KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

GRADE 12

NATIONAL SENIOR CERTIFICATE

BUSINESS STUDIES P1
PREPARATORY EXAMINATION
SEPTEMBER 2024
MEMO

MARKS: 150

This marking guideline consist of 29 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
Senior Marker:	Green
Deputy Chief Marker:	Brown
Chief Marker:	Pink
Internal Moderator:	Orange
DBE Moderator:	Turquoise

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.

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

9. Correct numbering of answers to questions or 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 **appositive/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 guideline and the context of each question.

    Cognitive verbs, such as:

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

    12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, analyse, evaluate, (*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 or use the word 'Cancel'.

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

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

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

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

14.4.1 If the number of facts 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 Content Conclusion	**Maximum: 32**
Insight	**8**
TOTAL	**40**

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body, and a conclusion?	**2**
Analysis and interpretation	Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked? Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	**2**
	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-questions)** of the question with **only OR some relevant** facts; one '-S' appears in **the left margin.** Award a maximum ONE(1) **mark for** synthesis. **Option 3 : Some relevant facts: 1 mark (One '-S')** Where a candidate answers FOUR sub-questions, of the the question with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) for synthesis. **Option 4 :No relevant facts : 0 marks (Two '-S')** Where a candidate answers less than 50% (only one sub-question) of the question with no Relevant facts;two '-S' appear in the left margin Award a ZERO mark for synthesis	
Originality	Is there evidence of examples based on recent information, current trends and developments?	**2**
	TTAL 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.**

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

15.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows:(L – Layout, A – Analysis, S – Synthesis, O – Originality)as 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 intoexisting 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 C**
1.1.2 A
1.1.3 B
1.1.4 D
1.1.5 A

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

1.2 1.2.1 learnership
1.2.2 divestiture
1.2.3 secondary
1.2.4 recruitment
1.2.5 administration

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

1.3 1.3.1 C ✓✓
1.3.2 E ✓✓
1.3.3 I ✓✓
1.3.4 H ✓✓
1.3.5 B ✓✓

(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 FIRST TWO QUESTION only.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 Provisions of the BCEA

- Regulation of working time: Ordinary hours of work/ Overtime/Meal Intervals/Sunday work/Public holidays ✓
- Leave. ✓
- Particulars of employment and remuneration. ✓
- Termination of employment. ✓
- Prohibition of employment of children and forced labour. ✓

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

2.2 Purpose of Employment Equity Act, (EEA), 1998 (Act 55 of 1998)

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

Max (4)

2.3.1 Quotation of consumer rights according to national Credit Act from the scenario.

- Customers are allowed to apply for credit without discrimination ✓
- They can also apply for debt review if they can no longer afford to repay debt.✓

Note: 1. Mark the first two

Max (2)

2.3.2 Ways in which businesses can comply with National Credit Act

- 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. ✓
- Submit an annual compliance report✓ to the National Credit Regulator. ✓
- Conduct affordability assessment✓ to ensure the consumer has the ability to meet his/her obligation. ✓
- Conduct credit check 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). ✓
- Verify the identity of clients, ✓ report suspicious transactions✓/train staff on their obligations✓ in terms of FICA. ✓
- Any other relevant answer related to ways in which businesses can comply with National Credit Act

Max (6)

2.4 Role of SETAs in supporting Skills Development Act.

- 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. ✓✓
- Promote learnerships and learning programmes by identifying suitable workplaces for practical work experience. ✓✓
- Any other relevant answer related to role/functions of SETAs in supporting Skills Development Act on businesses.

