GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

JUNE EXAMINATION
GRADE 12

2025

MARKING GUIDELINES

BUSINESS STUDIES

(PAPER 2)

30 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 provincial markers
(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
DH:	Green
District Moderator:	Orange
Provincial Moderator:	Pink

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

3. A comprehensive marking guidelines 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 guidelines
- Comes from another credible source
- Is original
- Uses a different approach

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

4. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the Maximum of two marks.)

5. The word 'Sub-Max.' is used to facilitate the allocation of marks within a question or 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. This must be guided by 'Max.' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.

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

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

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

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

    11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (neither positive nor negative) stance, e.g. Positive: '*The autocratic leadership style provides strong leadership ✓which makes new employees feel confident and safe.'* ✓

    11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (neither positive or negative) stance. In this instance candidates are also expected to their responses with more depth, e.g. '*The autocratic leadership style provides strong leadership ✓which makes new employees feel confident and safe ✓, as expectations/roles are clearly explained to avoid confusion'.* ✓

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

12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking 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 guideline discussion meeting centre to finalise alternative responses and consult with the Internal Moderator for approval.

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

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

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

The 'fact' and 'explanation' are given separately in the marking 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 are quoted directly from a scenario/case study. This applies to SECTIONS B and C in particular (where applicable).**

15. **SECTION C**

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

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

15.2 Insight consists of the following components:

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

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

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

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

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

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

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

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

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

15.7 When awarding marks for facts, take note of the 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., Inflation rate refers to a general increasing the price if goods and services over a period of time, ✓ resulting in a decrease in the value of money. ✓

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

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

SECTION A

QUESTION 1

1.1 1.1.1 B ✓✓

1.1.2 D ✓✓

1.1.3 A ✓✓

1.1.4 B ✓✓

1.1.5 C ✓✓

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

1.2 1.2.1 compound ✓✓

1.2.2 non-insurable ✓✓

1.2.3 RSA Retail Savings Bonds ✓✓

1.2.4 unprofessional ✓✓

1.2.5 problem-solving ✓✓

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

1.3 1.3.1 E ✓✓

1.3.2 G ✓✓

1.3.3 H ✓✓

1.3.4 B ✓✓

1.3.5 F ✓✓

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

TOTAL SECTION A: 30

BREAKDOWN OF MARKS
QUESTION 1

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30
QUESTION 1	MARKS

SECTION B

Mark the answers to the FIRST TWO questions only.

QUESTION 2: BUSINESS VENTURES

2.1 **Factors that should be considered when making investment decisions**

- Return on Investment/(ROI) ✓
- Risk ✓
- Investment term/period ✓
- Inflation Rate ✓
- Taxation ✓
- Liquidity ✓

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

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

- Positive attitude releases leadership potential for personal growth. ✓✓
- A leader's good attitude can influence the success of the business. ✓✓
- Leaders must know their strengths and weaknesses to apply their leadership styles effectively. ✓✓
- Leaders should model the behaviour that they want to see in team members. ✓✓
- Great leaders understand that the right attitude will set the right atmosphere. ✓✓
- Leaders' attitude may influence employees'/teams' thoughts/ behaviour. ✓✓
- Successful leaders consider the abilities/skills of team members to allocate tasks/roles effectively. ✓✓
- Enthusiasm produces confidence in a leader and inspires them to work even harder. ✓✓
- A positive attitude is critical for good leadership because good leaders will stay with the task regardless of difficulties/challenges. ✓✓
- Successful employees and leaders have a constant desire to work and achieve personal/professional success. ✓✓
- Leaders with a positive attitude know that there is always more to learn/space to grow. ✓✓

Any other relevant answer related to the role of personal attitude in effective leadership. **Max. (6)**

2.3 **Leadership styles**

2.3.1 Transactional leadership style. ✓✓ (2)

2.3.2 **Situations in which the transactional leadership style can be applied in the workplace**

- The leader wants employees to exceed ✓ target levels. ✓
- The business wants to maximise ✓ employee performance. ✓
- Deadlines must be met ✓ on short notice/under pressure. ✓
- Employees ✓ have a low morale. ✓
- The strategies/business structures are clear ✓ and do not have to change. ✓

Any other relevant answer related to situations in which the transactional leadership style can be applied.

