education

MPUMALANGA PROVINCE

REPUBLIC OF SOUTH AFRICA

# NATIONAL SENIOR CERTIFICATE

## GRADE 12

## BUSINESS STUDIES P1

## SEPTEMBER 2025

## MARKING GUIDELINES

**MARKS: 150**

**This marking guidelines consist of 31 pages.**

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## NOTES TO MARKERS

**PREAMBLE**

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

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

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

| | |
|---|---|
| Marker: | Red |
| Senior Marker: | Green |
| Deputy Chief Marker: | Orange |
| Chief Marker: | Pink |
| Internal Moderators: | Black/Blue |
| DBE Moderators | Turquoise |

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

3. A comprehensive marking 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.**

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

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

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

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

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

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

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

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

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

    Cognitive verbs, such as:

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

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

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

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14. **SECTION B**

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

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

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

14.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers and consult with the Internal moderators at DBE for approval.

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

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

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

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

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

14.5 **ONE mark may be awarded for answers that are easy to recall, requires** one/word **answers or is quoted directly from a scenario/case study. This applies to SECTIONS B and C in particular (where applicable).**

15. **SECTION C**

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

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

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15.2 Insight consists of the following components:

| | | |
|---|---|---|
| Layout/Structure | Is there an introduction, paragraphs and a conclusion? | **2** |
| Analysis and interpretation | Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked?<br><br>All headings addressed: 1 (One 'A')<br>Interpretation (16 to 32 marks): 1 (One 'A') | **2** |
| Synthesis | Are there relevant decisions/facts/responses made based on the questions?<br>Marks to be allocated using this guide:<br>Option 1: **Only relevant facts: 2 marks (No '-S')** Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis.<br>Option 2: **Some relevant facts: 1 mark (One '-S')** Where a candidate answers less than 50% (only one sub-question) of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.<br>Option 3: **Some relevant facts: 1 mark (One '-S')** Where a candidate answers FOUR sub questions, but one/2/3 sub-questions with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.<br>Option 4: **No relevant facts: 0 mark (Two '-S')** Where a candidate answers less than 50% (only one sub-question) of the questions with no relevant facts; two '-S' appears in the left margin. Award a ZERO mark for synthesis. | **2** |
| Originality | Is there evidence of one example in any TWO of the four sub-questions, not older than two (2) years that are based on recent information, current trends and developments? | **2** |
| | **TOTAL FOR INSIGHT:**<br>**TOTAL MARKS FOR FACTS:**<br>**TOTAL MARKS FOR ESSAY (8 + 32)** | **8**<br>**32**<br>**40** |

**NOTE:**

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

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**4. The candidates must respond to at least any TWO of the four sub-questions in the INTRODUCTION and at least ONE of the four sub questions in the CONCLUSION. Verbatim quoting of definitions/facts from credible sources is strongly discouraged.**

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

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

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

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

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

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

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

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

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

15.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (√) will be separated and indicated next to each fact, e.g. 'Inflation rate refers to a general increase in the price of goods and services over a period of time, √ resulting in a decrease in the value of money. √

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

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

**SECTON A**

**QUESTION 1**

1.1

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

(5 X 2 ) **(10)**

1.2

1.2.1 ownership√√
1.2.2 National Skills √√
1.2.3 selection √√
1.2.4 retirement√√
1.2.5 public relations √√

(5 X 2 ) **(10)**

1.3

1.3.1 B√√
1.3.2 E √√
1.3.3 A √√
1.3.4 C √√
1.3.5 H √√

(5 X 2 ) **(10)**

**TOTAL SECTION A: 30**

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**SECTION B**

**Mark the FIRST TWO answer only**

**QUESTION 2: BUSINESS ENVIRONMENTS**

2.1 **Business environments**
- Micro environment√
- Market environment√
- Macro environment√

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

**(2)**

2.2 **Role of SETAs in supporting the Skills Development Act.**
- Report √ to the director general. √
- Promote and establishes√ learnership.√
- Collect levies and pay out grants √ as required. √
- Provide accreditation for skills development facilitators. √
- Register√ learnership agreements/learning programmes. √
- Approve workplace skills plans√ and annual training reports.√
- Monitor/evaluate the actual training √ by service providers. √
- Allocate grants√ to employers, education and training providers. √
- Oversee training in different sectors √ of the South African economy.√
- Develop skills plans √ in line with the national skills development strategy.√
- Draw up skills development plans √ for their specific economic sectors √
- Provide training material/programmes √for skills development facilitators. √
- Payout grants to companies that are complying√ with the requirements of the Skills Development Act. √
- Promote learnerships and learning programmes√ by identifying suitable workplaces for practical work experience. √
- Identify suitable workplaces√ for practical work experience. √
- Any other relevant answer related to the Role of SETAs in supporting the Skills Development Act.

