education

Department:
Education
PROVINCE OF KWAZULU-NATAL

NATIONAL SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES

PREPARATORY EXAMINATION

SEPTEMBER 2019

MARKS: 300

TIME: 3 hours

This question paper consists of 18 pages.

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INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of THREE sections and covers all broad topics.

   SECTION A: COMPULSORY
   SECTION B: Consists of FIVE questions.
   Answer any THREE of the FIVE questions in this section.
   SECTION C: Consists of FOUR questions.
   Answer any TWO of the FOUR questions in this section.

2. Read the instructions for each question carefully and take particular note of what is required.

3. Number the answers correctly according to the numbering system used in this question paper. NO marks will be awarded for answers that are numbered incorrectly.

4. Except where other instructions are given, answers must be in full sentences.

5. Use the mark allocation and the nature of each question to determine the length and depth of an answer.

6. Use the table below as a guide for mark and time allocation when answering each question.

SECTION	QUESTION	MARKS	TIME (minutes)
A: Objective type questions COMPULSORY	**1**	**40**	**30**
B: FIVE direct/indirect type questions (CHOICE: Answer any THREE)	**2**	**60**	**30**
	3	**60**	**30**
	4	**60**	**30**
	5	**60**	**30**
	6	**60**	**30**
C: FOUR essay type questions (CHOICE: Answer any TWO)	**7**	**40**	**30**
	8	**40**	**30**
	9	**40**	**30**
	10	**40**	**30**
TOTAL:		**300**	**180**

7. Begin the answer to EACH question on a NEW page, e.g. QUESTION 1 – new page, QUESTION 2 – new page, etc.

8. You may use a non-programmable calculator.

9. Write neatly and legibly.

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SECTION A: (COMPULSORY)

QUESTION 1: MULTIPLE CHOICE

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question numbers (1.1.1 to 1.1.10) in the ANSWER BOOK, e.g. 1.1.11 D.

1.1.1 Ownership, management and control are pillars of this Act.

A Labour Relations Act, 1995 (Act 66 of 1995)
B Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003)
C Basic Conditions of Employment Act, 1997 (Act 75 of 1997)
D Skills Development Act, 1998 (Act 97 of 1998)

1.1.2 Concentric diversification strategy refers to...

A when the business adds a new product or service that is unrelated to existing products and which may appeal to existing customers.
B when a business acquires or merges with a business that is at the same production stage, but may offer a different product.
C when the business adds a new product or service that is related to existing products and which will appeal to new customers.
D when the business adds new products or services that are unrelated to existing products which may appeal to new group of customers.

1.1.3 An over-insured building implies that it is insured for ...

A equal to its book value
B less than its actual value
C more than its market value
D less than its replacement value

1.1.4 Tammy invested R4 000 in Money Bank at 10% per annum simple interest for three years. Money Bank will pay out ..... after three years when the investment matures.

A R5 200
B R4 400
C R5 324
D R1 200

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1.1.5 Which ONE of the following is an advantage of corporate social responsibility in a business?

A Detailed reports must be drawn up
B Increases financial risks
C Projects must be constantly monitored
D Good publicity to improve reputation

1.1.6 Gomez Ltd is not only concerned about their financial position, but also about their social and environmental successes. They therefore report on ..... performance.

A social
B profitability
C triple bottom line
D sales

1.1.7 The right of employees to join trade unions is known as freedom ...

A speech.
B expression.
C movement.
D association.

1.1.8 Team dynamic theories helps businesses to ...

A allocate tasks to team members with similar personalities.
B establish good relationships with teams
C promote total satisfaction.
D allocate tasks according to the roles of team members.

1.1.9 The ..... procedure matches the requirements of a post with the strengths of a candidate.

A remuneration
B recruitment
C placement
D induction

1.1.10 Total Quality Management requires the involvement of ...

A only the supervisors.
B only top level and middle- level managers.
C everyone in the organization.
D only the bottom level workers. (10 x 2) (20)

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1.2 Complete the following statements by using the words provided in the list below. Write only the word(s) next to the question numbers (1.2.1 to 1.2.5) in the ANSWER BOOK.

ten; interview; internal; RAF; charismatic; UIF; workplace forums Consumer Council; external; CCMA; autocratic; eight; induction.

1.2.1 Workers are allowed to work a maximum of … hours overtime per week.

1.2.2 Workers with low morale can be inspired by the insight and personality of … leaders.

1.2.3 Jane was unfairly discriminated by her manager. She referred her dispute to the … for resolution.

1.2.4 Jack Trading Enterprise used the … method of recruitment when they advertised a vacant post on the notice boards.

1.2.5 The … is a formal procedure conducted between the shortlisted candidates and the employer to fill a vacant post. (5 x 2) (10)

1.3 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–J) next to the question numbers (1.3.1 to 1.3.5) in the ANSWER BOOK, e.g. 1.3.6 K.

COLUMN A	COLUMN B
1.3.1 National Skills Development Strategy	A has triangles within a circle
1.3.2 National credit regulator	B return on investment at a financial institution
1.3.3 Bar graph	C excludes sharing of information amongst all levels of management
1.3.4 Dividends	D guides the work of SETAs
1.3.5 Peoples based management	E collects information relating to the credit ratings of individuals
	F return on an investment in shares
	G oversees compliance with the National Credit Act, 2005 (Act 34 of 2005) credit
	H human resource development strategy
	I a set of figures shown as a series of rectangles
	J keeps staff informed of latest quality standards

(5 x 2) (10)

TOTAL SECTION A: 40

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SECTION B

Answer ANY THREE questions from this section.

NOTE: Clearly indicate the QUESTION NUMBER of each question that you choose. The answer to EACH question must start on a NEW page, e.g. QUESTION 2 on a NEW page, QUESTION 3 on a NEW page, etc.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 List any FOUR components of the PESTLE analysis. (4)

2.2 Outline the role of SETAS. (8)

2.3 Read the scenario below and answer the questions that follow:

DUDU'S SUPERMARKET (DS)

Maureen Khoza is the sales manager at DS. She is entitled to 21 working days annual leave and overtime pay for working on public holidays.

2.3.1 Identify the Act that was applied by DS. Motivate your answer by quoting from the scenario above. (3)

2.3.2 Explain the purpose of the Act identified in QUESTION 2.3.1 (8)

2.4 Describe THREE types of defensive strategies. (9)

2.5 Explain how business could apply following forces from Porters FIVE forces model.

2.5.1 Power of suppliers (4)

2.5.2 Bargaining power/ Buyer power (4)

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2.6 Read the scenario below and answer the questions that follow.

WASHESHA BUS SERVICES (WBS)

Ben and Mandy established the Washesha Bus Services to transport people to various destinations. They want to obtain a loan from the bank to finance their newly established business. The interest rate has increased by 0.5%. WBS employees are frequently absent from work. The business has lost clients to Johnny's Bus Service due to their lower prices and excellent quality services.

2.6.1 Name the business sector in which WBS operates. Motivate your answer by quoting from the scenario above. (3)

Use the table below as a guide to answer the question 2.6.2, 2.6.3 and 2.6.4 below.

Challenges (2.6.2)	Business environment (2.6.3)	Extent of control (2.6.4)

2.6.2 Quote THREE challenges that is affecting WBS (3)

2.6.3 Classify EACH challenge identified in QUESTION 2.6.2 according to their business environments. (3)

2.6.4 State the extent of control WBS has over EACH business environment mentioned in Q2.6.3. (3)

2.7 Recommend ways in which a business can comply with the Compensation for Occupational Injuries and Diseases Amendment Act (COIDA) 1997 (Act 61 of 1997) (8)

[60]

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QUESTION 3: BUSINESS VENTURES

3.1 Name FOUR factors that should be considered when making an investment decision. (4)

3.2 Read the scenario below and answer the questions that follow:

NDIMANDE'S SUPERMARKET (NS)

Mr Ndimande owns a supermarket that is not insured. He approaches you to advise him on insurance as he wants to insure his business against fire and theft.

3.2.1 Identify the type of insurance that is applicable to the scenario above. (2)

3.2.2 Give TWO reasons why insurance is important for businesses. (4)

3.2.3 Explain the type of insurance that Mr Ndimande should consider to protect his dependants when he dies. (4)

3.3 Discuss the following principles of insurance:

(a) Insurable Interest (4)

(b) Utmost Good Faith (4)

3.4 Explain the functions of the Johannesburg Securities Exchange (JSE). (8)

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3.5 Read the scenario below and answer the questions that follow:

VUSI TRANSPORT (PTY) LTD

The management of Vusi Transport (PTY) Ltd wants to expand the business but do not have sufficient capital to achieve this goal.

3.5.1 Name the form of ownership that is applicable to the scenario above. (2)

3.5.2 Describe how the following factors may influence the success and or failure of the form of ownership mentioned in QUESTION 3.5.1:

(a) Management (4)

(b) Division of profits (4)

3.6 Discuss the advantages of a state-owned company. (8)

3.7 Evaluate the effectiveness of a bureaucratic leadership style. (6)

3.8 Suggest THREE reasons why the employees may prefer the laissez-faire or free-reign leadership style (6)

[60]

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QUESTION 4: BUSINESS ROLES

4.1 Name any FIVE types of problem-solving techniques. (5)

4.2 Read the scenario below and answer the questions that follow:

MONTOBELLO MOTOR HOUSE (MMH)

MMH specialises in selling motor vehicles to the public. A recent investigation by a journalist revealed the following:

- Second hand vehicles are advertised as new.
- Submission of incorrect vat returns to the South African Revenue Services.
- Employees are taking longer than normal lunch breaks.

4.2.1 Identify THREE types of unethical / unprofessional business practices from the scenario above. Motivate your answer by quoting from the scenario. (9)

Use the table below as a guide to answer question 4.2.1.

