education

Department of Education
FREE STATE PROVINCE

PROVINCIAL ASSESSMENT

GRADE 12

BUSINESS STUDIES P1

EXAMINATION

JUNE 2025

MARKING GUIDELINES

This paper consists of 29 pages

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NOTES TO MARKERS

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

2. 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.
   - Original
   - A different approach is used

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

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

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

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

6. 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 guideline. Only the total for each question should appear in the left-hand margin next to the appropriate question number.

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

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

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

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

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

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

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

14. **SECTION B**

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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 only applies 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 District to finalise alternative answer and consult with the Province for approval.

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

14.4.1 If the number of facts is specified, questions that require candidates to 'describe/discuss/explain' may be marked as follows:
- Fact 2 marks (or as indicated in the marking guidelines)
- Explanation 1 mark (two marks will be allocated in Section C)

The 'fact' and 'explanation' are given separately in the marking 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 to SECTIONS B and C in particular (where applicable).**

15. **SECTION C**

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

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

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, body, proper paragraphs and a conclusion?		**2**
Analysis and interpretation	Is the candidate able to break down the question into headings/sub-headings/interpret it correctly to show understanding of what is being asked? Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')		**2**
Synthesis	Are there relevant decisions/facts/responses made based on the questions?		
	Option 1	**Only relevant facts: 2 marks (No '-S)** Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis.	
	Option 2	**Some relevant facts: 1 mark (One '-S')** Where a candidate answers less than 50% (only one sub-question) of the question with only OR some relevant facts; one '-S' appears in the lefts margin. Award a maximum of ONE (1) mark for synthesis.	
	Option 3	**Some relevant facts: 1 mark (One '-S')** Where a candidate answers FOUR sub-questions, but one/two/three sub-questions with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.	
	Option 4	**No relevant facts: 0 MARK (Two '-S')** Where a candidate answers less than 50% (only one sub-question) of the questions with no relevant facts; two '-S' appears in the left margin. Award a Zero-mark synthesis.	**2**
Originality	Is there evidence of one example per topic/sub-topic based on recent of information, current trends, and developments?		**2**
		TOTAL FOR INSIGHT:	**8**
		TOTAL MARKS FOR FACTS:	**32**
		TOTAL MARKS FOR ESSAY (8 + 32)	**40**

NOTE:

- **No marks will be awarded for contents repeated from the introduction and conclusion.**
- **The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.**

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- **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 SUBMAX/MAX mark in a subsection has been attained. Write SUBMAX/MAX after maximum marks have been obtained.

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

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

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

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

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

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

15.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (√) will be separated and indicated next to each fact, e.g.

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'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 memo, will not necessarily apply to each question. This would also depend on the nature of the question.

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SECTION A

QUESTION 1

1.1 Multiple choice

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

(5 × 2) (10)

1.2 Complete statements

1.2.1 Double √√
1.2.2 Forward √√
1.2.3 External √√
1.2.4 Monitoring and evaluation √√
1.2.5 Screening √√

(5 × 2) (10)

1.3 Match columns

1.3.1 C √√
1.3.2 E √√
1.3.3 G √√
1.3.4 D √√
1.3.5 I √√

(5 × 2) (10)

TOTAL SECTION A [20]

BREAKDOWN MARK ALLOCATION

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

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SECTION B

Mark, the answers to the FIRST TWO questions only.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 Consumer rights according to CPA

- Right to choose √
- Right to privacy and confidentiality √
- Right to fair and honest dealings √
- Right to disclosure and information √
- Right to fair/responsible marketing/promotion/ fair and honest dealing √
- Right to accountability from suppliers √
- Right to fair/just/reasonable terms and conditions √
- Right to equality in the consumer marketplace √
- Right to return goods/have goods replaced/claim a refund √
- Right to complain √
- Right to fair value, good quality and safety √
- Right to fair value/good quality/safety √

NOTE: Mark the first TWO (2) only.

Max (2)

2.2 Role/functions of SETAs

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

Max (6)

2.3 Business sectors

2.3.1 PESTLE Factor

Technology √√ **(2)**

2.3.2 Ways to deal with technology

- Continuous research √ on the latest available technology/equipment in the market. √
- Train existing/appoint new employees√ to maintain/use new equipment. √
- Compare prices/Select suitable suppliers√ for new equipment at reasonable prices. √
- Businesses must be geared √ for online trading/e-commerce. √
- Any relevant answer relating to ways how ST could handle the challenge of Technology.

