education

Department:
Education
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

PROVINCIAL ASSESSMENT

GRADE 12

BUSINESS STUDIES P1

SEPTEMBER 2025

MARKING GUIDELINE

MARKS: 150

This marking guideline consists of 28 pages.

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NOTES TO MARKERS

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

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

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

Marker	Red
Departmental Head	Green

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

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

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

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

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

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

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

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

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

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

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

    Cognitive verbs, such as:

    12.1 Advise, name, state, give, quote, identify, 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 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.

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14. SECTION B

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

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

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

14.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers and consult with the Internal Moderator of the province 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 guideline 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 guideline.

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**

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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? Marks to be allocated using this guide: 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 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 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 for synthesis	**2**
Originality	Is there evidence of one example in any TWO of the four sub-questions, not older than two (2) years, that 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 contents repeated from the introduction and conclusion.**
2. **The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.**
3. **No marks will be awarded for layout, if the headings INTRODUCTION and CONCLUSION are not supported by an explanation.**

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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 guideline to each question.

15.5 Mark ALL relevant facts/responses until the SUB MAX/MAX mark in EACH of the four subsections has been attained. Write SUB MAX/MAX after maximum marks have been obtained but continue reading for originality "O".

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

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

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

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

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

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SECTION A

QUESTION 1

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

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

1.2 1.2.1 double √√
1.2.2 PESTLE √√
1.2.3 market √√
1.2.4 job description √√
1.2.3 quality control √√

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

1.3 1.3.1 C √√
1.3.2 D √√
1.3.3 A √√
1.3.4 B √√
1.3.5 G √√

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

TOTAL SECTION A: 30

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

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SECTION B

Mark the answers to the FIRST TWO questions only.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 **Consumer rights as stipulated in the Consumer Protection Act (CPA), 2008 (Act 68 of 2008)**

- Right to choose √
- Right to privacy √
- Right to fair and honest dealings √
- Right to disclosure and information √
- Right to fair and responsible marketing √
- Right to fair value/good quality and safety √
- Right to accountability by suppliers √
- Right to fair/ just and reasonable terms and conditions √
- Right of equality in the consumer market √
- Any other answer related to consumer rights.

NOTE : Mark the first THREE (3) only.

(3 x 1) (3)

2.2 **Purpose of the Employment Equity Act/ EEA**

- The EEA allows employees who do the same work to be paid equally.√√
- Eliminates discrimination on grounds of gender/race/disability in the workplace. √√
- Promote equal opportunity and fair treatment in the workplace. √√
- Promote diversity in the workplace by ensuring that people of diverse backgrounds are appointed. √√
- Protect employees from victimisation if they exercise the rights given to them by EEA. √√
- Ensure equal representation in the workplace through the implementation of affirmative action. √√
- Any other relevant answer related to the purpose of the EEA.

Max (6)

2.3 **Business Strategies**

2.3.1 **Intensive strategy from the scenario**

Market penetration √√ (2)

Motivation

They intensified their strategy by selling their product at low price and ensuring that it is well knowns to the locals. √ (1)

NOTE: Do not award marks for the motivation if the intensive strategy was incorrectly identified.

Max (3)

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2.3.2 **Advantages of intensive strategies**

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

Max (4)

2.4 **Rights of employers in terms of the Labour Relations Act/LRA**

Employers have the right to:

- form employer organisations √ to represent them in labour related matters. √
- form bargaining councils √ for collective bargaining purposes. √
- lockout employees √ who engage in unprotected/illegal strike/labour action. √
- dismiss employees who engage in an unprotected strike/misconduct √ such as intimidation/violence during a strike action. √
- not pay/remunerate an employee who has participated in a protected strike √ for services/work they did not do during the strike. √
- Any other relevant answer related to the rights of employers in terms of the LRA.