Types of unethical / unprofessional	Motivation

4.2.2 Recommend ONE way in which MMH can address EACH of the unethical/unprofessional business practice identified in QUESTION 4.2.1. (6)

4.3 Explain how businesses can apply King Code principles of transparency and accountability to improve their ethical business practices. (8)

4.4 Discuss the impact of Corporate Social Responsibility (CSR) on businesses. (6)

4.5 Suggest THREE ways in which businesses could contribute to the wellbeing of employees. (6)

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4.6 Identify the problem solving steps that are presented by each of the following statements.

4.6.1 Different options are considered before a decision is taken. (2)

4.6.2 The business is using the identified strategies to solve the problem. (2)

4.6.3 The reason for employee's poor performance is due to lack of skills. (2)

4.6.4 Checking whether the strategy is successful in solving the problem or not. (2)
(8)

4.7 Discuss the advantages of creative thinking in the workplace (6)

4.8 Suggest strategies that businesses may use to protect the environment and human health. (6)

[60]

QUESTION 5: BUSINESS OPERATIONS

5.1 State FIVE aspects that should be included in an induction programme. (5)

5.2 Outline the legal requirements of the employment contract. (6)

5.3 Read the scenario below and answer the questions that follow:

OTTAWA CONSTRUCTION (OC)

Abel is the employee Ottawa Construction. Abel is remunerated according to the number of hours spent at worked and Brian according to the number of houses built. Abel's employment contract has recently been terminated due to regular absence from work.

5.3.1 Identify the method of salary determination applicable to Abel and Brian. Motivate your answer by quoting from the scenario above. (6)

Use the table below as a guide to answer this question.

Employee	Method of salary determination	Motivation
Abel		
Brian		

5.3.2 Quote the reason for the termination of Abel's contract from the scenario above. (1)

5.3.3 Explain FOUR other reasons for terminating an employment contract. (8)

5.4 Explain screening as part of the selection procedure. (6)

5.5 Elaborate on the meaning of *quality management*. (4)

5.6 Distinguish between *quality control* and *quality assurance*. (8)

5.7 Discuss impact on businesses if TQM is poorly implemented. (6)

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5.8 Read the scenario below and answer the questions that follow:

TRUBEL DESIGNERS (PTY) LTD
Truman and Bell started a shirt design company. They agreed on sharing of duties. Truman will be in charge of buying all the raw materials whilst Bell will control the selling and distribution of the shirts.

5.8.1 Identify the TWO business functions applicable to the scenario. Motivate your answer by quoting from the scenario above. (6)

Use the table below as a guide to answer this question

BUSINESS FUNCTION	MOTIVATION
1.	
2.	

5.8.2 Suggest TWO quality indicators of ONE business function identified in QUESTION 5.8.1 (4)

[60]

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QUESTION 6: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

6.1 Outline any THREE steps that businesses may use in strategy formulation. (6)

6.2 Analyse the impact of the Labour Relations Act, 1995 (Act 66 of 1995) on businesses. (8)

BUSINESS VENTURES

6.3 Read the scenario below and answer the questions that follow:

RAINBOW CONCEPTS (RC)

Andile has recently completed a diploma in media relations. Rainbow Concepts (RC) has tasked him to design a multimedia presentation. The management also expects Andile to compile a written report as well as graphs illustrating comparative analysis of sales figures.

6.3.1 Identify TWO examples of non-verbal presentations from the scenario above. (2)

6.3.2 Outline the aspects that Andile should consider when designing a multimedia presentation. (8)

6.4 Discuss the role of personal attitude in successful leadership. (6)

BUSINESS ROLES

6.5 List any FOUR economic rights of employees in the workplace. (4)

6.6 Outline the benefits of diversity in the workplace. (6)

6.7 Distinguish between *professional* and *ethical* behaviour in the workplace. (6)

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BUSINESS OPERATIONS

6.8 Identify the total quality management (TQM) element illustrated in EACH statement below.

6.8.1 Employees are regularly trained to use the latest technology.

6.8.2 The CEO participates in decision- making at all levels of the company.

6.8.3 The management of Glenmore Bakery ensures that customer complaints are handled within 24 hours.

6.8.4 Sufficient capital and equipment are available to render quality services. (8)

6.9 Elaborate on the implications of the Employment Equity Act, 1998 (Act 55 0f 1998) for the human resources function. (6)

[60]

TOTAL SECTION B: 180

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SECTION C

Answer ANY TWO questions.

NOTE: Clearly indicate the QUESTION NUMBER of each question chosen. The answer to EACH question must start on a NEW page, e.g. QUESTION 7 on a NEW page, QUESTION 8 on a NEW page, etc.

QUESTION 7: BUSINESS ENVIRONMENTS (STRATEGIES)

Businesses operate in the dynamic environment that consists of many challenges. They are forced to develop strategies to overcome the challenges of market and macro-environment. All implemented strategies must be constantly reviewed.

As an expert on business strategies, write an essay on the following aspects:

- Describe the strategic management process.
- Differentiate between *market development* and *product development.*
- Discuss diversification strategies.
- Advise businesses on the steps that should be considered when evaluating strategies. **[40]**

QUESTION 8: BUSINESS VENTURES (PRESENTATIONS)

Sipho is a young marketing manager at a large company. He has been requested by the CEO to make a sales presentation to the directors. Sipho decided to make use of slides and handouts to support his verbal presentation.

Keep the scenario in mind and write detailed notes on the following aspects:

- Outline factors that must be considered when preparing for a presentation.
- Evaluate the effectiveness of PowerPoint presentations and hand-outs.
- Explain to Sipho how he should respond to feedback in a professional manner.
- Suggest ways in which Sipho can improve his next presentation. **[40]**

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QUESTION 9: BUSINESS ROLES (TEAM PERFORMANCE, CONFLICT MANAGEMENT AND PROBLEM SOLVING)

TOGETHER WE ACHIEVE MORE

The criteria for successful teams guide teams on how to go through the different stages of team development. Team leaders must be able to resolve conflict within teams in an effective manner. They must also be able to deal with difficult personalities in the workplace.

With reference to the above statement, write an essay on the following aspects:

- Explain FOUR stages of team development.
- Discuss any THREE criteria for successful teams.
- Advise team leaders on how to handle conflict in the workplace.
- Suggest ways in which businesses can deal with the following types of difficult personalities in the workplace:
    - Indecisive
    - Aggressive

[40]

QUESTION 10: BUSINESS ROLES (HUMAN RESOURCE)

JACKY ENTERPRISE

Lesley is the human resource manager at Jacky Enterprise. He used the external recruitment method to advertise the vacant position. Lesley has to prepare for interviews with the shortlisted candidates. He is also mindful of the fact that his recruitment policies need to comply with the Skills Development Act (SDA), 1998 (Act 97 of 1998).

Write an essay in which you address the following aspects:

- Outline the recruitment procedure as a human resource activity.
- Discuss the role of the interviewer when preparing for an interview.
- Analyse the impact of external method of recruitment.
- Advise Lesley on the implications Skills Development Act on his department. **[40]**

TOTAL SECTION C: 80

GRAND TOTAL: 300

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Department:
Education
PROVINCE OF KWAZULU-NATAL

GRADE 12

BUSINESS STUDIES

MARKING GUIDELINE

PREPARATORY EXAMINATION
SEPTEMBER 2019

MARKS: 300

These marking guidelines consist of 50 pages.

12/8/19

16/08/19

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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/Black/Blue
Chief Marker:	Pink
Internal Moderator:	Orange
DBE Moderator:	
Turquoise	

2. Comprehensive marking guidelines have been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:

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

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

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

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 Incorrect numbering of answers to questions or sub questions in SECTIONS A and B will be severely penalised. Therefore, correct numbering is strongly recommended in all sections.

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

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

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

12.1 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.'√*

12.2 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.

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

Cognitive verbs, such as:

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

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

14. 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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15. **SECTION B**

15.1 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.

15.2 If two facts are written in one sentence, award the candidate FULL credit. Point 15.1 above still applies.

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

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

15.4.1 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

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

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

15.5 **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).**

16. **SECTION C**

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

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

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16.2 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
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Marks to be allocated using this guide: No relevant facts: 0 (Two '-S') Some relevant facts: 1 (One '-S') Only relevant facts: 2 (No '-S') Option 1: Where a candidate answers 50% or more 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: Where a candidate answers less than 50% 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: Where a candidate answers less than 50% of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.	2
Originality	Is there evidence of examples, recent information, current trends and developments?	2
	TOTAL FOR INSIGHT:	**8**
	TOTAL MARKS FOR FACTS:	**32**
	TOTAL MARKS FOR ESSAY (8 + 32):	**40**

NOTE:
1. **No marks will be awarded for contents repeated from the introduction and conclusion.**
2. **The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.**
3. **No marks will be awarded for layout, if the headings INTRODUCTION and CONCLUSION are not supported by an explanation.**

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

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

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16.5 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.

16.6 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**

16.7 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).

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

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

16.10 16.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.

16.10.2 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.