Max (4)

2.4 Impact of the EEA on business

Positives/Advantages

- Encourages consultation √ between employer and employees. √
- Promote equal opportunity √ and fair treatment in the workplace. √
- Impacts positively √ on BEE ratings for businesses. √
- The appointment process is clearly defined,√ so all parties are well informed. √
- Motivates employees √ because the workforce is more diverse/representative/inclusive √
- Motivates employees √ because everyone has the same employment opportunities. √
- Promotes the implementation of affirmative action measures√ to redress the imbalances in employment. √
- Provides employees with legal recourse √ if they believe they have been unfairly discriminated against. √
- Provides all employees with an equal opportunity √ to be selected/appointed/ promoted in a position. √
- Prevents unfair discrimination √ as it ensures that the workforce represents the demographics of the country. √
- Creates a framework √ of acceptable employment practices/affirmative action measures. √
- Encourages diversity in business √ by employing people from various racial backgrounds. √
- Businesses are in a better position√ to negotiate contracts with the government. √
- Certified psychometric tests may be used √ to assess applicants/employees to ensure that they are suitable. √

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AND/OR

Negatives/Disadvantages

- Expensive to train/employ someone √ who knows little about the Act. √
- Fines/Penalties for non-compliant businesses √ may be expensive for the business. √
- Diversity in the workplace √ may lead to conflict/unhappiness. √
- Often positions go unfilled √ because there are no suitable EE candidates. √
- Skilled people from designated groups may demand higher salaries √ which increase salary expenses. √
- Job hopping of skilled/trained EE appointees √ may increase staff turnover. √
- Increased administration burden, √ as businesses must compile/submit employment equity reports every two years. √
- Employers must appoint one or more senior managers to ensure the implementation of the plan, √ which increases salary expenditure √
- Businesses must submit a compliance certificate √ before they can conduct business with state businesses √
- Businesses are sometimes pressurised to appoint an unsuitable EE person √ to meet EE requirements. √
- Other groups may not respect the knowledge/skills/experience of an EEA appointment √ and it may lead to conflict. √
- Any relevant answer relating to the impact of EEA on businesses.

Max (6)

2.5 Types of defensive strategies

2.5.1 Liquidation √√

2.5.2 Divestiture √√

2.5.3 Retrenchment √√

Max (6)

2.6

2.6.1 "Employees take part in legal strikes without any fear of victimization." √
"The trade union representatives are given time off to give attention to various duties." √
NOTE: Mark only the quotes directly from scenario. **(2)**

2.6.2 Rights of employees

- Employees may join a trade union √ of their choice. √
- Refer unresolved workplace disputes √ to the CCMA. √

- Refer unresolved CCMA disputes√ to the Labour Court on appeal. √
- Request trade union representatives to assist/represent employees √ in the grievance/disciplinary hearing. √
- Establish a workplace forum √ where a business has 100 or more employees to resolve work related issues √
- Any relevant answer relating to the rights of employees regarding LRA.

NOTE: Do not award marks for repeated responses in QUESTION 2.6.1

Max (6)

2.7 Benefits of intensive strategies

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

Max (6)

[40]

BREAKDOWN MARK ALLOCATION

QUESTION 2	MARKS
2.1	2
2.2	6
2.3.1	2
2.3.2	4
2.4	6
2.5	6
2.6.1	2
2.6.2	6
2.7	6
TOTAL	40

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QUESTION 3: BUSINESS OPERATIONS

3.1 Components of job analysis

- Job description√
- Job specification√

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

3.2 Selection procedure

Option 1

- Determine fair assessment criteria on which selection will be based. √√
- Applicants must submit the application forms/curriculum vitae and certified copies of personal documents/IDs/proof of qualifications, etc. √√
- Sort the received documents/CVs according to the assessment /selection criteria. √√
- Screen/Determine which applications meet the minimum job
- requirements and separate these from the rest. √√
- Preliminary interviews are conducted if many suitable applications are received. √√
- Reference checks should be made to verify the contents of CV's, e.g. contact previous employers to check work experience. √√
- Compile a shortlist of potential candidates identified. √√
- Shortlisted candidates may be subjected to various types of selection tests, e.g. skills tests, etc. √√
- Invite shortlisted candidates for an interview√√.
- A written offer is made to the selected candidate. √√
- Inform unsuccessful applicants about the outcome of their application. /Some adverts indicate the deadline for informing only successful candidates. √√
- Any other relevant answer related to selection procedure.