NOTE: Accept relevant facts if the leadership style was incorrectly identified as an answer in QUESTION 2.3.1. (4)

2.4 **Impact of shares**

Positives/Advantages

- A shareholder will be entitled to dividend payments ✓, based on the number of shares purchased. ✓
- The shares may be freely sold/ transferred/ traded ✓ on the JSE. ✓
- Shareholders' liability to the debt of the company is limited ✓ to what was invested ✓/Shareholders have limited liability ✓ for company debts. ✓
- The investors have voting rights ✓ at the Annual General Meetings of the public company. Investors invest in shares as hedging against increases in the general price levels of goods and services. ✓
- The investors invest in shares as hedging against increases ✓ in the general price levels of goods and services. ✓
- The growth in the value of shares may provide the investors with a good return of investments ✓ over a longer period. ✓
- Investing in shares provides protection ✓ against inflation. ✓
- Investing in shares can provide solid returns ✓ at retirement age. ✓
- Rate of return on investment (ROI) is linked ✓ to the performance of the company. ✓
- Ordinary shares are usually cheaper than preference shares ✓ on the open market. ✓
- Holding a higher number of shares ✓ may result in higher proportional dividend pay-out. ✓

AND/OR

Negatives/Disadvantages

- Shareholders may receive less dividends/no dividends ✓ when company profits are low. ✓
- Companies have no legal obligation to pay dividends ✓ to shareholders. ✓
- Risk may be high, ✓ as investment may be lost when companies are liquidated. ✓
- Dividends declared may be determined by the management/directors ✓ of the company/business. ✓
- Dividends payable to shareholders are reliant on the company declaring a dividend ✓ based on the profit it made (if any). ✓
- Investors must rely on the goodwill of the company ✓ to declare a dividend. ✓
- Shareholders could lose their investment should the company be declared insolvent, ✓ making the risk high. ✓

Any other relevant answer related to the impact of shares. **Max. (6)**

2.5 **Insurance**

2.5.1 Average clause ✓✓ (2)

2.5.2 **Calculation of average clause**

$$\frac{\text{Insured amount}}{\text{Market value/Value of insured item}} \times \frac{\text{Loss/Damage}}{1} \checkmark$$

$$\frac{\text{R500 000}}{\text{R800 000}} \checkmark \times \frac{\text{R300 000}}{1} \checkmark$$

= R187 500 ✓✓✓✓

NOTE:
1. **Award full marks (4) if the answer is correct and no workings are shown.**
2. **If the formula and workings were shown correctly but the final answer is wrong, award a Maximum of THREE (3) marks.**
3. **If the answer and workings are incorrect, award a Maximum of ONE mark for the formula.** (4)

2.6 **Excess**

- A portion of the insurance claim that the insured will have to pay ✓ towards the cost of replacing/repairing the goods/property concerned. ✓
- It is not paid out to the insured ✓ when a claim is settled. ✓
- Excess payments protect the insurer against fraudulent claims ✓ as the insured is less likely to submit a false claim/when he/she needs to pay the amount upfront. ✓
- Excess payments keep insurance premiums lower ✓ and discourage fraud. ✓
- Insurers need to protect themselves from fraudulent claims, ✓ therefore excess payments are a good way to do this as the insured is less likely to submit a false claim when he or she needs to pay an amount upfront. ✓
- It is the amount paid to the insurer ✓ when a claim for damages is lodged/in the event of a claim. ✓
- Excess payments prevents the insured from claiming ✓ for minor damages. ✓
- The amount/size of the excess is stipulated ✓ in the insurance policy. ✓

Any other relevant answer related to excess. **Max. (6)**

2.7 **Debentures**

- Debentures are issued to raise borrowed capital from the public. ✓✓
- The lender/debenture holder agrees to lend money to the company on certain conditions for a certain period. ✓✓
- Debenture holders are creditors, as the company is liable to repay the amount of the debentures. ✓✓
- Most types of debentures can be traded on the JSE. ✓✓
- Debenture holders receive annual interest payments based on the provisions/terms/number of debentures held. ✓✓

