplete.**
3. **Do not award marks for the motivations if the methods of salary determinations were incorrectly identified.**

Max. (6)

4.6 **Negative impact of fringe benefits**

- Fringe benefits are additional costs ✓ that may result in cash flow problems. ✓
- Administrative costs increase ✓ as benefits need to be correctly recorded for tax purposes. ✓
- Decreases business profits,✓ as incentive/package/remuneration costs are higher. ✓
- It can create conflict/lead to corruption ✓ if allocated unfairly. ✓
- Workers only stay with the business for fringe benefits ✓ and may not be committed/loyal to the tasks/business. ✓
- Businesses who offer employees different benefit plans may create resentment ✓ and demotivate those who receive less benefits resulting in lower productivity. ✓
- Businesses that cannot offer fringe benefits ✓ fail to attract skilled workers. ✓
- Businesses have to pay advisors/attorneys ✓ to help them create benefit plans that comply with legislation. ✓
- Errors in benefit plans ✓ may lead to costly lawsuits/regulatory fines. ✓

Any other relevant answer related to the negative impact/disadvantages of fringe benefits on businesses. **Max.** (4)

4.7 **Quality indicators in the administration function**

- Fast and reliable data capturing ✓ and processing systems. ✓
- Make reliable information available✓ to management on time. ✓
- Make relevant information available ✓ for quick decision-making. ✓
- Handle complaints quickly ✓ and effectively. ✓

- Use modern technology efficiently ✓
- Implement effective risk management policies ✓ to minimise business losses. ✓
- Quality assurance/Control/Evaluation ✓ is recorded accurately ✓
- All documentation is kept neatly ✓ and orderly in a safe place. ✓
- Easy to ✓ recall/find information/documentation. ✓
- Financial documents are kept up to date ✓ and recorded accurately. ✓
- All systems and processes ✓ are documented. ✓

Any other relevant answer related to the quality indicators of the administration function. **Max.** (4)

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

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

Any other relevant answer related to ways in which TQM can reduce the cost of quality. **Max.** (6)

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2.1	3
4.2.2	3
4.3	6
4.4	4
4.5	6
4.6	4
4.7	4
4.8	6
TOTAL	40

(40)

TOTAL SECTION B: 80

SECTION C

NOTE: Mark the answers to the FIRST question only.

QUESTION 5: BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)

5.1 **Introduction**

- Businesses should always conduct the strategic management process as they operate in a dynamic environment that poses many challenges. ✓
- A strategy is the plan of action to deal with the challenge. ✓
- Intensive strategies enable business to solve the challenges that are posed by the market and macro environment. ✓
- Porter's Five Forces model is based on five important forces that will determine competitive power in the market environment of a business. ✓
- Businesses need to research and use the latest strategies to address the challenges posed by the market environment. ✓

Any other relevant introduction related to the strategic management process/ intensive strategies/Porter's Five Forces/evaluating strategies **Any** (2 x 1) (2)

5.2 **Strategic management process**

OPTION 1

- There must be a clear vision/mission statement/measurable/realistic goal in place. ✓✓
- Identify opportunities/weaknesses/strengths/threats by doing an environmental/ situation analysis. ✓✓
- Instruments available for environmental analysis may include an SSGB analysis/ Porter's Five Forces model/PESTLE analysis/industrial analysis tool. ✓✓
- Formulate alternative strategies to respond to the challenges. ✓✓
- Develop (an) action plan (s) that must include the tasks to be performed/ deadlines to be met/resources to be obtained. ✓✓
- Implement selected strategies by passing them on to all stakeholders/organising business resources/motivating staff. ✓✓
- Continuous evaluation/monitoring/measurement of strategies to take affirmative action. ✓✓

Any other relevant answer related to the strategic management process.

OR

OPTION 2

- Review/Analyse/Retest their vision/mission statement. ✓✓
- Perform an environmental analysis using models such as SWOT/PESTLE/Porter's Five Forces. ✓✓
- Formulate a strategy, such as a defensive/retrenchment strategy. ✓✓
- Implement a strategy, use a template as an action plan. ✓✓

- Control/Evaluate/Monitor the implemented strategy to identify gaps/deviations in the implementation. ✓✓
- Take corrective steps to ensure that goals/objectives are achieved. ✓✓

Any other relevant answer related to the strategic management process. **Max.** (10)

5.3 **Types of intensive strategies**

5.3.1 **Market penetration** ✓✓

- Existing products penetrate the market at lower prices ✓, but later prices are increased. ✓
- Businesses focus on selling existing products into existing markets ✓ to increase their market share. ✓
- Businesses use market research on existing clients ✓ to decide on how to improve their marketing mix. ✓
- Aggressive marketing campaigns such as reducing prices ✓ are used to attract potential/existing clients. ✓
- Businesses use this strategy to increase awareness of the products ✓ and customer loyalty. ✓

Any other relevant answer related to market penetration as a type of intensive strategy.