Option 2

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

NOTE: The procedure can be in any order.

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Max (6)

3.3 Benefits of Fringe benefits

3.3.1

- BC attract skilled employees who contribute positively towards business goals. √
- They increase employee's satisfaction as they go extra mile. √

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

3.3.2 Negative impact of fringe benefits

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

Max (4)

3.4

QUALITY MANAGEMENT	QUALITY PERFORMANCE
• Techniques/tools used. √ to design/ improve the quality of a product. √	• Total performance of each department. √ measured against the specified standards. √
• Can be used for accountability. √ within each of the business functions. √	• Can be obtained if all departments work together. √ towards the same quality standards. √
• Aims to ensure that the quality of goods/ services consistent/ focuses. √ on the means to achieve consistency. √	• Quality is measured. √ through physical product/ statistical output of processes/ surveys of the users and/ or buyers of

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	• goods/ services. √
• Any other relevant answer related to quality management.	• Any other relevant answer related to quality performance.
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 quality management or quality performance only.**

Max (8)

3.5

3.5.1 Total quality management/TQM elements from the scenario

TQM ELEMENTS	MOTIVATIONS
1. Continuous improvement to processes and systems √√	LA has enough resources to prevent defects and minimize wastage. √
2. Continuous skills development/Education and training √√	They also ensure that their employees attend workshops on a regular basis. √
Sub-max (4)	Sub-max (2)

NOTE:
1. **Mark the first TWO (2) only.**
2. **Award marks for TQM elements even if the quotes are incomplete.**
3. **Do not award marks for motivation if the TQM elements were incorrectly identified.**
4. **Accept responses in any order.**

Max (6)

3.5.2 Impact of TQM Elements

Continuous improvement to processes and systems
Positives/Advantages

- Large businesses have more resources√ to check on quality performance in each unit. √
- Enough capital resources are available√ for new equipment required for processes and systems. √
- Large businesses have a person dedicated√ to the improvement of processes and systems. √
- Willing to take risk on/try new processes and systems√ because they can absorb the impact of losing money. √

- They can afford to use the services of the quality circles√ to stay ahead of their competitors. √
- Any other relevant answer related to the advantages of continuous improvement to processes and systems

AND/OR

Negatives/Disadvantages

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

OR

Skills Development/Education and Training
Positives/Advantages

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

AND/OR

Negatives/Disadvantages

- Poor communication systems in large businesses√ may prevent effective training from taking place. √
- Trained employees may leave for better jobs√ after they gained more skills. √

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- De-motivates employees, √ if they do not receive recognition for training. √
- Employees who specialise in narrowly defined jobs√ may become frustrated/ demotivated. √
- Employees may not be aware of the level of competency√ they should meet to achieve their targets. √
- It may be difficult to monitor/evaluate√ the effectiveness of training. √
- Any other relevant answer related to the disadvantages of Skills Development/Education and Training.

Max (6)

3.6 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. √√
- 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 improve profitability. √√
- Improves business image as there are less defects/returns. √√
- Any other relevant answer related to the benefits of a good management system.

Max (6)

[40]

BREAKDOWN MARK ALLOCATION

QUESTION 3	MARKS
3.1	2
3.2	6
3.3.1	2
3.3.2	4
3.4	8
3.5.1	6
3.5.2	6

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3.6	6
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 Business Sectors

- Primary Sector √
- Secondary Sector √
- Tertiary Sector √

NOTE: Mark the first TWO (2) only.

Max (2)

4.2 Ways in which businesses can comply with the NCA

- Offer applicants √ pre-agreement statements. √
- Disclose all costs of loan/No hidden costs should be charged/added Obtain credit records/checks of clients√ before granting loans. √
- Businesses should be registered with the National Credit Regulator√ and submit an annual compliance report to the National Credit Regulator. √
- Conduct affordability assessment√ to ensure the consumer can meet his/her obligation. √
- Conduct credit checks with a registered credit bureau√ and consult with National Credit Register. √
- Businesses must have procedures in place√ to comply with the provision of the Financial Intelligence Centre Act (FICA). √
- Credit providers must have procedures in place√ to comply with the provision of the Financial Intelligence Centre Act (FICA). √
- Verify the identity of clients, √ report suspicious transactions/train staff on their obligations in terms of FICA. √√
- Any relevant answer relating to Ways in which businesses can comply with the NCA.