Any other relevant answer related to debentures. **Max. (6)**

[40]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	4
2.2	6
2.3.1	2
2.3.2	4
2.4	6
2.5.1	2
2.5.2	4
2.6	6
2.7	6
TOTAL	40

QUESTION 3: BUSINESS ROLES

3.1 **Problem-solving steps**

- Identify the problem. ✓
- Define the problem. ✓
- Identify possible solutions to the problem. ✓
- Evaluate alternative solutions. ✓
- Select the most appropriate alternative/solution. ✓
- Develop an action plan. ✓
- Implement the suggested solution/action plan. ✓
- Monitor the implementation of the solution/action plan ✓
- Evaluate the implemented solution. ✓

Any other relevant answer related to the problem-solving steps.

NOTE: 1. Mark the first FOUR (4) only.
2. Accepts steps in any order.

(4 x 1) (4)

3.2 **Meaning of professional behaviour**

- Professional behaviour is a certain standard of behaviour/specific level of competence that adheres to an ethical code of conduct.√√
- Includes guidelines on employee's appearance/communication/responsibility. √√
- Ability/Skills expected of a person who is employed to the job√√/Suitable for a job/profession done for payment. √√
- Focuses on upholding the reputation of a business/profession. √√
- Refer to what is right/wrong and acceptable behaviour in the business. √√
- Applying the code of conduct of that profession/business. √√
- Any other relevant answer related to the meaning of professional behavior

Max. (6)

3.3 **Types of unethical business practices from the statements given**

3.3.1 Taxation/Tax evasion ✓✓

3.3.2 Unfair advertising ✓✓

3.3.3 Pricing of goods in rural areas ✓✓

(2 x 3) (6)

3.4 **Impact of the Delphi technique in solving complex business problems**

Positives/Advantages

- Businesses may use a group of experts ✓ without bringing them together. ✓
- The experts will give the business clear ideas/solutions ✓ on how to improve on productivity/profitability. ✓
- Information received from experts can be used ✓ to solve complex business problems. ✓
- Experts may give honest/credible opinions ✓ as they do not have a direct/personal interest in the business. ✓
- Conflict may be avoided ✓ especially if all experts are knowledgeable and well qualified. ✓
- Dominating employees may not take over the process ✓ as they do not form part of the problem-solving process. ✓
- It reduces noise levels in an office environment ✓ since there is no group discussion. ✓

Any other relevant answer related to the positives/advantages of the Delphi technique in solving complex business problems.

AND/OR

Negatives/Disadvantages

- It is an expensive technique to use ✓ due to high administrative costs. ✓
- May be time consuming/complicated ✓ to analyse data received from experts and to set new questionnaires. ✓
- Not all experts are willing/interested ✓ to give feedback/complete questionnaires. ✓
- If the experts are not well chosen, ✓ some might not have an in-depth knowledge of certain topics. ✓
- Some experts might not have an in-depth knowledge✓ of certain topics. ✓
- Experts' suggestions may not be considered by some employees ✓ so consensus may not be reached. ✓

Any other relevant answer related to the negatives/disadvantages of the Delphi technique in solving complex business problems.

Max. (6)

3.5 **King Code principles from the scenario**

KING CODE PRINCIPLES	MOTIVATIONS
1 Accountability ✓✓	Mike ensures that there is regular communication between the directors and shareholders. ✓
2 Transparency ✓✓	He also conducts business deals openly so that there is no corruption. ✓
Submax. (4)	Submax. (2)

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

Max. (6)

3.6 **Advantages of creative thinking**

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

Any other relevant answer related to the advantages of creative thinking in the workplace.