16.11 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 B ✓✓
1.1.2 C✓✓
1.1.3 C ✓✓
1.1.4 A ✓✓
1.1.5 D ✓✓
1.1.6 C ✓✓
1.1.7 D ✓✓
1.1.8 D ✓✓
1.1.9 C ✓✓
1.1.10 C ✓✓ (10 x 2) **(20)**

1.2

1.2.1 ten ✓✓
1.2.2 charismatic ✓✓
1.2.3 CCMA ✓✓
1.2.4 internal ✓✓
1.2.5 interview ✓✓ (5 x 2) **(10)**

1.3

1.3.1 D ✓✓
1.3.2 G ✓✓
1.3.3 I ✓✓
1.3.4 F ✓✓
1.3.5 J ✓✓ (5 x 2) **(10)**

TOTAL SECTION A: 40

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	20
1.2	10
1.3	10
TOTAL	40

SECTION B

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Mark the FIRST THREE answers only.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 **PESTLE analysis**

- Political ✓
- Economical ✓
- Social ✓
- Technological ✓
- Legal ✓
- Environmental ✓

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

2.2 **Outline the role of SETAs**

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

Max (8)23 **Legislation**

2.3.1 Basic Conditions of Employment Act, 1997 (Act 75 of 1997)/BCEA ✓✓ (2)
Motivation:
She is entitled to 21 working days annual leave✓ / overtime pay for working on public holidays✓ (1)
NOTE: Do not allocate marks for motivation if the Act was incorrectly identified
Max (3)

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2.3.2 **Purpose of Basic Conditions of Employment Act, 1997 (Act 75 of 1997)/ BCEA**

- Enforces/ Establishes basic conditions of employment✓ for employers and employees✓
- Provides clear terms and conditions of employment✓ for employers and employees. ✓
- Set minimum requirements/standards✓ for the employment contract. ✓
- Regulates the right to fair labour practices✓ as set out in the Constitution. ✓
- Adheres to the rules and regulations✓ set out by the International Labour Organisation. ✓
- Regulates the variations✓ of basic conditions of employment. ✓
- Advances economic development✓ and social justice. ✓
- Any other relevant answer related to the purpose of the BCEA.

NOTE: Accept relevant facts if the Act/ BCEA was incorrectly identified as an answer in QUESTION 2.3.1

Max (8)

2.4 Types of defensive strategies

Divestiture/ Divestment✓✓
- 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 (divesting). ✓
- Aims at acquiring additional capital. ✓
- Any other relevant answer related to divestiture/divestment as a defensive strategy.

NOTE: **Accept unbundling as an alternative answer**.

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

Liquidation✓✓
- All assets are sold to pay creditors due to a lack of capital. ✓
- Selling the entire business in order to pay shareholders a fair price for their shares. ✓
- Creditors may apply for forced liquidation in order to have their claims settled. ✓
- Companies in financial difficulty may apply for business rescue to avoid liquidation. ✓
- Any other relevant answer related to liquidation as a defensive strategy.

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

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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 a defensive strategy.

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

NOTE: Mark the first THREE (3) only **Max (9)**

2.5 Porters five forces model

2.5.1 **Power of suppliers**

- A business must assess the power of the suppliers ✓ to influence prices ✓
- The more powerful the suppliers ✓ the less control the business has over them ✓
- The smaller the number of suppliers the more powerful they may be ✓ as the choice of suppliers may be limited ✓
- The business should identify the kind of power its suppliers has ✓ in terms of the quality of products/ services/ reliability/ ability to make prompt deliveries ✓
- Any other relevant answer related to the application of power of suppliers as a Porters five force model.

Max (4)

2.5.2 **Bargaining power/ Buyer power**

- Buyers buy in bulk ✓ can bargain for better prices ✓
- The business must assess how easy it is for buyers/ customers ✓ to drive prices down ✓
- This will depend on the number of buyers/ the importance of each buyer to the business ✓ and the cost of switching to other products ✓
- If a business is dealing with a few powerful buyers ✓ they are often able to dictate their terms to the business ✓
- Business must conduct market research ✓ so that they can get more information about their buyers ✓
- If buyers can do without the business products ✓ then they have more power to determine the prices and terms of sale ✓
- Any other relevant answer related to the application of bargaining power as a Porters five force model

Max (4)

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2.6 **Business Sectors**

2.6.1 Business **sector from the scenario**

Tertiary sector ✓✓ (2)

Motivation

Ben and Mandy established the Washeda Bus Service to transport people to various destinations. (1)

NOTE: Do not allocate marks for motivation if the sector was incorrectly identified.

Max (3)

Challenges/ environment/ control

Challenges (2.6.2)	Business environment (2.6.3)	Extent of control (2.6.4)
1. The interest rate has increased by 0.5%. ✓	macro✓	no control✓
2. WBS employees are frequently absent from work. ✓	micro✓	full control✓
3. The business has lost clients to Johnny's Bus Service due to their lower prices and excellent quality services. ✓	market✓	partial/ limited/little control/no control but can influence✓
Max (3)	**Max (3)**	**Max (3)**

NOTE: **1. Do not award marks for challenges that are not fully quoted from the scenario.**
2. Do not award marks for business environments if it is not linked to the challenges.
3. Award marks for the business environments even if the quote is incomplete.
4. The extent of control must be linked to the business environment.
5. Do not award marks for the extent of control if the business environment is not mentioned.
6. The order may be different.

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2.7 **Recommendations on ways to comply with COIDA**

- Provide a healthy/ safe working environment ✓✓
- Register with Compensation Commissioner and provide the particulars of the business ✓✓
- Keep records of employees income and details of work for four years ✓✓
- Pay levies to the Compensation Fund ✓
- Ensure that the premises/ equipment/ machinery are in good working condition ✓✓
- Report all incidents causing death/ injury/ illness of employees ✓✓
- Submit returns of earnings by no later than 1 March annually ✓✓
- The business may not make deductions for COIDA from employees remuneration packages ✓✓
- Allow regular assessment of the workplace by inspectors in order to determine the level of risk their employees are exposed ✓✓
- Any other relevant answer related to ways in which business can comply with COIDA.

Max (8)
[60]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	4
2.2	8
2.3.1	3
2.3.2	8
2.4	9
2.5	8
2.6.1	3
2.6.2	3
2.6.3	3
2.6.4	3
2.7	8
TOTAL	60

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QUESTION 3: BUSINESS VENTURES

3.1 **Factors to consider when making investment decisions**

- Return on investment (ROI) ✓
- Risk ✓
- Investment term/period ✓
- Taxation/Tax implications ✓
- Inflation rate ✓
- Volatility of investment markets/Fluctuations ✓
- Personal budget ✓
- Liquidity ✓
- Track record/History/Performance of the business ✓
- Any other relevant answer related to factors that must be considered when making investment decisions

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

3.2 **Insurance**

3.2.1 Non-compulsory insurance/Short-term insurance ✓✓ **(2)**

3.2.2 **Importance/Advantages insurance**

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

NOTE: Mark the first TWO (2) only. **(2x2) (4)**

3.2.3 **Type:** Long-term insurance/Assurance/Life cover/Retirement annuity ✓✓ (2)

Explanation

- Life insurance/Assurance policy pays out a lump sum✓ after a person dies✓
- Lump sum may be used to provide security for the dependants✓ or settle long-term debt.✓
- Endowment/Retirement Annuities will guarantee Mr Ndimande a lump sum✓ when he reaches a certain age/retires✓
- A monthly payment is made to an insurance company✓with the expectancy of receiving a pre-determined amount on a date in the future/to cover a long-term risk.✓
- Any other relevant answer related to an explanation of long-term insurance.

Sub max (2)
Max (4)

3.3 **Insurance Principles**

(a) **Insurable Interest**

- Insured must prove that he/she will suffer a financial loss✓ if the insured object damaged/lost/ceases to exist✓
- An insurable interest must be expressed✓ in financial terms✓
- Insured must have a legal relationship✓with the insured object in the contract✓
- Any other relevant answer related to insurable interest as a principle of insurance.

Max (4)

(b) **Utmost Good Faith**

- Insured has to be honest in supplying details✓ when entering in an insurance contract✓
- Both parties must disclose all relevant facts✓ that may affect the extent of the risk.✓
- All the necessary details/information must be supplied when claiming✓ and must be accurate/true✓
- Any other relevant answer related to utmost good faith as a principle of insurance.

Max (4)

3.4 **Functions of the JSE**

- Gives opportunities to financial institutions such as insurance companies✓ to invest their funds in shares.✓
- Serves as a barometer/indicator✓ of economic conditions in South Africa.✓
- Keeps investors informed on share prices✓ by publishing the share prices daily. ✓
- Acts as a link✓ between investors and public companies✓
- Shares are valued✓ and assessed by experts.✓
- Small investors are invited to take part in the economy of the country✓ through the buying of shares.✓
- Venture capital market✓ is made possible✓
- Orderly market for securities✓ serves as a disciplined market for securities✓
- Encourages✓ new investments.✓
- Mobilises the funds✓ of insurance companies and other institutions.✓
- Raises✓ primary capital✓
- Regulates market✓ for dealing with shares✓
- Plans, researches and advises✓ on investment possibilities✓
- Ensures that the market✓ operates in a transparent manner.✓
- Provides protection✓ for investors.✓
- Encourages short-term✓ investment.✓
- Facilitates electronic trading✓ of shares✓
- Any other relevant answer related to the functions of the Johannesburg Securities Exchange (JSE).

Max (8)

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3.5 **Forms of ownership**

3.5.1 Private Company✓✓ **(2)**

3.5.2 Success and or failure factors of a Private company

(a) Management

Success	• Shareholders can vote for/ appoint√ the most capable directors to manage their company.√ • Managed at least by one competent√ highly skilled director.√ • The management of the company can improve√ since directors are accountable to shareholders.√ • Any other relevant answer relating to the success of the management factor. **AND/OR**
Failure	• Directors do not always have a personal interest✓ in the company.✓ • Some shareholders may not exercise their voting rights√ resulting in choosing the wrong person as a director.√ • Large management structures√ can result in decision-making taking time.√ • Any other relevant answer relating to the failure of the management factor.

Max (4)

(b) Division of Profits

Success	• High profits and good returns to shareholders✓ indicate the success of the company and can increase the value of shares✓ • Profits generated can be re-invested✓ to expand business operations✓ • Any other relevant answer relating to the success of the division of profits factor. **AND/OR**
Failure	• Shareholders may sell their shares when dividends are low,✓resulting in share prices decreasing.✓ • Dividends are not always paid out✓ which may discourage new investors✓ • Any other relevant answer relating to the failure of the division of profits factor.

Max (4)

NOTE: Accept relevant factors if a private company was incorrectly identified in QUESTION 3.5.1.