Max (4)

4.3

4.3.1 **BBBEE pillars**

BBBEE PILLAR	MOTIVATIONS
1. Management Control √√	They employed more black women in managerial positions to comply to BBBEE. √
2. Ownership √√	They also sold shares to black people to enable them to take part in the economy of South Africa. √

Sub-max (4)	Sub-max (2)

NOTE:
1. **Award marks for correct pillar even if motivation is wrong.**
2. **Do not award marks for motivation if pillar is wrongly identified.**
3. **Motivation must be correct from the scenario.**

Max (6)

4.3.2 Ways to apply BBBEE pillars

Skills development

- Business must engage black employees in skills development initiatives. √√
- Provide learnerships and learning programmes to black employees. √√
- Businesses must contribute 1% of their payroll to fund the skills development programmes. √√
- Business benefits from the increased pool of skilled/trained workers. √√
- Any relevant answer relating to ways in which businesses may apply skills development as a BBBEE pillar.

Max (4)

Enterprise and Supplier Development (ESD)

- Businesses must create jobs as ESD promotes local manufacturing. √√
- Identify black-owned suppliers that can supply goods and services. √√
- Outsource services to suppliers that are BBBEE compliant. √√
- Businesses are encouraged to invest/support black owned SMMEs. Develop the business skills of small/black-owned suppliers, e.g. sales techniques, legal advice, etc. √√
- Support the cash flow of small suppliers by offering them preferential terms of payment. √√
- Businesses should invest in/support black owned SMMEs. √√
- SMMEs will be encouraged to use their own business initiatives to make them sustainable. √√
- Develop and implement a supplier development plan/supply chain. √√
- Invest in/Support black owned SMMEs by contributing loans/donations/consulting services/advice/entrepreneurial programme. √√

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- Any relevant answer relating to ways in which businesses may apply ESD as a BBBEE pillar.

Max (4)

BUSINESS OPERATIONS

4.4 Aspects of employment contract

- Personal details of the employee. √
- Details of the business/employer e.g. name/address, etc. √
- Job title/Position√
- Job description e.g. duties/ working conditions√
- Job specification e.g. formal qualifications/willingness to travel. √
- Date of employment/commencement of employment. √
- Place where employee will spend most of his/her working time. √
- Hours of work, e.g. normal time/overtime. √
- Remuneration, e.g. weekly or monthly pay. √
- Benefits/Fringe benefits/Perks/Allowances. √
- Leave, e.g. sick/maternity/annual/adoption leave. √
- Employee deductions (compulsory/non-compulsory). √
- Period of contract/Details of termination. √
- Probation period. √
- Any relevant answer of aspects of employment contract.

NOTE: Mark the first FOUR only.

Max (4)

4.5 Importance of training development in human resource management

- The employee who receives the necessary training is more able to perform in their job. √√
- The investment in training that a company makes shows employees that they are valued. √√
- An effective training program allows employees to strengthen their skills. .√√
- Productivity usually increases when the human resource's function implements training courses. .√√
- Ongoing training and up the skill of the workforce encourage creativity. √√
- Any relevant answer to the importance of training/skills development in HRM.

Max (6)

4.6

4.6.1

- Mpho, the manager monitors and control stock to prevent theft. √
- She also orders the stock timeously and makes a follow up to ensure goods are delivered on time. √

NOTE: Marks responses only quoted from the scenario. (2)

4.6.2 Other quality indicator of Purchasing Functions

- Buy raw materials in bulk√ at lower prices. √
- Select reliable suppliers√ that render the best quality raw materials/capital goods at reasonable prices√.
- Effective co-ordination between purchasing√ and production departments so that purchasing staff understand the requirements of the production process√
- Required quantities should be delivered at the right time√ and place. √
- Implement and maintain stock control systems√ to ensure the security of stock. √
- Maintain optimum stock levels√ to avoid overstocking/reducing outdated stock. √
- Monitor and report on minimum stock levels√ to avoid stock- outs. √
- Effective use of storage space √and maintain product quality while in storage. √
- Involve suppliers in strategic √ planning/product design/material selection/quality control process√.
- Any relevant answers related to quality indicators of purchasing.