**Max (6)**

2.3 **Strategy evaluation**

2.3.1 **Steps in strategy evaluation from the scenario**
- The management of JTE set specific date for control and follow up as part of their inspection programme. √
- The business also implement corrective actions when deviations occur. √

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

2.3.2 **Other steps in strategy evaluation**

- Examine the underlying basis√ of a business strategy. √
- Look forward and backward√ into the implementation process√
- Compare the expected results√ in order to determine the reasons for deviations and analyse these reasons. √
- Draw up a table of the advantages and disadvantages√ of a strategy. √
- Decide on the desired outcome√ as envisaged when strategies were implemented.√
- Consider the impact of the strategic implementation √ in the internal and external environments of the business.√
- Any other relevant answer related other steps in strategy evaluation

**NOTE: Do not award marks for responses quoted in QUESTION 2.3.1**

**Max (6)**

2.4 **Advantages of intensive strategies**

- Increase in sales/revenue/income/profitability√ because of aggressive advertising campaigns/√ because more products/services are being sold.√
- Increase the control over the prices charged√ for products/services. √
- Regular sales to existing customers√ may increase. √
- Gain/increase customer loyalty√ through effective promotion campaigns. √
- Improved service delivery√ which may improve business image/brand awareness /increase sales. √
- Eliminate/remove existing competitors√ and dominate market prices. √
- A decrease in price could influence customer's √ to buy more products/services. √
- Businesses can have more control√ over the prices of products/services.√
- Enables the business/√ improves the focus on markets/well researched quality products that satisfy the needs of consumers√
- Increased/enhanced/improved market share√ reduces the business's vulnerability to the actions of competitors. √
- Any other relevant answer related to advantages of intensive strategies.

**Max (6)**

2.5 **Impact of Labour Relations Act (LRA), 1995 (Act 66 of 1995)**
**Advantages/Positives**

- Employers and employees have guidelines √ regarding correct and fair dismissal procedures. √
- Provides mechanisms √ such as statutory councils/collective bargaining/ CCMA. √
- Employers are entitled to compensation from the Labour Court √ if they suffered damages as a result of unprotected strikes. √
- Promotes a healthy relationship √ between the employer and employees√

- Protects the rights of businesses and employers√ in labour related issues. √
- Promotes quick and less expensive√ labour dispute resolutions.√
- Workplace forums add value to businesses√ if they function properly. √
- Protect employers who embark on lawful lock-outs √ when negotiations between parties fail and employees participate in strike action. √
- LRA provides for the principles of collective bargaining √ and puts structures in place with which disputes in the workplace can be settled.√
- Provides specific guidelines for employers√ on correct and fair disciplinary procedures.√
- Provides sound dispute resolution √ through consensus between organised labour, businesses and the state.√
- Any other relevant answer related to the positive impact of of Labour Relations Act (LRA), 1995 (Act 66 of 1995.

**AND/OR**

**Negatives/disadvantages**

- The LRA may reduce global competitiveness√ due to lower workplace productivity. √
- Productivity may decrease significantly √ if employees engage in trade union activities during work hours. √
- Costs of labour increase√ because of legal strikes.√
- Employers may not get a court interdict√ to stop a strike. (right to legal strike). √
- Employers may have to disclose information about workplace issues√ to union representatives that could be the core of their competitive advantage. √
- Employers may not dismiss employees at will, √ as procedures have to be followed. √
- Many employees take advantage of the right to strike√ without acknowledging their responsibilities. √
- Many employees and employers do not understand/√ respect the Labour Relations Act. √
- Strike actions always result in loss of production √ which employers may not claim. √
- Some trade unions may not promote the mandate of their members √ but embark on industrial action, which is harmful to labour relations between employers and employees. √
- Some businesses may feel that the LRA gives employees too much power√ as it creates lengthy procedures, e.g. consulting with workplace forums. √
- Labour disputes and bargaining council processes become disruptive/time-consuming√ and can lead to a decrease in productivity in businesses. √
- The implementation of the LRA may be very costly√ and time- consuming especially the dispute resolution process. √
- Decrease profitability√ of businesses because of a decline in productivity and sales. √

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- Businesses may lose their competitive advantage√ because important information, which could be leaked to competitors, is often disclosed to trade union members during collective bargaining. √
- The employment of legal specialists and labour consultants√ increases the costs of the business. √
  Any other relevant answer related to the negative impact of Labour Relations Act (LRA), 1995 (Act 66 of 1995.