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3.6 **Advantages of state-owned companies (SOC)**

- Profits may be used to finance other state departments/reduce taxes✓✓
- Jobs are created for all levels of skills.✓✓
- Offers essential services which may not be offered by the private sector.✓✓
- Prices are kept reasonable.✓✓
- Eliminates wasteful duplication of services✓✓
- Planning can be co-ordinated through central control✓✓
- Any other relevant answer related to the advantages of state-owned companies (SOC).

Max (8)

3.7 **Effectiveness of bureaucratic leadership style**

Positives/Advantages

- Managers ensure that rules/regulations✓ are always followed accurately✓
- Works well when tight control measures✓ need to be implemented/followed✓
- Health and safety are increased✓ in a dangerous workplace.✓
- Followers know what is expected of them✓ because of detailed instructions.
- The quality of work✓ can be ensured.✓
- Ensure accountability✓ to the general public/customers✓
- Strict control over systems/procedures✓ ensure high quality output✓
- Any other relevant answer related to a positive evaluation of the bureaucratic leadership style.

AND/OR

Negatives/Disadvantages

- Complicated official rules✓ may seem unnecessary/time-consuming.✓
- Leaders may become authoritative✓ and disregard input from others✓
- Very little room for error✓ so workers feel that they are not always treated with dignity.✓
- Lack of creativity/innovation/self-fulfilment✓ may lead to stagnation/ decrease in productivity✓
- Employees may feel that they have become objects of work✓ and are not treated as humans.✓
- Any other relevant answer related to a negative evaluation of a bureaucratic leadership style.

Max (6)

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3.8 **Reasons why employees may prefer a laissez-faire/free-reign leadership style**

- Workers/followers are allowed to make their own decisions.✓✓
- Subordinates have maximum freedom and work independently✓✓
- Leader motivates workers by trusting them to do things on their own✓✓
- Authority is delegated, which can motivate workers and increase productivity.✓✓
- Subordinates are experts and know what they want/can take responsibility for their actions.✓✓
- Suitable for coaching/mentoring to motivate employees to achieve more.✓✓
- Empowers competent followers as they are completely trusted to do their job.✓✓
- Individual team members may improve/develop leadership skills.✓✓
- Any other relevant answer related reasons why employees may prefer laissez-faire/free-reign leadership style.

NOTE: 1. Mark the first THREE (3) only. **Any (3 x 2) (6)**

[60]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	4
3.2.1	2
3.2.2	4
3.2.3	4
3.3	8
3.4	8
3.5.1	2
3.5.2	8
3.6	8
3.7	6
3.8	6
TOTAL	60

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QUESTION 4: BUSINESS ROLES

4.1 **Types of problem solving techniques**

- Mind mapping✓
- Brainstorming✓
- Force-field analysis✓
- Empty chair✓
- Delphi✓
- Nominal group✓
- Forced combinations✓
- SCAMPER✓

NOTE: Mark the first FIVE (5) only. **(5 x 1) (5)**

4.2 Unethical business practices

4.2.1 **Unethical/ unprofessional issue, motivation and recommendation.**

Types of unethical/unprofessional Business practice	Motivation
1. Unfair advertising✓✓	Second hand vehicles are advertised as new✓
2. Taxation/Tax evasion ✓✓	Submission of incorrect vat return to the South African Revenue Services✓
3. Abusing work time✓✓ Sub max (6)	Employees are taking longer than normal lunch breaks✓ Sub max (3)

Max (9)

NOTE: 1. **Do not award marks for motivation if the unethical / unprofessional issue was incorrectly identified.**
2. **The motivation must be from the scenario**

4.2.2 Recommendations

Unfair advertising

- Adhere to the code of conduct of Advertising Standards Authority of SA✓✓
- Keep advertising fair and in line with the constitution. ✓✓
- Advertise good quality products and services at all times✓✓
- Any other relevant answer related to recommendation for false advertising

Sub max (2)

Taxation

- Business should keep an accurate record of income statements/financial transactions.✓✓
- The employees' payroll needs to reflect accurate deductions according to the progressive tax system.✓✓
- VAT needs to be charged on VAT-able items.✓✓
- Submit the correct tax returns to SARS on time.✓✓
- All products should be correctly invoiced and recorded.✓✓
- Keep abreast with the latest SARS regulations and tax laws.✓✓
- Businesses that have evaded tax should apply for amnesty and declare their income.✓✓
- Effective systems to determine the appropriate amount of tax to be paid should be in place.✓✓
- Disclose all sources of income for tax payment purposes.✓✓

Any other relevant recommendation related to ways in which businesses can deal with tax evasion/taxation as an unethical/ unprofessional business practice.

Sub max (2)

Abusing work time

- Speak directly to those employees who abuse work time.✓✓
- Code of conduct/ethics should contain clear rules about abuse of work time.✓✓
- Conduct training on the contents of the code of conduct/ ethics.✓✓
- Code of conduct/ethics should be signed by all employees so that they are aware of its contents.✓✓
- Monitor employees to ensure that tasks are completed on time.✓✓
- Structure working hours in such a way that employees have free/flexible time for personal matters.✓✓
- Create a culture of responsibility/strengthen team spirit in order for all employees to feel responsible for what has to be achieved. ✓✓
- Remind employees that profit will decrease resulting to less incentives/bonus pay-outs.✓✓
- Any other relevant recommendation related to ways in which businesses can deal with abuse of work time

Sub max (2)
Max (6)

NOTE: 1. **Do not award marks for the recommendation if it is not linked to the unethical/ unprofessional issue.**
2. **Mark the FIRST recommendation for EACH unethical business practice.**

4.3 **Application of King code principles**

Transparency

- Decisions/ actions✓ must be clear to all stakeholders✓
- Businesses should give details of shareholder's voting rights to them ✓ before the Annual General Meeting✓
- Business dealings / transactions✓ must be open/ honest ✓
- Business polices and processes✓ must be clear and understood by all stakeholders✓

- The board of directors must report on both positive and negative impact ✓ of the business on the community/ environment✓
- Any other relevant answer related to the application of transparency as a King code principle.

Sub max (4)

Accountability

- Businesses should be accountable / responsible✓ for their decisions✓
- Businesses should present accurate annual reports to shareholders✓ at the Annual General Meeting✓
- Top management should ensure that other levels of management are clear about their roles and responsibilities✓ to improve accountability✓
- Any other relevant answer related to the application of accountability as a King code principle.

Sub max (4)
Max (8)

4.4 **Impact of CSR on business**

Positives

- Can serve as a marketing strategy✓ and promote the image of the business✓
- May attract experienced employees /increase the pool of skilled labour✓ which could increase productivity✓
- A company may have a competitive advantage✓, as it leads to good publicity and improved reputation✓
- It helps to retain staff/ lower staff turnover✓ as employees' health and safety are considered/improve the health of its employees✓
- The business enjoys the goodwill✓ and support of communities✓
- CSR helps to attract✓ investors✓
- If CSR is aligned with company policies/ vision/ mission statement✓, it shows accountability towards all stakeholders✓
- Businesses may enjoy tax rebates✓ from SARS✓
- Any other relevant answer related to a positive impact of CSR on business.

And / OR

Negatives

- The community may not support the enterprise✓, i.e. they may not buy the products of the enterprise✓
- Difficulty in adherence✓ to legislation governing CSR✓
- Small and medium enterprises find it difficult✓ to implement CSR programmes✓
- Detailed reports must be drawn up✓, which can be time consuming✓
- Social spending reduces a company's economic efficiency✓ and makes it less competitive✓
- It can increase financial risk, as programme cost money✓ and can impact negatively on profits✓
- Any other relevant answer related to a negative impact of CSR on business.

Max (6)

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4.5 **Ways in which a business can contribute the well-being of employees**

- Pay fair wages/salaries to the workers based on the nature of their work/ the prevailing economic conditions in the market.✓✓
- Pay fair bonuses, based on business earnings, as acknowledgement for hard work and commitment.✓✓
- Offer financial assistance in the case of any hardship caused by unexpected medical costs.✓✓
- Working conditions should include safety/medical/canteen facilities/ benefits like housing/leave/retirement✓✓, etc.
- Offer annual physical/medical assessments to workers. ✓✓
- Make trauma debriefing/counselling/assistance available to any employee who requires these services.✓✓
- Offer support programmes for employees infected and affected by HIV/Aids.✓✓
- Start a nutritional programme so that employees can enjoy one meal per day to keep them in a healthy condition.✓✓
- Encourage employees to stay fit and healthy by getting them involved in health activities to minimise stress/substance abuse/obesity. ✓✓
- Provide recreational facilities for employees.✓✓
- Provide for employees' participation in decision making that affects them.✓✓
- Allow flexible working hours to enhance productivity.✓✓
- Make childcare facilities available on the premises for working mothers in the business.✓✓
- Give time to staff to get involved in projects they choose/Allow staff to use some of the working hours to participate in the projects of their choice.✓✓
- Provide transport for employees who work unusually long hours.✓✓
- Establish coaching and mentoring programmes for junior employees.✓✓
- Conduct team-building sessions to improve employees' morale.✓✓
- Encourage employees to attend capacity-building workshops/training programmes/staff-development programmes/team-development programmes.✓✓
- Any other relevant answer related to ways in which businesses could contribute to the well-being of their employees

NOTE: Mark the first THREE (3) only. **(2x3) (6)**

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4.6 **Problem solving steps**

4.6.1 Evaluate the alternative solutions and choose the best solution. (2)

4.6.2 Implement the strategy/strategy implementation. (2)

4.6.3 Identify / Define the problem (2)

4.6.4 Evaluate the problem-solving process (2)
(8)

4.7 **Advantages of creative thinking in the workplace**

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

Max (6)

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- Improves motivation✓ amongst staff members. ✓
- Managers/Employees have a feeling of great accomplishment✓ and they will not resist/obstruct the process once they solved a problem/contributed towards the success of the business. ✓
- Management/employees may keep up✓ with fast changing technology. ✓
- Stimulates initiative from employees/managers✓, as they are continuously pushed out of their comfort zone. ✓
- Creativity may lead to new inventions✓ which improves the general standard of living. ✓
- Any other relevant answer related to the advantages of creative thinking in the workplace.