Strategy (2)
Discussion (2)
Sub max (4)

5.3.2 **Market development** ✓✓

- It is a growth strategy where businesses aim to sell their existing products ✓ in new markets. ✓
- Businesses target consumers in a potential market ✓ that is outside of its normal target market. ✓
- Increasing sales of existing products ✓ by finding new ways to develop new markets. ✓

Any other relevant answer related to market development as a type of intensive strategy.

Strategy (2)
Discussion (2)
Sub max (4)

5.3.3 **Product development** ✓

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

Any other relevant answer related to product development as a type of intensive strategy.

Strategy (2)
Discussion (2)
Sub max (4)
Max. (12)

5.4 **Application of Porter's Five Forces model to analyse the market environment**

5.4.1 **Bargaining power of buyers/Power of buyers**

- Assess how easy it is for buyers/customers ✓ to drive prices down. ✓
- Determine the number of buyers/the importance of each buyer to the business ✓ and the cost of switching to other products. ✓
- A few powerful buyers ✓ are often able to dictate their terms to the business. ✓
- Buyers buying in bulk can bargain for prices ✓ in their favour. ✓
- If buyers can do without the business's products ✓ then they have more power to determine the prices and terms of sale. ✓
- Conduct market research ✓ to gather more information about its buyers. ✓

Any other relevant answer related to how businesses could apply the bargaining power of buyers/power of buyers to analyse the market environment. Sub max (4)

5.4.2 **Threat of substitution/substitutes**

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

Any other relevant answer related to how businesses could apply the threat of substitution/substitutes to analyse their position in the market environment. Sub max (4)

5.4.3 **Threat/Barriers to new entrants to the market**

- If the barriers to enter the market are low ✓, then it will be easy for new businesses to enter the market/industry. ✓
- If the business is highly profitable, it will attract potential competitors ✓ who want to benefit from high profits. ✓
- New competitors can quickly/easily enter the market ✓, if it takes little time/money to enter the market. ✓
- If there are a few suppliers of a product/service but many buyers ✓, it may be easy to enter the market. ✓

Any other relevant answer related to how businesses could apply the threat/barriers of new entrants to the market to analyse the market environment. Sub max (4)

Max. (12)

5.5 **Steps to evaluate strategies**

- Examine the underlying basis of a business strategy. ✓✓
- Look forward and backwards into the implementation process. ✓✓
- Compare the expected performance with the actual performance. ✓✓
- Measure business performance in order to determine the reasons for deviations and analyse these reasons. ✓✓
- Take corrective action so that deviations may be corrected. ✓✓
- Set specific dates for control and follow up. ✓✓
- Draw up a table of the advantages and disadvantages of a strategy. ✓✓
- Decide on the desired outcome. ✓✓
- Consider the impact of the strategic implementation in the internal and external environments of the business. ✓✓

Any other relevant answer related to the steps that must be considered when evaluating strategies.

NOTE: Accept steps in any order. **Max.** (12)

5.6 **Conclusion**

- The strategic management process is an integral part of managerial accountability for senior managers. ✓✓
- Implementing intensive strategies may be costly but it usually results in growth and continuous improvement. ✓✓
- The Porter's Five Forces model is useful for analysing the power of the business in order to effectively develop suitable strategies. ✓✓
- Businesses must continuously evaluate strategies in order to change/adapt it according to current demands of the markets/industry. ✓✓

Any other relevant conclusion related to the strategic management process/intensive strategies/Porter's five forces/evaluating strategies. **Any** (1 x 2) (2)

[40]

BREAKDOWN OF MARKS ALLOCATION

	MAXIMUM	TOTAL
Introduction	**2**	**Max. 32**
Strategic management process	**10**	
Types of intensive strategies	**12**	
Porter's Five Forces • Power of the buyer • Threat of substitution/Substitutes • Threat/Barriers of new entrants to the market	**12**	
Steps to evaluate strategies	**12**	
Conclusion	**2**	
INSIGHT		**8**
Layout	**2**	
Analysis/Interpretation	**2**	
Synthesis	**2**	
Originality/Examples	**2**	
TOTAL MARKS		**40**

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

QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCES AND QUALITY OF PERFORMANCE)

6.1 **Introduction**

- Induction is necessary for new employees so that they are familiar with the work environment/conditions.
- Some businesses offer benefits in addition to their salaries. ✓
- Continuous improvement to processes and systems may ensure quality products/services. ✓
- Total client satisfaction can be achieved through continuous and effective training programmes. ✓
- TQM helps to design, produce/provide quality products at a lower cost. ✓

Any other relevant introduction related to job description and job specification/purpose of induction/benefits of a good quality management system/impact of TQM elements continuous skills development and monitoring and evaluation of quality processes **Any** (2 x 1) (2)

6.2 **Differences between job description and job specification**

JOB DESCRIPTION	JOB SPECIFICATION
• Describes the duties/responsibilities of a specific job. ✓✓	• Describes the minimum acceptable personal qualities/skills/qualifications needed for the job. ✓✓
• Written description of the job and its requirements/Summary of the nature/type of the job. ✓✓	• Written description of specific qualifications/skills/experience needed for the job. ✓✓
• Describes key performance areas/tasks for a specific job such as job title/working conditions/ relationship of the job with other jobs in the business. ✓✓	• Describes key requirements for the person who will fill the position such as formal qualifications/willingness to travel/work unusual hours. ✓✓
Any other relevant answer related to job description.	Any other relevant answer related job specification.
Sub max (4)	Sub max (4)

NOTE: **1. The answer does not have to be in tabular format.**
2. The differences do not have to link, but must be clear.
3. Award a maximum of FOUR (4) marks if the differences are not clear./Mark either job description or job specification only.