Max. (6)

3.7 **Application of the brainstorm problem-solving technique to solve complex business problems**

- The business must define the problem clearly so that all participants understand it. ✓✓
- The group must set a time limit for each brainstorming session. ✓✓
- Members state possible causes of the problems in the business. ✓✓
- People in the group must suggest ideas at random, and all ideas must be written on a flip chart or shared online during an e-brainstorming session. ✓✓
- Each suggestion must be used to inspire new thoughts or ideas from other group members. ✓✓
- The group leader must not allow anyone to judge/criticise any ideas. The goal is to generate as many ideas as possible. ✓✓
- The group must then refine the ideas or combine certain ideas. Group discussion needs to take place – if necessary. ✓✓
- After the discussions, the group must rate ideas and choose the best solutions according to their usefulness as well as the difficulty and cost to implement them. ✓✓
- Group members then need to discuss a plan of action on how to implement the best ideas. ✓✓

Any other relevant answer related to the application of the brainstorm problem-solving technique to solve complex business problems. **Max. (6)**

[40]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	4
3.2.	6
3.3.	6
3.4	6
3.5	6
3.6	6
3.7	6
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS VENTURES

4.1 **Types of Unemployment Insurance Fund (UIF) benefits**

- Unemployment benefits ✓
- Illness benefits/sickness/disability ✓
- Maternity benefits ✓
- Adoption benefits ✓
- Dependant's benefits ✓

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

4.2 **Meaning of Management**

- The coordination of planning, organising, leading and controlling employees ✓ to achieve goals. ✓
- A person becomes a manager because of the position ✓ in which he/she is appointed. ✓
- Managers have power because of the position of authority ✓ into which they are appointed. ✓

Any other relevant answers related to meaning of management. **Max. (4)**

4.3 **Form of investment from the scenario**

4.3.1 Fixed deposit ✓✓ (2)

4.3.2 **Impact of fixed deposits**

Positives/Advantages

- The period of investment ✓ can be over a short/medium/long term. ✓
- Investors can choose the investment period ✓ that suits them. ✓
- Ensures financial discipline as investors cannot withdraw their funds ✓ before the maturity date. ✓
- Investors earn a better return on investment ✓ than on an ordinary savings account. ✓
- The higher the principal amount and the longer the investment period, ✓ the higher the interest rate offered by a financial institution. ✓
- It has a low risk ✓ as investors are guaranteed of the final payment. ✓

Any other relevant positive impact/ advantages of fixed deposits as a form of investment.

AND/OR

Negatives/Disadvantages

- The investor cannot withdraw their funds ✓ before the maturing date. ✓
- Low returns ✓ compared to other investments. ✓
- May not outperform the effect of inflation ✓ over the long term. ✓
- Penalties may be charged ✓for early withdrawal. ✓

Any other relevant negatives impact/disadvantages of fixed deposits as a form of investment.

NOTE: Do not award marks for responses that were quoted in the scenario above. **Max. (4)**

4.4 **Situations in which laissez-faire leadership style can be applied**

- Subordinates are experts/experienced and know what they want/can take responsibility for their actions/make responsible decisions. ✓✓
- The leader is occupied with more important aspect of the business and delegation in duties may improve the efficiency to the organization. ✓✓
- Leadership potential exists/team members need to improve/develop leadership skills. ✓✓
- Suitable when employees are highly experienced and know more about the task/greater level of knowledge/skills than the leader. ✓✓

Any other relevant answer related to situations in which Laissez-faire leadership style can be applied. **Max. (6)**

BUSINESS ROLES

4.5 **Examples of ethical behaviour**

- The business is telling the truth during a public relations crisis to overcome the issue they are facing. ✓✓
- Business keep promises to their employees, partners and customers. ✓✓
- The business shows loyalty when they make decisions that will also benefit their staff, partners, investors and customers. ✓✓
- The business shows fairness when it exercises its power justly to all its stakeholders. ✓✓
- The business operates within the law and other restrictions. ✓✓
- Businesses ensure that the environment is not polluted during their production process. ✓✓
- Businesses do not engage in illegal business practices such as price-fixing. ✓✓
- Businesses do not make use of child labour. ✓✓

Any other relevant answer related to the examples of ethical behaviour **Max. (4)**

QUESTION	ADDITIONS	Reason
4.5 Examples of ethical behaviour	- Using fair advertising ✓✓ - Not using child labour ✓✓ - Treating all employees equally ✓✓ - Paying fair wages✓✓ - Operating within the law ✓✓ - Business deals are conducted openly ✓✓ - Not engaging in illegal business practices ✓✓ - Ensuring that the environment is not polluted ✓✓ - Adopting codes of good ethical practice ✓✓ - Establishing corporative social responsibility initiatives ✓✓ - Encouraging employees to adopt ethical behaviour ✓✓ - Clients' and employees' information is not disclosed/used for the benefit of the business ✓✓	○ Appears in the DBE notes