Max (6)

4.8 **Strategies to protect the environment and human health**

- Laws and regulations should be adhered to so that profits are not generated at the expense of the environment✓✓
- Pollution and other environmental issues should always be considered in all business activities e.g. safe disposal of waste/ dumping of toxic waste etc. ✓✓
- Become involved in environmental awareness programmes✓✓
- The environment can be protected by altering production techniques in favour of cleaner and greener technologies✓✓
- Water for human consumption can be tested before it is used✓✓
- Promote nature conservation by looking after natural resources✓✓
- Minimise pollution, by re-using, reducing and re-cycling✓✓
- Reduce consumption of goods/ services which are environmentally unfriendly✓✓
- Register/ engage with recognised institutions/ bodies that promote green peace✓✓
- Physical working conditions, e.g. adequate lighting/ ventilation should be available and functional✓✓
- Machines must be serviced / maintained regularly✓✓
- Educate people about hygiene issues✓✓
- Encourage employees to do regular health checks✓✓
- Any other relevant suggestion that business may use to protect the environment and human health.

Max (6)
[60]

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BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	5
4.2.1	9
4.2.2	6
4.3	8
4.4	6
4.5	6
4.6.1	4
4.6.2	4
4.7	6
4.8	6
TOTAL	60

QUESTION 5: BUSINESS OPERATIONS

5.1 **Aspects to be included in an induction programme**

- Safety regulations and rules. ✓
- Overview of the business. ✓
- Information about the business products/ services. ✓
- Meeting with senior management who will explain the company's vision / values/ job descriptions/ daily tasks. ✓
- Tour of the premises. ✓
- Introduction to key people and immediate colleagues✓
- Conditions of employment, e.g. working hours/leave application process/ disciplinary procedures, etc. ✓
- Administration details on systems/ processes/ logistics. ✓
- Discussion of the employment contract and conditions of service. ✓
- Discussion of personnel policies, e.g. making private phone calls/ using the internet, etc. ✓
- Discussion of employee benefits. ✓
- Corporate social responsibility programmes. ✓
- Any other relevant answer related to aspects that should be included in an induction programme✓

NOTE: Mark the first FIVE (5) only.

(5 x 1)(5)

5.2 **Legal requirements of the employment contract**

- Employment contract is an agreement between the employer and the new employee and is legally binding✓✓.
- Employer and the 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✓✓.
- Employer and the new 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 the legal requirements of the employment contract.

Max (6)

5.3 Salary determination methods

5.3.1 **Salary determination methods from the scenario**

Employee	Method of salary determination	Motivation
Abel	Time-related✓✓	Abel is remunerated according to the number of hours spent at work✓.
Brian	Piecemeal✓✓	Brian according to the number of houses built✓.
	Sub max (4)	Sub max (2)

NOTE: 1. The answer does not have to be in tabular format.
2. Do not award marks for the motivation quoted, if the method of salary determination was not mentioned or not linked **Max (6)**

5.3.2 **Reason for termination of contract quoted from the scenario**

Abel's employment contract has recently been terminated due to regular absence from work✓ **(1)**

5.3.3 **Other reasons for termination of an employment contract**

- Employer may no longer have work✓ for redundant employees/ cannot fulfil the contract/ is restructuring✓
- Employer may retrench some employees ✓due to insolvency/ may not be able to pay the employees✓
- Employees decided to leave✓ and resign voluntarily✓
- An employee may have reached the pre-determined age✓ for retirement✓.
- An employee may decide to leave work✓ due to ill health. ✓
- Any other relevant answer related to the termination of an

employment contract.

Note: 1. Do not award marks for regular absence from work.
2. Mark the first FOUR (4) only

Max (8)

5.4 **Screening as part of the selection procedure**

- Check application documents✓ against the requirement of the job✓.
- Candidates who meet the minimum requirements✓ are separated from others✓.
- Do background/ credit/ reference checks of applicants✓ who qualify for the job✓.
- Prepare a shortlist of suitable candidates✓ after screening✓.
- Any other relevant answer related to screening as part of the selection procedure

Max (6)

5.5 **Meaning of quality management**

- The process of managing all activities needed ✓to ensure a business produces goods and services of consistently high standard. ✓
- Refer to techniques/tools used✓ to design/ improve the quality of a product. ✓
- Can be used for accountability✓ within each of the business functions✓
- Aims to ensure that the quality of goods/services is consistent✓/Focuses on the
- means✓ to achieve consistency. ✓
- Any other relevant answer related to the meaning of quality management

Max (4)

5.6 **Distinguish between quality control and quality assurance**

Quality control	Quality assurance
Inspection of the final product✓ to ensure that it meets the required standard✓	Carried out during and after the production process✓ to ensure that required standards have been met at every stage of the process. ✓
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 (4)	Sub max (4)

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NOTE: 1. **The answer does not have to be in tabular format**
2. **The differences does not have to link but must be clear.**
3. **Award a maximum of FOUR (4) marks if differences are not clear/ mark quality control or quality assurance only.**

Max (8)

5.7 **Impact on businesses if TQM is poorly implemented.**

- Lack of training/ skills development✓ may lead to poor quality products✓.
- Decline in sales✓, as returns from unhappy customer's increases✓.
- Decline in productivity✓, because of stoppages✓.
- Investors might withdraw investment✓, if there is a decline in profits√.
- Bad publicity✓ due to poor quality products supplied✓.
- High staff turnover✓, because of poor skills development✓.
- Unrealistic deadlines✓ may not be achieved✓.
- Businesses may not be able to make/ afford the necessary changes✓ that will satisfy customers' needs✓.
- Loss of customers may lead to bankruptcy/ closure✓.
- Undocumented quality control systems/ processes✓ could result in error/ deviations from pre-set quality standards✓.
- Any other relevant answer related to the negative impact on businesses if TQM is poorly implemented.

Max (6)

5.8 **Business functions**

5.8.1 **Business functions from the scenario**

BUSINESS FUNCTION	MOTIVATION
1. Purchasing✓✓	Truman will be in charge of buying all the raw materials✓
2. Marketing✓✓	Bell will control the selling and distribution of the shirts✓
Sub max (4)	Sub max (2)

NOTE: 1. **The business function can be in any order.**
2. **The motivation must be from the scenario and linked to the business function.**

(6)

5.8.2 **Quality indicators of the purchasing and production function**
Quality indicators in the purchasing function

- Buys raw materials in bulk at lower prices. ✓✓
- Selects reliable suppliers that render the best quality raw materials/capital goods at reasonable prices. ✓✓
- Places orders timeously and regular follow-ups to ensure that goods are delivered on time. ✓✓

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- 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. ✓✓
- Implements and maintains stock control systems to ensure the security of stock. ✓✓
- Maintains optimum stock levels to avoid overstocking/reduce out-dated stock. ✓✓
- Monitors and reports 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. ✓✓
- Ensures that there is no break in production due to stock shortages. ✓✓
- Establishes relationships with suppliers so that they are in alignment with the business's vision/mission/values. ✓✓
- Have a thorough understanding of supply chain management. ✓✓
- Any other relevant answer related to suggestions on quality indicators within the purchasing function.

Max (4)

NOTE: Mark the first TWO (2) indicators only

OR

Quality indicators in the 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. ✓✓
- Co-ordinating distribution with production and advertising strategies. ✓✓
- 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. ✓✓
- Using aggressive advertising campaigns to sustain/increase the market share. ✓✓
- Any other relevant answer related to quality indicators of the marketing function.

Max (4)

NOTE: Mark the first TWO (2) quality indicators only

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[60]

BREAKDOWN OF MARKS

QUESTION 5	MARKS
5.1	5
5.2	6
5.3.1	6
5.3.2	1
5.3.3	8
5.4	6
5.5	4
5.6	8
5.7	6
5.8.1	6
5.8.2	4
TOTAL	60

QUESTION 6: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENT

6.1 **Steps in strategy formulation**

- Application of SWOT analysis/PESTLE/Porter's Five Forces/environmental scanning of the business environments. ✓✓
- Formulate strategies to meet objectives/Develop measurable strategic goals/objectives. ✓✓
- Implement strategies using action plans✓✓
- Evaluation of strategies/Compare the expected performance with the actual performance✓✓
- Measure business performance in order to determine the reasons for deviations and analyse these reasons✓✓
- Any other relevant answer related to the steps in strategy formulation.

NOTE: 1. Accept steps in any order.
2. Mark the first THREE (3) only. **(3X2) (6)**

6.2 **Impact of LRA on businesses**

Positives/ Advantages

- Protects the rights of businesses✓ in labour related issues. ✓
- Protect employers who embark on lawful lockouts✓ when negotiations between parties fail. ✓
- Ensures participation of all parties in collective bargaining/decision making which reduces conflict in the workplace. ✓
- Labour disputes are settled quicker ✓are less expensive. ✓
- Workplace forums can also be tasked to resolve workplace issues✓as they take part in decision making. ✓
- Provides for dispute resolution through consensus✓ between organised labour, businesses and the state. ✓

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- Provides mechanisms✓, e.g. statutory councils/collective bargaining/CCMA to settle labour disputes. ✓
- Prevents unfair discrimination in the workplace✓ as all employees should be given equal opportunities. ✓
- Employers can dismiss employees✓ who engage in unprotected strikes. ✓
- Employers may claim compensation✓ through the Labour Court for losses suffered as a result of an unprotected strike. ✓
- Any other relevant answer related to the positive impact of LRA on businesses.