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

Max (4)

4.7 Ways in which TQM reduce 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 on expensive, but ineffective inspection procedures in the production process. √√
- Any relevant answers related to ways in which TQM reduce the cost of quality.

Max (4)

[40]

BREAKDOWN MARK ALLOCATION

QUESTION 4	MARKS
4.1	2
4.2	4
4.3.1	6
4.3.2	8
4.4	4
4.5	6
4.6.1	2
4.6.2	4
4.7	4
TOTAL	40

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SECTION C

Mark ONE question from this section.

QUESTION 5: BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)

5.1 Introduction

- The business needs a strategy to achieve its vision and mission therefore strategic management must take place. √
- The main aim of Porter's Five Forces model is to analyse the business position in the market. √
- Diversification strategies are used to increase sales and to ensure that there is growth in a business. √
- Evaluation of strategies takes place after the implementation of the strategy and determines whether the implemented strategy resolved the challenge. √
- Any relevant introduction relating to strategic management processes, Porters Five Forces, Diversification Strategy and the evaluation of strategies.

(2 × 1) (2)

5.2 Strategic management process

Option 1

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

OR

Option 2

- Review/Analyse/Re-examine their vision/mission statement. √√
- Conduct environmental analysis using models such as SWOT/PESTLE/Porter's Five Forces. √√

- Formulate a strategy, such as a defensive/retrenchment strategy. √√
- Implement a strategy, using a template such as an action plan. √√
- Control/Evaluate/Monitor the implemented strategy to identify gaps/deviations in implementation. √√
- Take corrective action to ensure goals/objectives are met. √√
- Any other relevant answer related to the strategic management process.

NOTE: The steps may be in any order

Max (12)

5.3 Application - Porter's Five Forces model

Power of competitors/Competitive rivalry

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

Sub-max (6)

Threat/Barriers of new entrants to the market

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

Sub-max (6)

Max (12)

5.4 Advantages of diversification strategies

- Increase sales √ and business growth. √
- Improves the business brand and image. Diversification Strategies: These strategies are used to increase sales and to ensure that there is growth in a business.
- Reduces the risk of relying only on one product √ for sales/revenue/income. √

- 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 several industries or product lines can help create a balance during economic fluctuations. √
- Businesses produce more output using less input as one factory may be used to manufacture more products. √
- Any relevant answer relating to the Advantages of diversification strategies.

Max (12)

5.5 Steps in evaluating a strategy

- Examine the underlying basis of a business strategy. √√
- Look forward and backwards into the implementation process. √√
- Compare the expected results 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 as envisaged when strategies are implemented. √√
- Consider the impact of strategic implementation in the internal and external environments of the business. √√
- Decide on the desired outcome as envisaged when strategies are implemented. √√
- Any relevant answer relating to the steps in evaluating a strategy.

NOTE: The steps can be in any order.

Max (10)

5.6 Conclusion

- Businesses should always assess their strategic management process to be able to respond effectively to new trends in the market. √√
- The correct application of Porter's Five Forces allows businesses to develop relevant business strategies that may yield fruitful results. √√
- The effective implementation of diversification strategies may result in financial stability and future business prospects. √√
  order to satisfy the current customer needs. √√
- The evaluation of strategy enables the business to stay ahead and can give the business has a competitive advantage over its competitors. √√
- Any other relevant conclusion related to strategic management process/Porter's Five Forces model/advantages of diversification strategies/steps in strategy evaluation.

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Any (1 × 2) (2)

[40]

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Strategic management process	12	
Application of the Porter's Five Forces model	14	
Advantages of diversification strategies	12	
Steps in strategy evaluation	10	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis, interpretation	2	
Synthesis	2	
Originality	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)

6.1 Introduction

- The human resources manager (HRM) is responsible for recruiting and appointing competent and skilled employees. √
- The interviewers should be well-conversant with the interview process to enable them to make necessary planning arrangements before the interview. √
- The focus on induction by the HR department will ensure that the businesses benefit from its advantages to realise the overall objective of making a profit. √
- Businesses which maintain a link between salary determination and BCEA will never find themselves on the wrong side of the law. √
- Any other relevant introduction related to selection procedure/roles of the interviewer when preparing for an interview/advantage of induction/link between salary determination and BCEA.