	- Shareholders' and employees' personal interests and business interests do not conflict with one another ✓✓	

4.6 **Problem solving technique**

4.6.1 **Problem-solving technique from the scenario**
Nominal group technique ✓✓ (2)

4.6.2 **Other ways in which the business can apply the nominal group technique**

- Encourage the group to clearly define the problem ✓ to improve the quality of their products due to various complaints so that all the small groups can work on the same problem. ✓
- If the group is too big ✓ management must split the employees into smaller groups. ✓
- Each employee in the small group has the opportunity ✓ to give one of his/her ideas/solutions with a short explanation. ✓
- All ideas are written on a large sheet of paper/solutions capture electronically ✓ for all to see. ✓
- Employees are then encouraged to ask ✓ clarity seeking questions. ✓
- Allow each employee to give a second solution ✓ until all possible solutions have been recorded. ✓
- Discourage criticism of ideas/solutions ✓ as this may prevent others from giving their solutions. ✓
- The business must eliminate ideas ✓ that are duplicated/similar. ✓
- Each employee must read through all the suggestions ✓ and anonymously rate them giving the highest points for the best solution. ✓
- All ratings are collected ✓ and the total points for each suggestion are calculated. ✓/Once all tallies are in, ✓ the group can then choose the best solution. ✓
- Small groups must present one solution to the large group ✓ that was deemed best according to the scores/votes in their small groups. ✓

Any other relevant answers related to the application of the nominal group technique.

NOTE: 1. Do not award marks for responses quoted in QUESTION 4.6.1.

Max. (4)

4.7 **Advantages of the force-field analysis**

- Employees feel included ✓ and understood. ✓
- Employees develop ✓ and grow with the business. ✓
- Provides a visual summary of all the various factors ✓ supporting and opposing a particular idea. ✓
- Informed decisions can be made, ✓ as forces for and against are critically evaluated. ✓
- Enables businesses to strengthen the driving forces ✓ and weaken the restraining forces.

(4)

- Enables businesses to have an idea of the timeline required ✓ and the requirements for additional resources. ✓

Any other relevant answer related to the advantages of force-field analysis in solving complex business problems. **Max.**

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

- Encourage alternative ways of working/doing things. ✓✓
- Emphasise the importance of creative thinking to ensure that all staff know that management wants to hear their ideas. ✓✓
- Make time for brainstorming sessions among staff members to generate new ideas such as regular workshops to generate more ideas/build on one another's ideas. ✓✓
- Place suggestion boxes around the workplace and keep communication channels open for new ideas. ✓✓
- Train staff in innovative thinking techniques such as creative problem-solving skills/mind-mapping/lateral thinking. ✓✓
- Encourage job swops within the organisation/Study how other businesses are doing things. ✓✓
- Respond enthusiastically to all ideas and never let anyone feel less important. ✓✓
- Reward creativity with reward schemes for teams/individuals that come up with creative ideas. ✓✓
- Provide a working environment conducive to creativity, free from distractions. ✓✓

Any other relevant answer related to ways in which businesses can create an environment that promotes creative thinking in the workplace. **Max.** **(6)**

[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2	4
4.3.1	2
4.3.2	4
4.4	6
4.5	4
4.6.1	2
4.6.2	4
4.7	4
4.8	6
TOTAL	40

TOTAL SECTION B: 80

SECTION C

Mark the answers to the FIRST question only.

QUESTION 5: BUSINESS VENTURES (INVESTMENT INSURANCE)

5.1 **Introduction**

- Insurance is a contract between a person/businesses/insured entity requiring insurance cover and the insurance company/insurer bearing the financial risk. ✓
- Business needs to differentiate between assurance and insurance to make sound financial decisions. ✓
- Insurance can be beneficial to businesses when an unexpected event occurs. ✓
- The principles of insurance provide a framework for a good insurance contract. ✓
- RAF/RABS relieves the financial burden of businesses by compensating their employees for injuries sustained in vehicle accidents. ✓