AND/OR

Negatives/Disadvantages

- Productivity may decrease✓ if employees are allowed to participate in the activities of trade unions during work time. ✓
- Profitability may decrease√ due to a decline in sales/production.✓
- Quick decision making may be negatively affected✓ as some workplace forum representatives may only focus on the interest of employees and neglect that of the business. ✓
- Dispute resolution through consensus✓ may be time consuming. ✓
- Incompetent employees may be inherited when a business is transferred/sold, because the new owner has to take over/continue with the existing employees'
- contracts. ✓
- Information about workplace issues may be disclosed to trade unions✓ which may be leaked to competitors/media. ✓
- Costs of labour increases✓ because of legal strikes. ✓.
- Any other relevant answer related to the negative/ disadvantages of LRA to business.

Max (8)

BUSINESS VENTURES

6.3 Investment

6.3.1 **Examples of non–verbal presentation from the scenario**

- Written report✓
- Graphs illustrating comparative analysis of sales figures.✓

Max (2)

NOTE: The identification must be quoted from the scenario

6.3.2 **Aspects to consider when designing a multi-media presentation**

- Use legible font and font size. ✓✓
- Start with the text. ✓✓
- Keep the text/images/language simple. ✓✓
- Structure information in logical order. ✓✓
- Limit information on a slide. ✓✓
- Make sure there are no spelling mistakes. ✓✓
- Use bright colours to increase visibility.
- Use pictures to make it interesting for the audience. ✓✓

- Select a relevant/appropriate background. ✓✓
- Choose images that help communicate your message. ✓✓
- Create clear/relevant graphics. ✓✓
- Add special effects, e.g. sound/animation. ✓✓
- Create hyperlinks to allow access to files/other slides/video clips. ✓✓
- Any other relevant answer relevant to the aspects that must be considered when designing a multimedia presentation.

Max (8)6.4 **Role of personal attitude in successful leadership**

- A positive attitude✓ releases leadership potential✓
- A leader's good/bad attitude✓ can influence the success/failure of the business.✓
- Leaders must know their strengths and weaknesses✓ to apply their leadership style effectively.✓
- Great leaders understand that the right attitude✓ will set the right atmosphere✓
- Leaders' attitude can influence employees'/teams' thoughts✓ and behaviour.✓
- Leaders should model the behaviour✓ that they want to see in team members.✓
- Leaders must know/understand their teams✓ to be able to allocate tasks/roles effectively.✓
- Enthusiasm✓ produces confidence in a leader.✓
- A positive attitude is critical for good leadership✓ because good leaders will stay with the task regardless of difficulties/challenges.✓
- Successful employees and leaders have a constant desire to work✓ and achieve personal and professional success.✓
- Leaders with a positive attitude know that there is always more to learn✓ and space to grow.✓
- Any other relevant answer related to the role of personal attitude in successful leadership

Max (6)

BUSINESS ROLES

6.5 **Economic rights of employees in the workplace**

- Free from forced labour✓✓
- Free to accept or choose work✓✓
- Fair wages/Equal pay✓✓
- Reasonable limitation of working hours✓✓
- Safe and healthy working conditions✓✓
- Join/ form a trade union✓✓
- Right to participate in a legal strike✓✓

Any other relevant answer related to economic rights of employees in the workplace

- **Note: Mark the first FOUR (4) only**

(4)

6.6 **Benefits of diversity in the workplace**

- Workforce diversity improves✓ the ability of a business to solve problems/ innovate/cultivate diverse markets. ✓
- Employees value each other's diversity✓ and learn to connect/communicate across lines of difference. ✓
- Diversity in the workforce improves✓ morale/motivation. ✓
- Employees demonstrate greater loyalty to the business✓ because they feel respected/accepted/understood. ✓
- Diversified workforce can give businesses a competitive advantage✓, as they can render better services. ✓
- Being respectful of differences/demonstrating diversity✓ makes good business sense/improves profitability. ✓
- Diverse businesses ensure that its policies/practices empower every employee✓ to perform at his/her full potential. ✓
- Stakeholders increasingly evaluate businesses✓ on how they manage diversity in the workplace. ✓
- Employees from different backgrounds✓ can bring different perspectives to the business. ✓
- A diversified workforce stimulates debate✓ on new/improved ways of getting things done. ✓
- Employees represent various groups✓ and are therefore better able to recognise customer needs and satisfy consumers. ✓
- Businesses with a diverse workforce are more likely to have a good public image✓ and attract more customers. ✓
- Any other relevant answer related to the benefits of diversity in the workplace.

Max (8)

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6.7 **Distinction between professional and ethical behaviour in the workplace**

Professional behaviour	**Ethical behaviour**
Refers to what is right/wrong/acceptable✓ in a business. ✓	Refers to the principles of right and wrong/acceptable✓ in society. ✓
Set of standards✓ of expected behaviour. ✓	Conforms to a set of values✓ that are morally acceptable. ✓
Applying a code of conduct✓ of a profession or business. ✓	Forms part of a code of conduct✓ to guide employees to act ethically. ✓
Focuses on developing a moral compass✓ for decision making. ✓	Focuses on upholding the reputation✓ of a business/profession. ✓
Includes guidelines✓ on employees' appearance/communication/attitude / responsibility✓, etc.	Involves following the principles of right or wrong✓ in business activities/practices/dealings. ✓
Any other relevant answer related to professional behaviour in a business.	Any other relevant answer related to ethical behaviour in a business.
Sub max (4)	Sub max (4)

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 a maximum of FOUR (4) marks if differences are not clear/ mark professional or ethical behaviour only.

Max (8)

6.8 **TQM elements from statements**

6.8.1 Continuous skills development/ education and training✓✓

6.8.2 Top management involvement / Commitment✓✓

6.8.3 Total client / customer satisfaction✓✓

6.8.4 Adequate financing and capacity✓✓

(8)6.9 Implications of the EEA for the human resource function

- The human resource function should promote/provide✓ equal opportunities in the workplace. ✓
- Compile employment equity plans✓ that indicate how they will implement affirmative action. ✓
- Ensure that affirmative action promotes✓ diversity in the workplace. ✓
- Assign a manager to ensure that the employment equity plan✓ will be implemented/regularly monitored. ✓

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- Display a summary of the Act✓ where employees can clearly see it/have access to it. ✓
- Report to the Department of Labour✓ on the progress in the implementation of the equity plan. ✓✓
- Conduct medical/psychological tests fairly to employees/when deemed necessary. ✓
- Ensure equal pay for work✓ of equal value. ✓
- Ensure that the workplace✓ represents the demographics of the country at all levels. ✓
- Define the appointment process clearly✓ to ensure all parties are well informed. ✓
- Restructure/Analyse current employment policies/practices/procedures✓ to accommodate designated groups. ✓
- Retrain/Develop/Train designated groups✓ through skills development programmes. ✓
- Human resource function✓ must guard against discriminatory appointments.
- Assess the racial composition✓ of all employees, including senior management.
- Ensure that there is equal representation of all racial groups✓ in every level of employment. ✓
- Appointment process must be clearly defined✓, so that all parties are well informed. ✓
- Implement affirmative action measures✓ to redress disadvantages experienced by designated groups. ✓
- Eliminate barriers✓ that have an adverse impact on designated groups. ✓
- Any other relevant answer related to the implications of the EEA to the human resources function.

Max (6)
[60]

BREAKDOWN OF MARKS

QUESTION 6	MARKS
6.1	6
6.2	8
6.3.1	2
6.3.2	8
6.4	6
6.5	4
6.6	6
6.7	6
6.8	8
6.9	6
TOTAL	60

TOTAL SECTION B: 180

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SECTION C

Mark the first TWO (2) questions only.

QUESTION 7: BUSINESS ENVIRONMENTS (STRATEGIES)

7.1 Introduction

- Businesses need to identify / formulate strategies to improve performance/ respond to challenges presented by the business environment. ✓
- Markets / market share needs be developed to expand the business opportunities. ✓
- Products must be constantly be revised / adapted to suit customer needs/ keep pace with technology. ✓
- Diversification strategy is a growth strategy intending to increase profitability. ✓
- Businesses must constantly review its strategies and take corrective action if necessary✓
- Any relevant introduction related to business strategies

(2 x 1) (2)

7.2 Strategic management process

OPTION 1

- Have a clear vision, a mission statement✓ and measurable/realistic objectives in place. ✓
- Identify opportunities/weaknesses/strengths/threats✓ by conducting environmental scanning/situational analysis. ✓
- Tools available for environmental scanning✓ may include a SWOT/PESTLE/ Porter's Five Forces model (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✓, etc.
- Implement selected strategies✓ by communicating it to all stakeholders/ organising the business's resources/motivating staff. ✓
- Continuously evaluate✓, monitor✓, measure strategies√ in order to take corrective action. ✓
- Any other relevant answer related to a description of the strategic management process.

OR

OPTION 2

- Review✓ vision statement. ✓
- Analyse/Re-examine✓ mission statement. ✓
- Conduct an analysis✓ using models such as PESTLE/PORTER'S/SWOT. ✓
- 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 a description of the strategic management process.

NOTE: The steps may be in any order.