Any (2 × 1) (2)

6.2 Recruitment procedure

- The human resource manager should evaluate the job/prepare a job analysis, that includes the job specification/job description/to identify recruitment needs. √√
- The human resource manager (HRM) should prepare the job description to identify recruitment needs. √√
- HRM should indicate the job specification/description/key performance areas to attract suitable candidates. √√
- Choose the method of recruitment, e.g. internal/external, to reach/target the suitable applicants/candidates. √√
- Vacancies can be internally advertised via internal email/word of mouth/ posters/staff notices. √√
- If external recruitment is chosen, the relevant recruitment sources should be selected, e.g. recruitment agencies/tertiary institutions/ newspapers, etc.√√
- If internal recruitment is unsuccessful, external recruitment should be considered√√.
- If external recruitment is done, the relevant recruitment source should be selected, e.g. recruitment agencies, tertiary institutions, and newspapers. √√
- The advertisement should be prepared with the relevant information, e.g. the name of the company, contact details, contact person, etc. √√
- Place the advertisement in the appropriate media that will ensure that the best candidates apply. √√
- Any other relevant answer related to

NOTE: The procedure can be in any order.

Max (12)

6.3 The role of interviewer during the interview

- Allocate the same amount of time√ to each candidate. √
- Introduce members of the interviewing panel√ to each candidate/interviewee. √
- Make the interviewee√ feel at ease. √
- Explain the purpose of the interview√ to the panel and the interviewee. √
- Record interviewees' responses√ for future references. √
- Do not misinform/mislead√ the interviewee. √
- Avoid discriminatory/controversial√ types of questions, e.g. asking a female candidate about family planning/having children. √
- Provide an opportunity for the interviewee√ to ask questions. √
- Close the interview√ by thanking the interviewee for attending the interview√
- Any other relevant answer related to

Max (12)

6.4 The purpose of induction

- Introduce new employees to management/colleagues√ to establish relationships with fellow colleagues at different levels. √
- Give new employees tour/information√ about the layout of the building/office. √
- Make new employees feel welcome√ by introducing them to their physical workspace. √
- Improve skills√ through in-service training√.
- Familiarise new employees√ with the organisational structure/their supervisors. √
- Allow new employees the opportunity to ask questions√ that will put them at ease/reduce insecurity/anxiety/fear. √
- Create 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√.
- Ensure that employees understand their roles/responsibilities√ so that they will be more efficient/productive. √
- Communicate information√ about the products/services offered by the business√
- Communicate business policies√ regarding ethical/professional conduct/procedures/employment contract/conditions of employment, etc. √
- Any other relevant answer related to the purpose of induction.

Max (14)

6.5 The link between salary determination and BCEA

- BCEA outlines legalities, such as the employment contract, which may affect salary determination. √√
- Payment of salaries should be based on whether the employee is permanent or employed on a fixed contract. √√
- The BCEA sets out conditions that ensure fair labour and human resources practices. √√
- According to BCEA, businesses may use different remuneration methods to pay their employees. √√
- Businesses are supposed to deduct income tax (PAYE) from the employees' taxable salaries. √√
- Any other relevant answer related to the link between salary determination and BCEA.

Max (8)

6.6 Conclusion

- The goals and objectives of businesses cannot be achieved without qualified and skilled employees. √√
- Businesses should have suitable/effective recruitment procedures in place. √√

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- Employees are the most important resource in any business and its success is strongly influenced by a good selection process which includes a fair and well-planned interview. √
- A well-prepared and organised interview process will result in identifying and appointing the most suitable and deserving candidate. √√
- A good link between HR and BCEA enables new employees to have a basic understanding of what is expected in the new job/position. √√
- Any other relevant conclusion related to selection procedure/roles of the interviewer when preparing for an interview/purpose of induction/link between salary determination method and BCEA.

Any (1 x 2) (2)

[40]

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Recruitment procedure	12	
Role of the interviewer	12	
Purpose of induction	14	
Link between salary determination & BCEA	8	
Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality	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.

TOTAL SECTION C 40

GRAND TOTAL 100

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