Max (6)

2.5

2.5.1 **Penalties for non-compliance with Basic Conditions of Employment Act/ BCEA**

- SM was taken to a labour court for a ruling. √
- SM was instructed to compensate the employees for the meal time they lost √

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

(2 x 1) (2)

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

- Workers should only work nine hours √ per day in a five day work week √/Eight hours per day √ in a six day work week √/Overtime should not exceed √ ten hours per week. √
- Workers can take up to six weeks paid sick leave √ during a thirty six-month cycle. √
- Workers must receive double the rate √ if they work during public holidays/Sunday. √
- They must have a break of sixty minutes √ after five hours of work. √
- Businesses should not employ children √ under the age of sixteen. √
- Any other relevant answer related to ways in which businesses can comply with the BCEA.

Max (4)

2.6 **Types of defensive strategies**

Retrenchment √√

- Terminating the employment contracts of employees for operational reasons. √
- Decreasing the number of product lines/Closing certain departments may result in some workers becoming redundant. √
- Any other relevant answer related to retrenchment as type of defensive strategy.

Strategy (2)
Discussion (1)
Submax (3)

Liquidation √√

- All assets are sold to pay creditors due to a lack of capital/cash flow.
- Selling the entire business in order to pay all liabilities/close down the business. √
- Companies in financial difficulty may apply for business rescue to avoid liquidation. √
- Creditors may apply for forced liquidation in order to have their claims settled. √
- Any other relevant answer related to liquidation as type of defensive strategy.

Strategy (2)
Discussion (1)
Submax (3)

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Divestiture √√
- The business disposes/sells some assets/divisions that are no longer profitable/ productive. √
- Businesses may sell off divisions/product lines with slow growth potential. √
- The business sells ownership by decreasing the number of shareholders. √
- Unproductive assets are sold to pay off debts. √
- Process used to withdraw its investment in another business √
- Any other relevant answer related to divestiture as type of defensive strategy.

Strategy (2)
Discussion (1)
Submax (3)

NOTE: Mark the first TWO (2) only

Max (6)

2.7 **Ways in which businesses can deal with challenges posed by the technological factors**
- Conduct continuous research on the latest available technology/ equipment in the market. √√
- Train existing/appoint new employees to maintained/use new equipment. √√/Provide employees with necessary knowledge and skills needed to provide services. √√
- Compare prices/ Select suitable suppliers for new equipment at reasonable price. √√
- Businesses must be geared for online trading/e-commerce. √√
- Any other relevant answer related to ways in which businesses can deal with challenges posed by technological as a PESTLE factor.

Max (6)

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	3
2.2	6
2.3.1	3
2.3.2	4
2.4	6
2.5.1	2
2.5.2	4
2.6	6
2.7	6
TOTAL	40

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QUESTION 3: BUSINESS OPERATION

3.1 **Sources of external recruitment**

- Recruitment agencies √
- Bill boards √
- Printed media/newspapers/flyers/magazines/posters √
- Electronic media/radio/TV √
- Social media/Social networks/Internet/Business websites √
- Recruitment agencies √
- Walk-ins √
- Head hunting √
- Professional associations √
- Networking √
- Educational/Training institutions √
- Word of mouth √
- Any other relevant answer related to sources of external recruitment.

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

3.2 **Purpose of the interview**

- To determine a candidate's suitability for the job. √√
- Obtains information about the strengths and weaknesses of each candidate. √√
- Evaluate the skills and personal characteristics of the applicant. √√
- Helps the employer in choosing/making an informed decision about the most suitable candidate. √√
- Matches information provided by the applicant to the job requirements. √√
- Creates an opportunity where information about the business and applicant can be exchanged. √√
- Any other relevant answer related to the purpose of the interview.

Max (6)

3.3 **Benefits of induction**

3.3.1

- They established relationships with fellow employees at different levels. √
- Staff turnover was reduced due to this activity that was properly executed. √

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

(2 x 1) (2)

3.3.2 **Other benefits of induction**

- Increases quality √ of performance/productivity. √
- Allows new employees to settle in quickly √ and work effectively. √
- Ensures that new employees understand rules √ and restrictions in the business. √

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

NOTE: Do not award marks for responses that were quoted in QUESTION 3.3.1

Max (4)

3.4 **Importance of skills 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 resources function implements training courses. √
- Ongoing training and up skilling of the workforce √, encourages creativity. √
- Any other relevant answer related to the importance of skills development in human resource management.