Max (10)

7.3 **Differences between market development and product development**

Market development	Product development
It is a growth strategy where businesses aim to sell its existing products in new markets✓✓	It is a growth strategy where business aim to introduce new products into existing markets✓✓
Business implements the idea of expanding/ selling products/ services in other areas✓✓	Business improves the product line by adding different types of related products/ services✓✓
Find new ways of distributing products/ services✓✓	Conduct test marketing/ market research to establish whether new products will be accepted by existing customers✓✓
Restructure pricing policies to cater for customers of all income levels✓✓	Ensure that new products of a higher quality are more reasonably priced than those of competitors✓✓
Example: Finding new markets in other towns and cities✓✓	Example: A cell phone manufacturer designs a new phone that can also be used to make internet phone calls✓✓
Any other relevant answer related to market development	Any other relevant answer related to product development
Sub max (6)	Sub max (6)

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

Max (12)

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7.4 **Diversification strategies**

Concentric diversification✓✓

- The business adds a new product or service that is related✓ to existing products✓
- Aims to appeal ✓to new customers✓
- Occurs when a business wants to increase✓ its product range and markets✓
- Any other relevant answer related to concentric diversification

Strategy (2)
Description (2)
Sub max (4)

Horizontal diversification✓✓

- The business adds new products or services that are unrelated✓ to existing products but which may appeal to existing customers✓
- Occurs when a business acquires or merges with a business✓ that is at the same production stage, but it may offer a different product✓
- Aims to expand✓ product range✓
- Aims to supply a wider variety of goods✓ to maintain customer base✓
- Any other relevant answer related to horizontal diversification

Strategy (2)
Description (2)
Sub max (4)

Conglomerate diversification✓✓

- The business adds new products or services that are unrelated✓ to existing products✓
- Aims to appeal✓ to new groups of customers✓
- Conglomerate diversification means that a business grows✓ into new products, services and markets✓
- Any other relevant answer related to conglomerate diversification.

Strategy (2)
Description (2)
Sub max (4)
Max (12)

7.5 **Steps when evaluating strategies**

- Examine the underlying basis of a business strategy. ✓✓
- Formulate strategies to meet objectives favourably. ✓✓
- Implement strategies using action plans✓✓, etc.
- 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. ✓✓

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- 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 evaluating strategies.

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

7.6 **Conclusion**

- Strategic formulation must be reviewed regularly and be aligned to the business vision and mission statement/ objectives/ goals✓✓
- Market and product development are intensive strategies to increase profitability and meet customers' needs✓✓
- Diversification strategies addresses a business growth/ expansion/ business opportunities✓✓
- Any other relevant conclusion related to strategic management process, / market and product development / diversification strategies and evaluating strategies

(1 x 2) (2)

[40]

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	
Strategic management process	10	
Market/ product development	12	Max
Diversification strategies	12	32
Evaluating strategies	12	
Conclusion	2	
INSIGHT		
Layout	2	
Analysis/Interpretation	2	8
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.

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QUESTION 8: BUSINESS VENTURES (PRESENTATION)

8.1 **INTRODUCTION**

- A verbal presentation will focus on an oral/spoken presentation to the directors.✓
- The purpose of a verbal presentation is to exchange information as it involves speaking and listening for both the presenter and the directors.✓
- Visual aids help to convey a large amount of facts in a short time.✓
- Visual aids should capture the attention of the directors and support the logical flow of the presentation.✓
- The presenter should not become aggressive/defensive when responding to the directors' questions/remarks.✓
- Any other introduction relevant to a verbal presentation supported by visual aids.

(2 x 1) (2)

8.2 **Factors to be considered when preparing for a presentation**

- Clear purpose/intentions/objectives and main points of the presentation. ✓✓
- Main aims captured in the introduction/opening statement of the presentation. ✓✓
- Information presented✓ should be relevant and accurate. ✓✓
- Fully conversant with the content/objectives of the presentation. ✓✓
- Background/Diversity/Size/Pre-knowledge of the audience to determine the appropriate visual aids. ✓✓
- Prepare a rough draft of the presentation with a(n) logical structure/format/ introduction, body and conclusion. ✓✓
- Conclusion shows a summary of the key facts and how it relates to the objectives/shows that all aspects have been addressed. ✓✓
- Create visual aids/graphics that will consolidate the information/facts to be conveyed to the audience. ✓✓
- Find out about the venue for the presentation√, e.g. what equipment is available/ appropriate. ✓✓
- Consider the time frame for presentation√, e.g. fifteen minutes allowed to complete the presentation. ✓✓
- Rehearse to ensure a confident presentation/time was used effectively. ✓✓
- Prepare for the feedback session✓✓, by anticipating possible questions/ comments. ✓✓
- Any other relevant answer related to the factors that must be considered when preparing for a presentation.

Max (10)

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8.3 **Effectiveness of PowerPoint presentation and handouts**

8.3.1 Effectiveness of PowerPoint presentation

Positives
- Easy to combine✓ with sound/video clips.✓
- Simple/less cluttered slides✓ may capture the interest of the audience.✓
- Graphic programmes have the capacity to convey ideas✓ and support what the presenter is saying✓
- Video clips can provide variety✓ and capture the attention of the audience.✓
- Variation of colour/background/sound immediately catches the attention of the audience✓ and retain their interest throughout the presentation.✓
- Slides should only be used✓ where they can enhance the facts or summarise information.✓
- Any other relevant answer related to the positive evaluation of a power-point presentation.

AND/OR

Negatives
- May lead to irritation/may lead✓ to the audience losing interest✓
- Less effective✓ to people with visual impairments✓
- Simply reading off the slides✓ makes a presentation boring✓
- Unable to show slides✓ without electricity/data projector✓
- Unprofessional handling✓ of the power-point presentation material✓
- Any other relevant answer related to the negative evaluation of a power-point presentation.

Sub max (8)

8.3.2 **Effectiveness of handouts**

Positives
- Can be handed out at the end of the presentation✓ as a reminder of the key facts of the presentation.✓
- Meaningful brochures may be handed out at the start of the presentation✓ to attract attention✓
- Extra information, e.g. contact details/price lists may be handed out✓ to promote the services of the business.✓
- Useful information for improving the next presentation may be obtained✓ when the audience completes feedback questionnaires after the presentation.✓
- Any other relevant answer related to the positive evaluation of handouts

AND/OR

- Cannot be combined with audio material✓, so it only focuses on the visual aspects of support material.✓
- Handing out material at the beginning of the presentation✓ may distract the audience.✓
- It only summarises key information✓, therefore some details might be lost/ omitted.✓
- Printed material is expensive✓ and it is easy to lose hard copies.✓
- Any other relevant answer related to the negative evaluation of handouts.

Sub max (8)
Max (16)

8.4 **Responding to feedback in a professional manner**
- Sipho should always behave✓ in a polite/confident/courteous.✓
- He should ensure that he understands each question/comment✓ before responding.✓
- Sipho should stand throughout✓ the feedback session.✓
- He should listen✓ and then respond.✓
- His responses ✓should be direct/honest/sincere.✓
- Provide feedback as soon as possible✓ after the observed event.✓
- Use simple language✓ and keep answers short and to the point.✓
- Sipho should encourage questions✓ from the directors.✓
- Address questions✓ and not the person.✓
- Acknowledge good questions✓ from the audience✓
- Request audience to rephrase questions✓ if there is uncertainty✓
- Sipho must not get involved✓ in a debate.✓
- Do not avoid questions that he does not know the answer to✓, rather specify time frames that he will give the answer. ✓
- Address the full board of directors✓ and not only the person asking the question.✓
- Any other relevant answer related to responding to feedback in a professional manner

Max (10)

8.5 **Ways to improve on the next presentation**
- Sipho should revise objectives that were not achieved.✓✓
- He must use humour appropriately.✓✓
- Sipho must analyse the information that he receives as feedback from the presentation, and use this to amend/update his next presentation.✓✓
- Always be prepared to update/keep the information relevant.✓✓
- Reflect on any problem/criticism and avoid it in future presentations.✓✓
- Increase/decrease the use of visual aids or replace/remove aids that do not work well.✓✓
- Reflect on the time/length of the presentation to add/remove content.✓✓
- Reflect on the logical flow of the formats/slides/application of visual aids.✓✓
- Any other recommendation related to ways in which Sipho can improve on his next presentation.

Max (10)

8.6 **Conclusion**

- A well-prepared presentation creates a good impression and will attract potential investors.✓✓
- A good presentation promotes the image of the business/ management.✓✓
- Being professional during a verbal presentation and feedback/ question session should contribute to the success of the sales pitch and Sipho may be successful.✓✓
- Any other relevant conclusion related to presenting information.

(1 x 2) (2)

[40]

BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	
Factors when preparing for a presentation	10	Max 32
Evaluation of power-point presentation and handouts	16	
Ways to respond to feedback in a professional manner	10	
Suggestions for improvement	10	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality/Examples		2
TOTAL MARKS		40

LASO – For each component
Allocate 2 marks if all requirements are met
Allocate 1 mark if only some of the requirements are met
Allocate 0 marks when requirements are not met at all

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QUESTION 9: BUSINESS ROLES (TEAM PERFORMANCE, CONFLICT MANAGEMENT AND PROBLEM SOLVING)

9.1 **Introduction**

- There are team development stages with each having its own purpose
- Teams must be properly constituted to meet the challenges in the workplace✓
- Successful teams must adhere to pre-determined criteria✓
- Conflict in a business may arise due to opposing ideas/opinions and feelings✓
- Team members have different personalities and management should be able to deal with them.
- Any other introduction relevant to stages of team/team criteria/conflict management/difficult personalities

(2 x 1)(2)

9.2 **Stages of team development**

Forming stage✓✓

- Individuals gather information and impressions about each other✓ and the scope of the task and how to approach it. ✓
- This is a comfortable stage✓ to be in. ✓
- People focus on being busy with routines✓, such as team organisation E.g. who does what, when to meet each other✓, etc.
- Any other relevant answer related to the forming stage of team development.

Stage (2)
Explanation (2)
Sub max (4)

Norming/Settling and reconciliation✓✓

- Team members come to an agreement✓ and reach consensus. ✓
- Roles and responsibilities✓ are clear and accepted. ✓
- Processes/working style✓ and respect develop amongst members. ✓
- Team members have the ambition to work✓ for the success of the team. ✓
- Conflict may occur✓, but commitment and unity are strong. ✓
- Any other relevant answer related to norming/settling and reconciliation as a stage in team development.