Max (4)

2.5 Identification of Porters Five Forces from statements.

2.5.1 Power of competitors. ✓✓ **(2)**

2.5.2 Threat of substitute/substitute products.✓✓ **(2)**

2 .6 Advantages of intensive strategies

- Increase in sales/income✓ and profitability. ✓
- Regular sales to existing customers✓ may increase. ✓
- Gain customer loyalty✓ through effective promotion campaigns. ✓
- Improved service delivery✓ may positively impact/increase sales. ✓
- Eliminate competitors✓ and dominate market prices. ✓
- Decrease in price could influence customers✓ to buy more products. ✓
- 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)

2.7 Types of integration strategies.

Horizontal ✓✓

- A business takes control of / incorporates other businesses in the same industry /which produce/sell 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/service. ✓
- Increases market share/sales/profits and enhance production/distribution. ✓
- Suitable for businesses that operate in the multiple geographical areas through joint ventures/licencing/franchising. ✓
- Any other relevant answer related to horizontal integration as the integration strategy

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

Forward vertical✓✓

- A business combines/takes 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 the business activities to gain control over direct distribution of the product/services.✓
- The business takes over the distribution system and sells product/services directly to consumers/customers. ✓
- Increases profitability as the intermediary /distributor/middleman is excluded /eliminated. ✓
- Any other relevant answer related to forward vertical as the integration strategy

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

Backward vertical✓✓

- The business combines with/merges with/takes over its suppliers up the supply chain/production chain. ✓/The business expands its role to fulfil activities /tasks that were formally/previously completed by suppliers. ✓
- Aims at decreasing the business dependency on the supplier.
- Enables businesses to cut costs and have influence over the price/quality/quantity of raw material. ✓
- Any other relevant answer related to backward vertical as the integration strategy

Strategy (2)
Explanation (1)
Sub max (3)
Max (6)

NOTE: Mark first TWO strategies only
Award marks for strategy even if the explanation is incorrect

2.8.1 Identification of PESTLE factor.

- Economic factor✓✓ **(2)**

2.8.2 Strategies /Recommendations/Ways to deal with challenges posed by economic factors to businesses.

- Borrow money from financial institutions when interest rates are favourable/low ✓✓
- Consider exchange rates when trading with other countries/ import goods when exchange rates are low. ✓✓
- Consider decreasing profit margins rather than increasing product prices. ✓✓
- Any other relevant answer related to strategies/recommendations to deal with challenges posed by economic factors to businesses.

Max (4)

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	4
2.2	4
2.3.1	2
2.3.2	6
2.4	4
2.5.1	2
2.5.2	2
2.6	4
2.7	6
2.8.1	2
2.8.2	4
Total	40

QUESTION 3: BUSINESS OPERATIONS

3.1 Sources of internal recruitment

- Internal e-mails/Intranet/web sites to staff. ✓
- Word of mouth/Staff meetings. ✓
- Business newsletters/circulars to staff. ✓
- Internal/management referrals. ✓
- Office notice boards. ✓
- Internal bulletins. ✓
- Recommendation by current employees/staff. ✓
- Head hunting within the business/organisational database. ✓

Note: Mark first THREE internal sources

(3 x 1) (3)

3.2 Salary determination methods

Piecemeal✓✓

- Workers are paid according to the number of items or units produced/ actions performed. ✓
- Workers are not remunerated for the number of hours worked, regardless of how long it takes them to make the items. ✓
- Mostly used in factories particularly in the textile/technology industries✓
- Any other relevant answer related to piecemeal as the salary determination method.

Time related✓✓

- Workers are paid for the amount of time they spend at work/on a task. ✓
- Workers with the same experience /qualifications are paid on salary scales regardless of the amount of work done. ✓
- Many private and public sector businesses use this method. ✓
- Any other relevant answer related to time-related as the salary determination method.

Max (6)

3.3 Identification of type of recruitment

3.3.1 External recruitment.✓✓ (2)

Motivation

The advertisement of a vacant post was placed in billboards and printed media✓ (1)

NOTE: Do not award marks for the motivation if the type of recruitment was incorrectly identified.