Any other relevant introduction related to the differences between insurance and assurance/benefits of insurance for businesses/principles of insurance/Road Accidents Fund (RAF). **Any** (2 x 1) (2)

5.2 **Differences between insurance and assurance**

Insurance	**Assurance**
- Based on the principle of indemnity ✓✓	- Based on the principle of security/certainty ✓✓
- The insured transfers the costs of potential loss to the insurer for a premium. ✓✓	- The insurer undertakes to pay an agreed sum of money after a certain period has expired/on the death of the insured person, whichever occurres first ✓✓
- It covers a specified event that may occur. ✓✓	- Specified event is certain, but the time of the event is uncertain. ✓✓
- Applicable to short-term insurance. ✓✓	- Applicable to long-term insurance. ✓✓
Examples	**Examples**
- Property insurance/money in transit/theft/burglary/fire. ✓✓	- Life insurance/endowment policies/retirement annuities. ✓✓
Any other relevant answer related to insurance.	Any other relevant answer related to assurance.
Submax. (4)	Submax. (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 difference is not clear/Mark either insurance or assurance only.**

Max. (8)

5.3 **Benefits of insurance for businesses**

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

Any other relevant answer related to the benefits of insurance for businesses. **Max. (14)**

5.4 **Principles of insurance**

5.4.1 **Indemnity/indemnification**

- Usually applies to short-term insurance ✓, as the insured is compensated for specified/proven harm/loss. ✓
- Insurer agrees to compensate the insured for damages/losses specified in the insurance contract ✓, in return for premiums paid by the insured to the insurer. ✓
- Protects the insured against a specified event ✓ that may occur. ✓
- Payouts from the insurer will only be made, ✓ if the insured can prove the amount of the loss/damage/if there is proof that the specified event took place. ✓
- The amount of compensation is limited to the amount of provable loss/damage ✓, even if the amount in the policy/insurance contract is higher. ✓
- The insured must be placed in the same position ✓ as before the occurrence of the loss/damage. ✓/The insured may not profit ✓ from the insurance. ✓

Any other relevant answer related to indemnity/indemnification as a principle of insurance. Submax. (6)

5.4.2 **Utmost good faith**

- Insured must be honest when providing details ✓ when entering into an insurance contract. ✓
- Both parties/insurer and insured must disclose ✓ all relevant facts. ✓
- The insured must disclose everything ✓ that may affect the extent of the risk. ✓
- Details/Information supplied when claiming ✓ should be accurate/true. ✓

Any other relevant answer related to utmost good faith as a principle of insurance. Submax. (6)

Max. (12)

5.5 **Road Accidents Fund (RAF)/ Road Accidents Benefit Scheme (RAB) as a type of compulsory insurance**

- RAF Insures road-users against the negligence of other road users. ✓✓
- The RAF/RABS provides compulsory cover for all road users in South Africa, which include South African businesses. ✓✓
- Drivers of business vehicles are indemnified against claims by persons injured in road accidents. ✓✓
- RAF/RABS is funded by a levy on the sale of fuel/diesel/petrol. ✓✓
- The amount that can be claimed for loss of income is limited by legislation. ✓✓
- The next of kin of workers/breadwinners who are injured/killed in road accidents, may claim directly from the RAF/RABS. ✓✓
- Injured parties and negligent drivers are both covered by the RAF. ✓✓
- The injured party will be compensated, irrespective of whether the negligent driver is rich/poor/insured/uninsured. ✓✓
- RABS aims to provide a benefit scheme that is reasonable/equitable/affordable/ sustainable, etc. ✓✓
- RABS aims to simplify/speed up the claims process as victims of road accidents no longer must prove who caused the accident. ✓✓
- RABS enables the victims of road accidents speedy access to medical care as delays due to the investigation into accidents has been minimised. ✓✓

Any other relevant answer related to the Road Accidents Fund (RAF)/Road Accidents Benefits Scheme (RABS) as a type of compulsory insurance. **Max. (12)**

5.6 **Conclusion**

- Assurance enables businesses to offer financial coverage that provides remuneration for an event that is certain to take place. ✓✓
- It is important that all businesses safe-guard company assets as losses may occur during normal operations. ✓✓
- Insurance allows businesses to recover from losses caused by unforeseen circumstances. ✓✓
- The principles of insurance allows businesses to understand the importance of honesty to avoid claims being rejected. ✓✓
- RAF/RABS ensures that correct claiming procedures and measures should be undertaken for employers and employees to be compensated for accidents suffered on South African roads. ✓✓

Any other relevant conclusion related to the differences between insurance and assurance/benefits of insurance for businesses/Road Accidents Fund (RAF).