Stage (2)
Discussion (2)
Sub max (4)

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Storming stage✓✓

- Teams go through a period of unease/ conflict✓ after formation✓
- Different ideas from team members✓ will compete for consideration✓
- Team members✓ open up to each other's / perspectives✓
- Tension/ struggle/arguments occur✓ and upset team members✓/ they may be power struggles✓ for position of team leader√
- In some instances, storming can be resolved quickly✓, in the others, the team never leaves this stage✓
- Many teams fail this stage✓ as they are not focussed on their task✓
- This phase can become destructive for the team√ and will lower motivation if allowed to get out of control✓
- This stage is necessary/ important✓ for the growth of the team✓
- Some team members tolerate each other✓ to survive this stage✓
- Any other relevant answer related to the forming stage of team development.

Stage (2)
Explanation (2)
Sub max (4)

Performing stage/Working as a team towards a goal✓✓

- Team members are aware✓ of strategies and aims of the team. ✓
- They have direction without interference from the leader. ✓
- Processes and structures are set. ✓
- Leaders delegate✓ and oversee the processes and procedures. ✓
- All members are now competent, autonomous and able to handle the decision-making process without supervision. ✓
- Differences among members are appreciated✓ and used to enhance the team's performance. ✓
- Any other relevant answer related to the performing stage/working as a team towards a goal of team development.

Stage (2)
Explanation (2)
Sub max (4)

-

NOTE: 1. Mark the first FOUR (4) only. **Max (16)**

9.3 **Criteria for successful teams**

9.3.1 **Interpersonal attitudes and behaviour✓✓**

- Members have a positive attitude✓ of support and motivation towards each other✓
- Good/ sound interpersonal relationships✓ will ensure job satisfaction/ increase productivity of the team✓
- Members are committed / passionate✓ towards achieving a common goal/ objectives✓

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- Team leader acknowledges/ gives credit✓ to members for positive contributions✓
- Any other relevant answer related to interpersonal attitudes and behaviour of successful teams as a criteria for successful team performance .

Criteria (2)
Outline (4)
Sub max (6)

9.3.2 **Shared values/ mutual trust and support✓✓**

- Shows loyalty/ trust/ respect✓ towards tem members despite differences✓
- Shows respect to the knowledge/ skills✓ of other team members✓
- Performs team tasks with integrity/ pursuing responsibility/ meeting team deadlines✓ with necessary commitment to team goals✓
- Any other relevant answer related to shared values/ mutual trust and support of members in successful teams as a criteria for successful team performance .

Criteria (2)
Outline (4)
Sub max (6)

9.3.3 **Communication✓✓**

- A clear set of processes/ procedures for team work ensures that every team member understands his/ her role✓
- Ability to communicate well✓ and make quick decisions✓
- Communicates with team members✓ and allows for feedback✓
- Encourages discussion about the problem so that solutions can be found✓
- Continuous review of team progress✓ ensures that team members can rectify mistakes/ act pro-actively to ensure that goals/ targets are reached✓
- Any other relevant answer related to communication in successful teams as criteria for successful team performance.

Criteria (2)
Outline (4)

Sub max (6)

9.3.4 **Co-operation / Collaboration✓✓**

- Clearly defined/ realistic goals are set, so that all members know exactly what is to be accomplished✓
- Willingness to co-operate as a unit to achieve team objectives✓
- Co-operate with management ✓to achieve team/ business objectives✓
- Agree on methods/ ways to get job done effectively without wasting time on conflict resolution✓
- All team members take part in decision making✓

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- A balanced composition of skills/ knowledge/experience/expertise✓ ensures that teams achieve their objectives✓
- Any other relevant answer related to co-operation/ collaboration in successful teams as a criteria for successful team performance .

Criteria (2)
Outline (4)
Sub max (6)
Max (12)

Note: Mark the first THREE (3) only

9.4 **Conflict resolution steps**

- Acknowledge that there is conflict in the workplace. ✓✓
- Identify the cause of the conflict/Evaluate the situation objectively. ✓✓
- Make intentions for intervention clear, so that parties involved may feel at ease. ✓✓
- Arrange a meeting between the conflicting parties and management. ✓✓
- Blame shifting should be avoided and joint team solutions must be found. ✓✓
- Devise/Suggest strategies to solve the conflict. ✓✓
- Parties must agree on the best solution. ✓✓
- Direct conflicting parties towards finding/focusing on solutions. ✓✓
- Select the appropriate solution and implement it. ✓✓
- Expertise on handling conflict may be sourced from outside the business. ✓✓
- Any other relevant answer related to conflict resolution steps.

Note: The steps can be any order

Max (10)

9.5 **Ways to deal with difficult personalities**

Indecisive person

- Guide them through alternatives. ✓✓
- Stay in control and emphasise the importance of making a decision. ✓✓
- Any other relevant answer relating to ways to deal with an indecisive person

Sub max (4)

Aggressive person

- Allow them time to speak and blow off some steam/aggressiveness. ✓✓
- Be firm, but do not confront them. ✓✓
- Do not allow them to be hostile towards others. ✓✓
- Any other relevant answer relating to ways to deal with an aggressive person

Sub max (4)
Max (8)

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9.6 **Conclusion**

- Team development should follow the stages of formation
- Teams are successful when they meet the criteria of interpersonal attitudes and behaviour, shared values, trust and respect, good communication and the presence of co-operation and collaboration. ✓✓
- Team leaders should adhere to conflict resolution steps
- Difficult personalities require different approaches to deal with them
- Any other conclusion relevant to stages of team/team criteria/conflict management/difficult personalities.

(Any1 x 2) (2)

[40]

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Stages of team development	16	
Criteria for successful teams	12	
Steps in resolving conflicts	10	
Ways to deal with indecisive and aggressive person	8	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

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

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QUESTION 10: BUSINESS OPERATIONS (HUMAN RESOURCE))

10.1 **Introduction**

- Recruitment enables businesses to employ people whose skills and qualifications are in line with the requirements of the job. ✓
- The most suitable employees would be the one with the right qualifications/ skills/ abilities/ experience. ✓
- It is important that the business places the right person in the right job. ✓
- The human resources function must adhere to/ comply with the Skills Development At (SDA), 1998 (Act 97 of 1998) or face penalties for non-compliance.✓
- Any other relevant introduction related to the recruitment procedure/external recruitment/role of the interviewer/compliance with the SDA.

(2 x 1) (2)

10.2 **Recruitment procedure**

- The human resource manager (HRM) should prepare/evaluate the job description in order to identify recruitment needs. ✓✓
- HRM should indicate the job specification/description/key performance areas to attract suitable candidates✓✓
- Prepare a job analysis, which includes job specification/job description. ✓✓
- A decision whether to recruit internally should be made-to identify suitable candidates from within the business. ✓✓
- If internal recruitment is unsuccessful, external recruitment should be considered. ✓✓
- If the external recruitment is done, the relevant recruitment source should be selected e.g. recruitment agencies, tertiary institutions, newspapers, etc. ✓✓
- The advertisement should be prepared with the relevant information, e.g. the name of the company, contact details, contact person, etc. ✓✓
- Place the advertisement in the selected media that will ensure that the best candidates apply. ✓✓

Any other relevant answer related to the recruitment procedure

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

10.3 **Roles of interviewer when preparing for an interview**

- Check/read the application/verify the CV of every candidate✓ for anything that may need to be explained. ✓
- Book and prepare the venue✓ for the interview. ✓
- Set the interview date✓ and ensure that all interviews take place on the same date, if possible. ✓
- Inform all shortlisted candidates✓ about the date and place of the interview. ✓
- Plan the programme for the interview✓ and determine the time that should be allocated to each candidate. ✓
- Notify all panel members conducting the interview√ about the date and place of the interview. ✓
- Any other relevant answer related to the role of the interviewer when preparing for an interview.

Max (12)

10.4 **Impact of external recruitment**

Positives

- New candidates bring new talents/ideas/experiences/skills✓ into the business. ✓
- It may help the business to meet affirmative action✓ and BBBEE targets. ✓
- There is a larger pool of candidates✓ to choose from. ✓
- There is a better chance of getting a suitable candidate✓ with the required
- Skills/qualifications/competencies✓
- Minimises unhappiness/conflict amongst current employees√ who may have applied for the post. ✓
- Any other relevant answer related to the positive impact of external recruitment

AND/OR

Negatives

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

Max (12)

10.5 **Ways in which HR function can comply with SDA**

- The human resources function should interpret the aims and requirements of the SDA and adapt workplace skills training programmes accordingly. ✓✓
- Identify the training needs of the employees and provide them with training opportunities so that they will perform their tasks efficiently. ✓✓
- Use the National Qualification Framework/NQF to assess the skills levels of employees. ✓✓
- Interpret/Implement the aims/requirements of the framework for the National Skills Development Strategy. ✓✓
- Assist managers in identifying skills/training needs to help them to introduce learnerships. ✓✓
- Contribute 1% of their salary bill to the Skills Development Levy/SDL. ✓✓
- Ensure training in the workplace is formalised/structured. ✓✓
- Appoint a full/part time consultant as a Skills Development Facilitator. ✓✓
- Any other relevant answer related to the ways in which the human resource function could comply with the SDA. **Max (12)**

10.6 **Conclusion**

- Employees are the most important resource in any business and its success is strongly influenced by recruiting and appointing quality employees. ✓✓
- A well prepared and organized interview process will result in identifying and appointing the most suitable and deserving candidates. ✓
- The SDA encourages individuals to take advantage of workplace skills and become competitive in the labour market gives guidance in conducting a fair appointment process. ✓✓
- Any other relevant conclusion related to recruitment procedure, external recruitment method, roles of interviewer before an interview and HR function compliance to SDA

(1 x 2)(2)

[40]

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Recruitment procedure	12	
Impact of internal recruitment	12	
Roles of interviewer before the interview	12	
How Human resource can comply with SDA	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: 80
GRAND TOTAL: 300

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