Max (3)

3.3.2 Impact of external recruitment

Positives/Advantages

- New candidates bring new talents/ideas/experiences/skills✓ into the business. ✓
- There is a larger pool of candidates✓ to choose from. ✓
- It may help the business✓ to meet affirmative action and BBBEE targets. ✓
- Minimises unhappiness/conflict amongst current employees ✓who may have applied for the post. ✓
- There is a better chance of getting a suitable candidate with the required skills/qualifications/competencies✓ who do not need much training/ development which reduce costs. ✓

Any other relevant answer related to positive impact of external recruitment

AND/OR

Negatives/Disadvantages

- Many unsuitable applications✓ can slow down the selection process. ✓
- New candidates generally take longer ✓to adjust to a new work environment. ✓
- External sources can be expensive✓, e.g. recruitment agencies' fees/advertisements in newspapers/magazines. ✓
- Information on CV✓ may not be reliable. ✓
- The selection process may not be effective ✓and an incompetent candidate may be chosen. ✓
- Recruitment process takes longer/is more expensive✓ as background checks must be conducted. ✓
- In-service training may be needed ✓which decreases productivity during the time of training. ✓
- Any other relevant answer related to negative impact of external recruitment

Max (4)

3.4 Legal requirements/ legalities of an employment contract

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

- The employer must allow the employee to thoroughly read through the contract before it is signed. ✓✓
- Any other relevant answer related to legal requirements of employment contract

Max (4)

3.5 Distinction between quality control and quality assurance

QUALITY CONTROL	QUALITY ASSURANCE
• System that ensures that desired quality is met ✓by inspection of the final product.✓	• Carried out during and after ✓the production process. ✓
• Ensure that finished product meet✓ the required standard. ✓	• Ensure that required standards have been met✓ at every stage of the process. ✓
• Process of ensuring that products are consistently manufactured✓ to high standard. ✓	• Process put in place to ensure that quality of product/services /systems adhere to pre-set standards✓ with minimal defects/delays/shortcomings. ✓
• Includes setting targets/measuring performance✓ and taking corrective measures. ✓	• Ensures that every process is aimed at getting the product right the first time✓ and prevents mistakes from happening again. ✓
• Checking raw materials/employees/ machinery/ workmanship/products✓ to ensure that high standards are maintained✓.	• The 'building in' of quality✓ as opposed to 'checking for quality. ✓
Any other relevant answer related to quality control	Any other relevant answer related to quality assurance
Sub max (2)	Sub max (2)

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

Max (4)

3.6.1 Identification of total quality management (TQM) elements.

- Continuous improvement to processes and systems. ✓✓
- Monitoring and evaluation of quality processes. ✓✓

Max (4)

3.6.2 Quality indicators of marketing function.

- Increasing✓ their market share. ✓
- Winning customers✓ by satisfying their needs/wants/Building positive relationships. ✓
- Adhering to ethical advertising practices✓ when promoting products/services. ✓
- Identifying a competitive advantage✓ to focus/improve on marketing strengths. ✓
- Differentiating products✓ in order to attract more customers✓.
- Constantly reviewing✓ value issues. ✓

- Communicating effectively with customers to get feedback✓ about their experience of products sold/services rendered. ✓
- Using pricing techniques✓ to ensure a competitive advantage. ✓
- Determine gaps between customer expectations and actual experiences, ✓ so that problems/unhappiness may be diagnosed and addressed. ✓
- Making adjustments and changes to products/services✓ based on feedback from customers/results of market research. ✓
- Use aggressive advertising campaigns✓ to sustain the market share. ✓
- Co-ordinate distribution with production✓ and advertising strategies. ✓
- Any other relevant answer related to other quality indicators of marketing function

Max (4)

3.7 Benefits of good quality management system to businesses

- 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 benefits/advantages of good quality management system.

Max (4)

3.8 Impact of adequate financing and capacity as a TQM element on businesses

Positives/Advantages

- Large businesses have sufficient financing✓ to test everything before implementing. ✓
- They can afford to have systems in place ✓ to prevent errors in processes/defects in raw materials/products. ✓
- Able to afford product research/market researchers✓ to gather information. ✓
- Can afford to purchase quality raw materials✓ and equipment. ✓
- Any other relevant answer related to positive impact of adequate financing and capacity as an element of TQM.