Max. (8)

6.3 **Purpose of induction**

- Introduces new employees to management/colleagues ✓ to establish relationships with fellow colleagues at different levels. ✓
- Make new employees feel welcome ✓ by introducing them to their physical work space. ✓
- Creates opportunities for new employees ✓ to experience/explore different departments. ✓
- Explain safety regulations and rules, ✓ so that new employees will understand their role/responsibilities in this regard. ✓
- Communicate information about the products/services ✓ offered by the business. ✓
- Allow new employees the opportunity to ask questions ✓ that will put them at ease/reduce insecurity/anxiety/fear. ✓
- Give new employees a tour/information about the layout of the building/ office. ✓
- Improve skills through in-service training. ✓
- Familiarise new employees ✓ with the organisational structure/their supervisors. ✓
- Ensure that employees understand their roles/responsibilities so that they will be more efficient/productive. ✓
- Communicate business policies ✓ regarding ethical/professional conduct/procedures/employment contract/conditions of employment ✓, etc.

Any other relevant answer related to the purpose of induction as a human resources activity.

Max. (14)

6.4 **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 achieved. ✓
- A 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/more customers ✓ improved profitability. ✓
- Improves business image ✓ as there are less defects/returns. ✓

Any other relevant answer related to benefits of a good quality management system **Max.** (12)

6.5 **Impact of total client satisfaction and continuous improvement to processes and systems on large businesses**

6.5.1 **Impact of total client satisfaction on large businesses**
Positives/Advantages

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

Any other relevant answer related to the positive impact/advantages of total client satisfaction on large businesses.

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 negative impact/disadvantages of total client satisfaction on large businesses. Sub max (6)

6.5.2 **Impact of monitoring and evaluating quality processes on large businesses**

Positives/Advantages

- Prevents product defects ✓ and minimises wastage/customer complaints. ✓
- Good quality checks/procedures ✓ minimises the replacement/breakdown of equipment/machinery on a regular basis. ✓
- May be equipped to get things done right ✓ the first time. ✓
- Improves performance ✓ and maintains high quality standards. ✓
- Improves current and future management ✓ of quality outputs/outcomes/ impact. ✓
- Provides clear indications about quality aspects that contribute to the achievement of goals/targets. ✓
- Modify interventions that may improve ✓ the efficient use of resources. ✓
- Supports management to acquire information ✓ needed to make informed decisions about processes. ✓
- Cost of production is reduced ✓ as deviations from set standards can be corrected. ✓
- Strategies are revised ✓ in order to improve the quality of the product and services/business image. ✓
- Allows for quality control checks ✓ and procedures at key points. ✓
- Key performance indicators are carefully selected ✓ to monitor and evaluate the outcome. ✓
- Benchmarking is used to find best practices ✓ in order to determine the competitive position of the business. ✓
- Quality circles meet on a regular basis ✓ to evaluate the progress in terms of quality. ✓
- Continuous research is conducted on latest developments to ensure that TQM planning is up to date. ✓

Any other relevant answer related to the positive impact/disadvantages of monitoring and evaluating quality processes on large businesses.

AND/OR

Negatives/ Disadvantages

- Large businesses are often divided, and the departments work in silos. It is difficult to get everyone to communicate. ✓

- It often takes longer to detect problems ✓ or respond to weaknesses. ✓
- It is not viable to check the quality ✓ of all the products ✓

Any other relevant answer related to the negative impact/disadvantages of monitoring and evaluating quality processes on large businesses. Sub max (6)

Max. (12)

6.5 **Conclusion**

- A job analysis needs to be done to ensure that recruitment is done effectively. ✓✓
- Businesses should have a suitable/effective induction program in place. ✓✓
- Every business should have a quality management system that ensures that all systems and processes are carried out correctly and safely. ✓✓
- The correct implementation of TQM elements will enable businesses to be sustainable. ✓✓

Any other relevant conclusion related to job description and job specification/ purpose of induction/benefits of a good quality management system/impact of TQM elements continuous skills development and monitoring and evaluation of quality processes. **Any** (1 x 2) (2)

[40]

BREAKDOWN OF MARKS ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	**2**	**Max. 32**
Job description and job specification	**8**	
Purpose of induction	**14**	
Benefits of a good quality management system	**12**	
TQM elements • Continuous skills development • Monitoring and evaluation of quality processes	**12**	
Conclusion	**2**	
INSIGHT		**8**
Layout	**2**	
Analysis/Interpretation	**2**	
Synthesis	**2**	
Originality/Examples	**2**	
TOTAL MARKS		**40**

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

TOTAL SECTION C: 40

TOTAL: 150