Max (4)

3.5 **Steps of the PDCA model**

3.5.1 Do √√ (2)

3.5.2 Act √√ (2)

Max (4)

3.6 **Meaning of quality**

- Quality refers to a good/service's ability √ to satisfy a specific need. √
- The efficiency of services and the ability √ to provide an effective outcome without too many delays. √
- It is measured against specific criteria √ such as physical appearance/ reliability/ durability/ sustainability/after-sales services. √
- Any other relevant answer related to the meaning of quality

Max (4)

3.7 **Contribution of the production function to the success of the business**

- Provide high quality services/products √ according to specifications. √
- The production/operating processes of a business should be done correctly √ through proper production planning and control. √
- Products and services should be produced at the lowest possible cost √ to allow for profit maximisation. √
- The business should clearly communicate the roles and responsibilities √ to the production workforce. √
- Products must meet customers' requirements √ by being safe, reliable and durable. √
- The business should have good after-sales services √ and warrantees. √
- Empower workers √ so that they can take pride in their workmanship. √
- Obtain accreditation from the SABS/ISO 9001 √ to ensure that quality products are being produced. √
- Monitor processes √ and find the root causes of production problems. √
- Implement quality control systems √ to ensure that quality products are consistently being produced. √
- Utilise machines √ and equipment optimally. √
- Accurately calculate √ the production costs. √
- Select the appropriate production system √ such as mass/batch/jobbing. √
- Any other relevant answer related to how the quality of performance of the production function can contribute to the success of the business.

Max (6)

3.8 **Role of quality circles as part of continuous improvement to processes and systems**

- Solve problems related to quality and implement improvements. √√
- Investigate problems and suggest solutions to management. √√
- Ensure that there is no duplication of activities/tasks in the workplace. √√
- Make suggestions for improving processes and systems in the workplace. √√
- Improve the quality of products/services/productivity through regular reviews of quality processes. √√
- Monitor/Reinforce strategies to improve the smooth running of business operations. √√

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- Increase employees' morale/motivation to boost the team spirit in achieving organisational goals. √√
- Contribute towards the improvement and development of the organisation. √√
- Reduce costs of redundancy and wasteful efforts in the long run. √√
- Increase the demand for products/services of the business. √√
- Create harmony and high performance in the workplace. √√
- Build a healthy workplace relationship between the employer and employee. √√
- Improve employees' loyalty/commitment to the organisational goals. √√
- Improve employees' communication at all levels of the business. √√
- Develop a positive attitude/sense of involvement in decision making processes of the services offered. √√
- Any other relevant answer related to the role of quality circles as part of continuous improvement to processes and systems

Max (6)

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	4
3.2	6
3.3.1	2
3.3.2	4
3.4	4
3.5.1	2
3.5.2	2
3.6	4
3.7	6
3.8	6
TOTAL	40

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QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 **Business environment and extent of control.**

	BUSINESS ENVIRONMENTS	EXTENT OF CONTROL
1.	Micro √	Full control √
2.	Market √	Little control √
3.	Macro √	No control √
	Submax (2)	Submax (2)

NOTE:
1. **Mark the first TWO (2) only.**
2. **Award marks for business environments even if the extent of control were incomplete.**
3. **Do not award marks for extent of control if the environments were incorrectly named.**
4. **Accept responses in any order.**

Max (4)

4.2 **BBBEE Pillars**

	BBBEE PILLARS	MOTIVATIONS
1.	Skills development √√	Fig Entrepreneurs provided training to their staff members since the learnership were not offered. √
2.	Enterprise and Supplier Development/ESD √√	FE created jobs to promote local manufacturing companies. √
	Submax (4)	Submax (2)

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

Max (6)

4.3 **Steps in strategy evaluation**

- Examine the underlying basis √ of a business strategy. √
- Look forward and backwards √ into the implementation process. √
- Compare the expected performance √ with the actual performance. √
- 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 were implemented. √
- Consider the impact of the strategic implementation √ in the internal and external environments of the business. √
- Any other relevant answer related to the steps in strategy evaluation.