AND/OR

Negatives/Disadvantages

- If the demand for company's product increases, orders begin coming in faster than expected, ✓ and the company lacks the capital required to fund the production of the stock to fill the orders. ✓
- These rapidly growing companies can consume large amounts of capital✓ as they try to balance normal operations and expansion. ✓
- Any other relevant answer related to negative impact of adequate financing and capacity as an element of TQM

Max (4)

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	3
3.2	6
3.3.1	3
3.3.2	4
3.4	4
3.5	4
3.6.1	4
3.6.2	4
3.7	4
3.8	4
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 Business environments and extent of control

BUSINESS ENVIRONMENTS	EXTENT OF CONTROL
1. Micro environment✓	Full control✓
2. Market environment✓	Partial/Some/Limited/Less/Little control✓
3. Macro environment✓	No control✓
Sub max (3)	Sub max (3)

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

Max (6)

4.2 Rights of employers according to Labour Relations Act

- Form employer organisations✓to represent them in labour related matters✓
- Form a bargaining council✓ for collective bargaining purposes. ✓
- Employers have the right to lockout employees ✓who engage in unprotected/illegal strike/labour action. ✓
- Dismiss employees who are engaged in an unprotected strike/misconduct✓ such as intimidation/violence during a strike action. ✓
- Right not to pay an employee who has taken part in a protected strike✓ for services/work they did not do during the strike✓
- Any other relevant answer related to rights of employers according to Labour Relations Act.

Max (6)

4.3 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 in order to determine the reasons for deviations✓ and analyse these reasons. ✓
- Take corrective action ✓so that deviations may be corrected. ✓
- Set specific dates for control✓ and follow up. ✓
- Draw up a table of the advantages and disadvantages✓ of a strategy. ✓
- Decide on the desired outcome 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 steps in evaluating a strategy

Note: 1. Steps may be in any order.

Max (4)

4.4 Implication of ownership as BBBEE pillar on businesses

- Business should include black people✓ in shareholding/partnerships/ franchises. ✓
- Encourage small black investors✓ to invest in big companies and share ownership. ✓
- Exempted Micro Enterprises (EMEs) with an ownership of 50% or more of black people are promoted to level 3✓ of the BEE scorecard. ✓
- More opportunities are created for black people✓ to become owners/ entrepreneurs. ✓
- Large businesses should form joint ventures with small black owned businesses✓and share business risks. ✓
- Businesses sometimes find it difficult✓ to locate suitable black business partners/ shareholders. ✓
- Many black people cannot afford shares✓ in companies/contributions to partnerships. ✓
- Any other relevant answer related to implication of ownership as BBBEE pillar.

Max (4)

BUSINESS OPERATIONS

4.5 Meaning of employment contract

- Employment contract is an agreement between the employer ✓and the employee and is legally binding.✓
- It provides details on rules, responsibilities and expectations✓ for the work relationship✓
- Specifies the duties that will be carried out by the employees✓ in exchange for remuneration from the employer. ✓.
- Any other relevant answer related to meaning of employment contract.

Max (2)

4.6.1 Examples of fringe benefits from the scenario

- Car allowance. ✓
- Pension fund✓
- Medical aid ✓

Mark the first TWO (2) examples of fringe benefits. (2)

4.6.2 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. ✓
- New employees may establish relationships✓ with fellow employees at different levels. ✓
- Employees will be familiar with organisational structures✓, e.g., who are their supervisors/low level manager. ✓
- Make new employees feel at ease in the workplace✓, which reduces anxiety/insecurity/fear. ✓
- New employees will understand their 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 focused training. ✓
- Opportunities are created for new employees✓ to experience/explore different departments ✓
- New employees will know the layout of the building/factory/offices/✓ where everything is, which saves production time. ✓
- Learn more about the business✓ so that new employees understand their roles/ responsibilities in order to be more efficient. ✓
- Company policies are communicated✓, regarding conduct and procedures/safety and security/employment contract/conditions of employment/working hours/leave. ✓
- Realistic expectations✓ for new employees as well as the business are created. ✓
- New employees may feel part of the team✓ resulting in positive morale and motivation. ✓
- Employees may have a better understanding✓ of business policies regarding ethical/professional conduct/procedures/CSR, etc. ✓
- Reduces the staff turnover✓ as new employees have been inducted properly. ✓
- Any other relevant answer related to benefits of induction.