Any (1 x 2) **(2)**

[40]

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	**2**	**Max. 32**
Differences between insurance and assurance	**8**	
Benefits of insurance for businesses	**14**	
Principles of insurance for businesses	**12**	
Road Accidents Funds (RAF)/Road Accidents Scheme (RABS) as a type of compulsory insurance	**12**	
Conclusion	**2**	
INSIGHT		
Layout	**2**	**8**
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 ROLES (ETHICS AND PROFFESSIONALISM)

6.1 **Introduction**

- The aim of ethical behaviour is to set a code for ethical and effective leadership by the management of a company. ✓
- Ethical behaviour by the company and its management creates a situation where employees feel proud of their company, its product or service, or their role in it. ✓
- Although businesses can choose how to conduct their practices, they must act professionally, responsibly, ethically and effectively to remain profitable and sustainable over a long period. ✓
- Unprofessional behaviour is harmful to the image of the business and hamper business growth. ✓
- Employees are expected to project a professional image by applying the principles of professionalism. ✓
- The business must establish values and strategies that address unprofessional business practices in all their operations. ✓

Any other relevant introduction related to the meaning of ethical behaviour/ways in which professional, responsible, ethical and effective business practice should be conducted/how unprofessional business practises pose challenges to businesses/ways in which businesses could deal with the types of unprofessional business practices. **Any** (2 x 1) (2)

6.2 **The meaning of ethical behaviour**

- Acting according to a set of values ✓ that are morally acceptable in society. ✓
- It means that businesses have the responsibility to use moral codes ✓ that guide them to choose between right from wrong. ✓
- Refers to acting in ways consistent with what society and individuals ✓ perceive as good values. ✓
- Ethical behaviour is expected ✓ from every employee in the business. ✓
- It means that the highest legal and moral standards are upheld ✓ when dealing with stakeholders. ✓
- Businesses have the responsibility ✓ to do the right things and to do things right. ✓
- Ethics form part ✓ of the code of conduct of a business. ✓

Any other relevant answer related to the meaning of ethical behaviour. **Max. (8)**

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

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

Any other relevant answer related to ways in which professional, responsible ethical and effective business practice should be conducted. **Max. (14)**

6.4 **Challenges posed by unprofessional business practices**

Sexual harassment ✓✓
- The affected party is normally reluctant to report the incident ✓ because of the fear of victimisation. ✓
- The business can lose workers ✓ because they do not feel safe in the business. ✓
- Sexual harassment causes discomfort/humiliation ✓ and interferes with the ability of the victim to complete assigned work tasks. ✓
- A victim may be severely traumatised ✓ and this may affect other employees emotionally. ✓
- Sometimes the victim prefers to stay away from work ✓ and the business loses productivity. ✓
- Sexual harassment causes emotional trauma ✓ and the victim's attitude will become negative in the workplace. ✓

Any other relevant answer related to the challenge posed by sexual harassment as an unprofessional business practice.

Challenge (2)
Explanation (2)
Submax. (4)

Unauthorised use of workplace funds and resources ✓✓
- Fraud increases the cost of doing business ✓ and undermines the competitiveness of a business. ✓
- It may affect the competitiveness ✓of the business. ✓
- It could discourage customers ✓ when prices are increased to absorb the losses. ✓
- It could discourage investors ✓ when the business receives bad publicity from lawsuits. ✓
- The business can experience substantial loss ✓ if it goes unchecked. ✓

Any other relevant answer related to the challenge posed by unauthorised use of workplace funds and resources as an unprofessional business practice to businesses.