NOTE: Accept steps in any order.

Max (6)

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4.4 **Role of SETA in supporting Skills Development Act/SDA**

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

Max (4)

BUSINESS OPERATIONS

4.5 **Aspects that should be included in an employment contract**

- Personal details of the employee. √
- Details of the business/employer such as the name and address. √
- Job title/Position. √
- Job description such as duties/responsibilities and working conditions. √
- Job specification such as formal qualifications and willingness to travel. √
- Date of employment/Commencement of employment. √
- Place where employee will spend most of his/her working time. √
- Hours of work such as normal time and overtime. √
- Remuneration such as weekly or monthly pay. √
- Benefits/Fringe benefits/Perks/Allowances. √
- Leave such as sick/maternity/annual/adoption leave. √
- Employee deductions such as compulsory/non-compulsory. √
- Duration/Period of employment contract/Details of termination/Expiry date of employment contract. √
- Probation period. √
- Signatures of both the employer and employee. √
- List of documents that form part of the contract such as appointment letter/code of conduct/ethics. √

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- Disciplinary policy such as rules/disciplinary procedure for unacceptable behaviour. √
- Any other relevant answer related to aspects that should be included in an employment contract.

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

4.6 **Role of the interviewee during the interview**

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

Max (6)

4.7 **Impact of total client/customer satisfaction as TQM element on large business**

Positives/Advantages

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

AND/OR

Negatives/ Disadvantages

- Employees who seldom come into contact with customers √ often do not have a clear idea of what will satisfy their needs. √
- Monopolistic companies have an increased bargaining power √ so they do not necessarily have to please customers. √

- Not all employees may be involved/ committed √ to total client satisfaction. √
- Any other relevant answer related to negative impact of total client/customer satisfaction as TQM element on large business.

Max (4)

4.8 **Impact of total quality management/TQM if poorly implemented**

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

Max (6)

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2	6
4.3	6
4.4	4
4.5	4
4.6	6
4.7	4
4.8	6
TOTAL	40

TOTAL SECTION B: 80

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SECTION C

Mark the FIRST question only.

QUESTION 5: BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)

5.1 **Introduction**

- The strategic management process allows businesses to develop turnaround strategies to achieve their objectives. √
- Integration strategies are strategies that eliminate competitor and ensure that the is smooth operation between distributers and suppliers. √
- Porters Five Forces are used by businesses to develop relevant solutions to the challenges that are related to daily operations. √
- Diversification strategies provides growth opportunities for businesses as they can identify the strengths and weaknesses of each product line. √
- Any other relevant introduction related to the strategic management process/ integration strategies /Porter's Five Forces model/ advantages of diversification strategies.

Any (2 x 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 a SWOT analysis/Porter's Five Forces model/PESTLE analysis/industrial analysis tools. √√
- Formulate alternative strategies to respond to the challenges. √√
- Develop (an) action plan(s), including the tasks to be done/deadlines to be met/resources to be procured. √√
- Implement selected strategies by communicating it to all stakeholders/
- organising business resources/motivating staff. √√
- Continuously evaluate/monitor/measure strategies in order 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 an environmental analysis using models such as
- SWOT/PESTLE/Porter's Five Forces. √√
- Formulate a strategy, such as a defensive/retrenchment strategy. √√
- Implement a strategy, using a template such as an action plan. √√

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- 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.