Max (6)

4.7 Application of PDCA cycle in improving the quality of products

Plan ✓✓

- The business should identify the problem and develop a plan for improvement to processes and systems. ✓
- Answer questions such as 'what to do' and 'how to do it'. ✓
- Plan the new method and approach to improve the quality of their product. ✓
- The plan must be logical /sequential for implementers to understand it. ✓
- Any other relevant answer related to *plan* as a PDCA step.

Step 2
Description 1
Sub max (3)

Do✓✓

- The business should implement the change on a small scale. ✓
- Implement the processes and systems as planned. ✓
- The implementers aim to effectively /accurately execute the change based on the plan/method. ✓
- The step is essential in determining whether change has viability/
- potential. ✓
- Any other relevant answer related to *do* as a PDCA step.

- Step 2
- Description 1
- Sub max (3)

Check/Analyse ✓✓
- Use data to analyse the results of change. ✓
- Determine whether it made a difference and what needs to be improved. ✓
- Check whether the processes are working effectively. ✓
- The business should assess, plan and establish if it is working/if things are going according to plan. ✓
- Any other relevant answer related to *check/analyse* as a PDCA step.

- Step 2
- Description 1
- Sub max (3)

Act ✓✓
- Institutionalise the improvement to meet the needs of the business. ✓
- Devise strategies on how to continually improve. ✓
- If the change was successful, implement it on a wider scale. ✓
- Continuously revise the process until they get it right. ✓
- Any other relevant answer related to *act* as a PDCA step.

- Step 2
- Description 1
- Sub max (3)

Note: 1. Mark the first TWO (2) steps of PDCA
2. Steps may be in any order

Max (6)

4.8 Impact of TQM elements if poorly implemented by businesses.

- Setting unrealistic deadlines that may not be achieved. ✓✓
- Employees may not be adequately trained resulting in poor quality products. ✓✓
- Decline in productivity, because of stoppages. ✓✓
- Businesses may not be able to make necessary changes of products/services to satisfy the needs 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 the impact of TQM if it is poorly implemented by businesses.

Max (4)
[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1.	6
4.2.	6
4.3	4
4.4	4
4.5	2
4.6.1	2
4.6.2	6
4.7	6
4.8	4
TOTAL	40

TOTAL SECTION B: 80

SECTION C

Mark the FIRST question only.

QUESTION 5: BUSINESS ENVIRONMENTS (LEGISLATION)

5.1 Introduction

- The purpose of Consumer Protection Act is to protect consumers against unfair selling of goods and services. ✓
- The Consumer Protection Act caters for the rights of consumers that were previously disadvantaged in consumer market. ✓
- Businesses must be aware of the positive and negative impact of CPA. ✓
- It is compulsory for businesses operating within the country to comply with the requirements of Consumer Protection Act ✓
- Any other relevant introduction to the purpose of CPA/ rights of consumers according to CPA/the impact of CPA on businesses /ways to comply with Consumer Protection Act.

Any (2x1) (2)

5.2 Purpose of Consumer Protection Act

- Promotes responsible consumer behaviour. ✓✓
- Establishes national standards to protect consumers. ✓✓
- Establishes a National Consumer Commission (NCC). ✓✓
- Establishes national standards to protect consumers. ✓✓
- Promotes and protects the economic interests of consumers by providing access to information. ✓✓
- Promotes fair/accessible and sustainable places for people to sell their products. ✓✓
- Promotes consistent laws relating to consumer transaction and agreement. ✓✓
- Promotes the rights and full participation of historically disadvantaged individuals as consumers. ✓✓
- Promotes consumer safety by protecting them from hazardous products/services. ✓✓
- Provides guidelines for better consumer information and to prohibit unfair business practices. ✓✓
- Ensures that consumers have access to information they need to make informed choices. ✓✓
- Ensures that consumers are not misled/deceived by suppliers of goods/services. ✓✓
- Empowers consumers to take legal action if their rights are not upheld. ✓✓
- Strengthens a culture of consumer rights and responsibilities. ✓✓
- Protects consumers against contracts that include unfair terms which limit the liability of suppliers. ✓✓
- Protects consumers against dishonest businesses such as fly-by-night franchisors. ✓✓
- Allows for consumers and businesses to resolve disputes fairly/effectively.✓✓
- Any other relevant answer related to purpose according to Consumer Protection Act.