Challenge (2)
Explanation (2)
Submax. (4)

Abuse of work time ✓✓
- It may result in employees often ✓ abusing work time. ✓
- Abuse of work time could result in losing customers ✓ or not meeting deadlines. ✓
- Wasting time costs the business money ✓ and affects productivity. ✓
- Abuse of work time results in a decline in profits ✓ which could damage the financial wealth of the business. ✓
- Effective customer services may not be rendered ✓, resulting in the creation of a negative image of the business. ✓

Any other relevant answer related to the challenge posed by the abuse of work time as an unprofessional business practice.

Challenge (2)
Explanation (2)
Submax. (4)
Max. (12)

6.5 **Ways in which businesses can deal with unprofessional business practices**

Sexual harassment

- Provide a framework for corrective action. ✓✓
- Employees must be educated regarding sexual harassment matters. ✓✓
- A policy must be formulated regarding matters of sexual harassment. ✓✓
- Businesses must implement internal complaints and disciplinary procedures. ✓✓
- Ensure compliance with the law/business code of conduct. ✓✓
- Ensure that all employees are familiar with the code of ethics regarding sexual abuse. ✓✓
- They must create a good working environment where all employees' rights and their dignity are respected. ✓✓
- An internal investigation should be done to determine the seriousness of the harassment. ✓✓
- Serious cases/matters of sexual harassment should be reported to the appropriate institutions such as the South African Police Services (SAPS). ✓✓

Any other relevant answer related to ways in which a business can deal with sexual harassment as an unprofessional business practice.

Submax. (4)

Unauthorised use of workplace funds and resources

- The business must conduct regular audits. ✓✓
- They must identify risk areas/vulnerable areas. ✓✓
- The business must educate employees about the impact of fraud. ✓✓
- The business must implement/introduce fraud prevention strategies. ✓✓
- They must limit the number of employees having access to business funds/assets. ✓✓
- Fraud prevention should be a collective responsibility of businesses and workers. ✓✓
- Clear policies should be in place so that employees are aware of what is fraud entails. ✓✓
- The business should set up systems in the organisation for the reporting of fraud and corruption. ✓✓

Any other relevant answer related to ways in which business can deal with the unauthorised use of workplace funds and resources as an unprofessional business practice. Submax. (4)

Abuse of work time

- Speak directly to those employees who abuse work time. ✓✓
- Monitor employees to ensure that tasks are completed on time. ✓✓
- Remind employees that profit will decrease resulting in fewer incentives/bonus payouts. ✓✓
- The code of conduct/ethics should contain clear rules about the abuse of work time. ✓✓
- Businesses should conduct training on the contents of the code of conduct/ ethics. ✓✓
- The code of conduct/ethics should be signed by all employees so that they are aware of its contents. ✓✓
- Businesses should structure working hours in such a way that employees have free/flexible time for personal matters. ✓✓
- Businesses must create a culture of responsibility/strengthen team spirit for all employees to feel responsible for what must be achieved. ✓✓

Any other relevant answer related to ways in which a business can deal with abuse of work time as an unprofessional business practice.

Submax. (4)
Max. (12)

6.6 **Conclusion**

- A business code of ethics should improve relationships and eliminate unethical business practices. ✓✓
- Employees who do not adhere to the code of conduct must face disciplinary measures. ✓✓
- Businesses can make use of good corporate governance to address issues that change professionalism and ethics in the workplace. ✓✓
- Unprofessional behaviour by fellow employees, especially if it goes unpunished or is condoned by management, prevents cooperation and trust amongst employees, which also creates low morale. ✓✓
- Businesses should develop a clear code of conduct that can easily be implemented in the workplace to deal with all the different types of unprofessional business practices. ✓✓

Any other relevant conclusion related to the meaning of ethical behaviour/ways in which professional, responsible, ethical and effective business practice should be conducted/how unprofessional business practises pose challenges to businesses/ways in which businesses could deal with the types of unprofessional business practices. **Any** (1 x 2) (2)

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Meaning of ethical behaviour.	8	
Ways in which professional, responsible, ethical and effective business practice should be conducted.	14	
THREE types of unprofessional business practises which pose challenges to businesses.	12	
Ways in which businesses could deal with the types of unprofessional business practices.	12	
Conclusion	2	
INSIGHT		
Layout	2	8
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

TOTAL SECTION C: 40

TOTAL: 150