Max (12)

5.3 **Application of Porter's Five Forces model**

5.3.1 **Power of buyers**

- Assess how easy it is for buyers/customers √ to drive prices down. √
- Determine the number of buyers/the importance of each buyer to the business √
- and the cost of switching to other products. √
- A few powerful buyers are often able to dictate √ their terms to the business. √
- Buyers buying in bulk can bargain √ for prices in their favour. √
- If buyers can do without the business's products √ then they have more power
- to determine the prices and terms of sale. √
- Conduct market research √ to gather more information about buyers/customers. √
- Any other relevant answer related to how businesses could apply the power of buyers as a force of Porter's Five Forces model to analyse their position in the market environment.

Submax (8)

5.3.2 **Power of competitors/Competitive rivalry**

- Competitors selling the same/similar products/services may have a greater impact √ on the market of the business. √
- 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. √
- Some businesses have the necessary resources to start a price war √ and to continue selling at a loss until some/all competitors leave the market. √
- Competitors using various pricing and marketing strategies, √ are likely to have power over the business. √
- Any other relevant answer related to how businesses could apply power of competitors/competitive rivalry as a force of Porter's Five Forces model to analyse their position in the market environment.

Submax (8)

Max (14)

5.4 **THREE types of integration strategies**

5.4.1 **Forward Vertical integration**√√

- The business combines business with or take over its distributors √ down the supply chain/production chain √/The business merges with businesses that were once their customers √, while still maintaining control of the initial /primary business activity. √

- Involves expansion of business activities to gain control over the direct distribution of the products/services. √
- The business takes over the distribution system √ and sells products/services directly to consumers/customers. √
- Increases profitability √ as the intermediary/distributor/middleman is excluded. √
- Any other relevant answer related to forward vertical integration.

Strategy (2)
Discussion (2)
Submax (4)

5.4.2 **Backward Vertical integration**√√

- The business combines with/merges/takes over √ suppliers up the supply chain/production chain. √/ The business expands its role to fulfil activities/tasks √ that were formerly/previously completed by the suppliers. √
- The aim is to decrease √ the business's dependency on the supplier. √
- Enables the businesses to cut the costs √ and have the influence over the prices/quality/quantity of raw materials. √
- Any other relevant answer related to backward vertical integration.
-

Strategy (2)
Discussion (2)
Submax (4)

5.4.3 **Horizontal integration**√√

- A business takes control of/ incorporates other businesses √ in the same industry/which produce/sell the same/similar goods/services. √/ It is the acquisition /takeover of a related business √ that operates at the same level of supply chain in the industry. √
- The aim is to reduce the threat of competition /substitute products/services. √
- Increases the market share /sales/profits √ and enhance the production/distribution. √
- Suitable for businesses that operate in multiple geographical areas √ through joint ventures/licencing/franchising. √
- Any other relevant answer related to horizontal integration.

Strategy (2)
Discussion (2)
Submax (4)
Max (12)

5.5 **Advantages of diversification strategies**

- Increases sales and business growth. √√
- Improves the business brand and image. √√
- More products can be sold to existing customers and additional more new markets can be established. √√

- Businesses gain more technological capabilities through product
- modification. √√
- Diversification into a number of several industries or product lines can help create a balance during economic fluctuations. √√
- Businesses produce more output using less inputs as one factory may be used to manufacture more products. √√
- Any other relevant answer related to the advantages of diversification strategies.

Max (8)

5.6 **Conclusion**

- Strategic management processes are essential for businesses to achieve goals and sustain a competitive advantage. √√
- Applying the Porter's Five Forces assist the businesses to make informed decisions and to enhance profitability. √√
- Integration strategies improves the efficiency and control over the suppliers and distributers. √√
- Diversification strategies expands customer based and revenue streams in the business. √√
- Any other relevant conclusion related to strategic management process/Porter's Five Forces model/types of integration strategies/advantages of diversification strategies.

Any (1 x 2) (2)
[40]

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	32 Max
Strategic management process	12	
Application of the Porter's Five Forces model: Power of buyers Power of competitors/Competitive rivalry	14	
Types of integration strategies	12	
Advantages of diversification strategies	8	
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.