Max (12)

5.3 Consumer rights according to Consumer Protection Act

5.3.1 Right to choose

- choose suppliers✓ and/or goods. ✓
- shop around✓ for the best prices. ✓
- return goods that are unsafe/defective✓ for a full refund✓
- reject goods✓ that are not the same as the sample marketed. ✓
- cancel/renew✓ fixed term agreements. ✓
- request written quotations✓ and cost estimates. ✓
- Any other relevant answer related to right to choose.

Sub max (6)

5.3.2 Right to disclosure and information

- Contracts and agreements should be in plain language✓ and easy to understand. ✓
- Businesses should display prices✓ which are fully inclusive disclosing all costs. ✓
- Businesses should label products✓ and trade descriptions correctly. ✓
- Consumers may request the unit and bulk price✓ of the same product. ✓
- If two prices for the same product are displayed, ✓ consumers should pay the lower price. ✓
- All information related to the country of origin, expiry dates/ingredients of the products✓ should be disclosed. ✓
- Any other relevant answer related to right to disclosure and information.

Sub max (6)
Max (12)

5.4 Impact of Consumer Protection Act on businesses

Positives/Advantages

- Businesses may be safeguarded✓ from dishonest competitors. ✓
- Businesses may be protected✓ if they are regarded as consumers. ✓
- Prevents larger businesses✓ from undermining smaller ones. ✓
- May gain consumer loyalty, ✓ if they comply with CPA. ✓
- Enables businesses to resolve disputes fairly✓ through the National Consumer Commission/Consumer Court/Industrial ombudsmen. ✓
- Businesses may build a good image✓ if they ensure that they do not violate consumer rights. ✓
- Any other relevant answer related to positive impact of CPA on businesses

AND/OR

Negatives/Disadvantages

- Confidential business information may become available✓ to competitors. ✓
- Penalties for non-compliance✓ may be very high. ✓
- Businesses may feel unnecessarily burdened✓ by legal processes. ✓
- They have to disclose more information✓ about their products and processes/services. ✓
- Staff need to be trained /Legal experts need to be consulted, ✓ which can increase costs. ✓
- Many business documents need to be simplified /revamped at extra cost✓ as consumers have a right to receive contracts in simple/understandable language. ✓

- Administration costs increase ✓as legal contracts need to be worded in plain language /pitched at the level of the consumer. ✓
- Businesses may need insurance against claims ✓from consumers /provisions in the Act increase risks for unforeseen claims and lawsuits. ✓
- Businesses have to replace/repair faulty items/refund money ✓if the fault occurs within six months after purchase. ✓
- Supply chain management in stock levels will have to change, ✓ as defective goods have to be replaced within six months at the request of the consumer. ✓
- Information technology systems need to be improved✓ as the retailer must keep more detailed records of interactions with consumers /be able to report to the National Consumer Commission. ✓
- Consumers can take advantage of a business and return goods✓ when it is not necessary to do so. ✓
- Processes and procedures required by CPA can be expensive✓ and time consuming. ✓
- Any other relevant answer related to negative impact of CPA on businesses.

Max (12)

5.5 Ways in which businesses can comply with CPA

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

Max 10

5.6 CONCLUSION

- The CPA provides platform for consumers to raise/address issues in relation to the buying of goods and services. ✓✓
- Businesses must avoid actions that may lead to infringement of the right to choose/to information and disclosure as stipulated in the CPA. ✓✓
- Both businesses and consumers may benefit from provisions in the CPA.✓✓
- Businesses that comply with the requirements of the Act may minimise complains from the customers. ✓✓
- Any other relevant conclusion related to the purpose of CPA/ consumer rights according to CPA/impact of CPA on businesses/ways in which businesses may comply with CPA.