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QUESTION 6: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)

6.1 **Introduction**

- The purchasing function involves the correct procedures when making procurement and handling of stock. √
- Good quality management is a systematic approach to ensuring products or services consistently meet customer requirements. √
- Continuous skills development improves the quality of products and services that are rendered by the business. √
- Monitoring and evaluation of quality processes assist businesses to identify gaps in their processes and systems to avoid project failure. √
- Total quality management can reduce the cost of quality when all the departments work towards achieving quality in products/services that are produced/rendered. √
- Any other relevant introduction related to quality indicators for the purchasing function/good quality management/impact of TQM elements and ways in which TQM can reduce the cost of quality.

Any (2 x 1) (2)

6.2 **Quality indicators of the purchasing function.**

- Buy raw materials in bulk at lower prices. √√
- Select reliable suppliers that render the best quality raw materials/capital goods at reasonable prices. √√
- Place orders timeously and regular follow-ups to ensure that goods are delivered on time. √√
- 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/reduce out-dated 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. √√
- Ensure that there is no break in production due to stock shortages. √√
- Establish relationships with suppliers so that they are in alignment with the business's vision/mission/values. √√
- Have a thorough understanding of supply chain management to apply the correct procurement procedures. √√
- Any other relevant answer related to quality indicators of the purchasing function.

Max (12)

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

- Effective customer services are rendered √, resulting in increased customer satisfaction. √
- Time and resources √ are used efficiently. √
- Productivity increases √ through proper time management/using high quality resources. √
- Products/Services are constantly improved √ resulting in increased levels of customer satisfaction. √
- Vision/Mission/Business goals √ may be 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 √ resultingin 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 benefits of good quality management.

Max (14)

6.4 **Impact of total quality management/TQM elements on large businesses**

6.4.1 **Continuous skills development/ Education and training**

Positives/Advantages

- Large businesses have a human resources department dedicated √ to skills training and development. √
- Human resources experts ensure that training programmes are relevant √ to increased customer satisfaction. √
- Ability to afford √ specialised/skilled employees. √
- 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 positives of continuous skills development/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. √
- De-motivates employees√ if they do not receive recognition for training. √
- Employees who specialise in narrowly defined jobs √ may become frustrated/demotivated. √
- Employees may not be aware of the level of competency they should meet in order to achieve their targets.
- It may be difficult to monitor/evaluate √ the effectiveness of training. √

- Any other relevant answer related to negatives of continuous skills development/training.

Submax (6)

6.4.2 **Monitoring and evaluation of quality processes**

Positives/ Advantages

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

AND/OR

Negatives/ Disadvantages

- Large businesses are often divided √ and the departments work in silos. √/ It is difficult to get everyone to communicate. √
- It often takes longer to detect problems or respond √ to weaknesses. √
- It is not viable √ to check quality of all the products. √
- Any other relevant answer related to negatives of monitoring and evaluation.

Submax (6)

Max (12)

6.5 **Ways in which total quality management (TQM) can reduce the cost of quality**

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

Max (8)

6.6 **Conclusion**

- Purchasing function plays a vital role in the success of the business by contributing to quality of products and services. √
- The benefits of good quality management improve efficiency and productivity. √
- Continuous skills development assists the business to stay relevant in rapidly changing markets. √
- Monitoring and evaluation enables the business to track progress and performance of its activities. √
- Implementing total quality management will reduce the cost of quality by minimising rework and repair costs in the business. √
- Any other relevant conclusion related to quality indicators for the purchasing function/good quality management/impact of TQM elements and ways in which TQM can reduce the cost of quality.

Any (1 x 2) (2)

[40]

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	**2**	**Max 32**
Quality indicators of purchasing function	**12**	
Benefits of good quality management	**14**	
Impact of TQM elements	**12**	
Ways in which TQM can reduce the cost of quality	**8**	
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.

TOTAL SECTION C: 40
GRAND TOTAL: 150

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