Any (1X2) (2)

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Purpose of CPA	12	
Rights of consumers according to CPA: o Right to choose o Right to information and disclosure	 6 6	
Impact of CPA on businesses	12	
Ways businesses can comply with CPA	10	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		**40**

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

QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCES FUNCTION)

6.1 Introduction

- Proper selection procedure enables businesses to select suitable applicants for vacant positions in the workplace. ✓
- An interviewer should organise and put proper measures in place before conducting an interview. ✓
- Employment contract is a legal agreement and therefore can only be terminated following legal procedure. ✓
- Fringe benefits /perks are benefits above the salary package, which are usually exempt from tax. ✓
- Any other relevant answer related to introduction to selection procedure/role of interviewer/ reasons for termination of an employment contract/ impact of fringe benefits to businesses.

Any (2x1) (2)

6.2 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 were 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.

NOTE: The procedure can be in any order

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 other relevant answer related to selection procedure.

NOTE: The procedure can be in any order

Max (12)

6.3 Role of interviewer when preparing/before an interview

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

Max (12)

6.4 Reasons for termination of an employment contract

- An employee may voluntarily resign, ✓/ chooses to leave the organisation voluntary for better job opportunities. ✓
- An employer may retrench/ let go of some employees✓ due to insolvency. ✓
- Employee is asked to leave the organisation/dismissed ✓due to bad conduct, breach of contract or illegal behaviour ✓
- An employee may retire if he/she reaches certain age✓ and do not have to work any longer. ✓
- When an employer no longer has work for employees/ employees have become redundant✓ and cannot fulfil the contract required. ✓
- Incapacity to work✓ due to illness / injuries. ✓
- By mutual agreement✓ between the employer and the employee✓
- The duration of the employment contract✓ had come to an end. ✓
- Any other relevant answer related to reasons for termination of an employment contract

Max (12)

6.5 Impact of fringe benefits to businesses

Positives/Advantages

- Improves productivity✓ resulting in higher profitability. ✓
- Attractive fringe benefit packages✓ may result in higher employee retention/reduces employee turnover✓.
- Attracts qualified/skilled/experienced employees✓ who may positively contribute towards the business goals/objectives. ✓
- It increases employee satisfaction/loyalty ✓as they may be willing to go the extra mile. ✓
- Businesses save money✓ as benefits are tax deductible. ✓
- Fringe benefits can be used as leverage✓ for salary negotiations. ✓
- Any other relevant answer related to positive impact of fringe benefits to businesses

AND/OR

Negatives/Disadvantages

- 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 business profits, ✓ as incentive/package/remuneration costs are higher. ✓
- Businesses who offer employees different benefit plans✓ may create resentment to 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 have to pay advisors/attorneys✓ to help them create benefit plans that comply with law. ✓
- Any other relevant answer related to negative impact of fringe benefits to businesses.

Max (10)

6.6 Conclusion

- The selection process is critical as the overall performance can be enhanced by hiring the most suitable employees. ✓✓
- Businesses may conduct successful interviews if preparations are done in advance and thoroughly. ✓✓
- The termination of an employment contract must be supported by the valid reasons as stipulated in the BCEA. ✓✓
- Fringe benefits should be kept minimal to reduce high operational costs. ✓✓
- Any other relevant conclusion related to selection procedure/role of interviewer/ reasons for termination of an employment contract/ impact of fringe benefits to businesses.

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

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	**2**	**Max 32**
Selection procedure	**12**	
Role of interviewer during interview	**12**	
Reasons for termination of an employment contract	**12**	
Impact of fringe benefits on businesses.	**10**	
Conclusion	**2**	
INSIGHT		**8**
Layout	**2**	
Analysis/Interpretation	**2**	
Synthesis	**2**	
Originality/Examples	**2**	
TOTAL MARKS		**40**

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

TOTAL SECTION C:40

GRAND TOTAL:150

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