**Max (4)**

2.6 **Rights of consumer rights, according to the Consumer Protection Act (CPA), 2008 (Act 68 of 2008)**

| CONSUMER RIGHTS | MOTIVATIONS |
|---|---|
| 1. Right to choose√√ | LPW allows customers to shop around for the best prices. √ |
| 2. Right to fair value/good quality and safety√√ | Consumers are informed about hazardous /dangerous products√ |
| Sub max(4) | Sub max(2) |

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

**Max (6)**

2.7 **Purpose of the Employment Equity Act (EEA), 1998 (Act 55 of 1998)**

- The EEA allows employees who do the same work√ to be paid equally. √
- Eliminate discrimination on grounds of gender√ /race/disability in the workplace. √
- Promotes equal opportunity and fair treatment√ in the workplace. √
- Promotes diversity in the workplace √ by ensuring that people of diverse backgrounds are appointed√.
- Protects employees from victimisation√ in the context of exercising their rights as outlined in the EEA. √.
- Ensures equal representation in the workplace√ through the implementation of affirmative action. √
- Any other relevant answer related to purpose of the Employment Equity Act (EEA), 1998 (Act 55 of 1998).

**Max (4)**

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2.8 **How businesses can comply with the Broad Based Black Economic Empowerment (BBBEE), 2003 (Act 53 0f 2003)**

- Conduct business activities with BBBEE compliant vendors/suppliers/participate in preferential procurement. √√
- Conduct regular skills development training with black employees√√
- Sell shares to more black individuals within and outside the
- organisation √√
- Appoint and promote more black employees into managerial positions. √√
- Implement sound Corporate Social Investment (CSI) policies to improve and develop society at large. √√
- Businesses must appoint black people in managerial positions. √√
- Outsource their services to BEE compliant suppliers. √√
- Implement affirmative action when making appointments/Business need to find all means to achieve the requirements of the Five BBBEE pillars, such as promoting affirmative action when making appointments. √√
- Develop small business /SMME; s through ESD. √√
- Conduct business activities with BBBEE compliant vendors/suppliers/participate in preferential procurement. √√
- Improve the standard of living of the communities in which they operate.
- Any other relevant answer related to how businesses can comply with the Broad Based Black Economic Empowerment (BBBEE), 2003 (Act 53 0f 2003)

**Max (4)**
**[40]**

**BREAKDOWN OF MARKS**

| QUESTION 2 | MARKS |
|---|---|
| 2.1 | 2 |
| 2.2 | 6 |
| 2.3.1 | 2 |
| 2.3.2 | 6 |
| 2.4 | 6 |
| 2.5 | 4 |
| 2.6 | 6 |
| 2.7 | 4 |
| 2.8 | 4 |
| TOTAL | 40 |

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## QUESTION 3: BUSINESS OPERATIONS

3.1 **Four sources of internal recruitment**

- Internal e-mails/Intranet/web sites to staff√
- Word of mouth√
- Business newsletter/circulars√
- Internal/management referrals√
- Notice board of the business√
- Internal bulletins√
- Recommendation of current employees√
- Head hunting within the business/organisational database√

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

**(4x1) (4)**

3.2 **Difference between piecemeal and time-related salary determination methods**

| PIECE-MEAL | TIME-RELATED |
|---|---|
| - Workers are paid according to the number of items/ units √ produced/actions performed. √ | - Workers are paid for the amount of time √ they spend at work/on the task. √ |
| - Workers are not remunerated for the number of hours worked, √ regardless of how long it takes them to make the items. √ | - Workers with the same experience/qualifications √ are paid on salary scales regardless of the amount of work done. √ |
| - Mostly used in factories, √ particularly in the textile/technology industries. √ | - Many private and public sector businesses √ use this method. √ |
| - Any other relevant answer related to piece-meal salary determination method. | - Any other relevant answer related to time-related salary determination method. |
| Sub max (2) | Sub max (2) |

**NOTE: 1. Mark the first TWO (2) only.**

**2. Award marks for salary determination methods even if the motivations are incomplete.**

**3. Do not award marks for motivations if the salary determination methods were incorrectly identified.**

**4. Accept responses in any order.**

**Max (4)**

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3.3 **Acts that has an impact on WM from the scenario**

| ACTS | MOTIVATION |
|---|---|
| 1. Labour Relations Act √√ | The manager, Sam, could not easily dismiss a worker as a bargaining council and CCMA processes needed to be followed. √ |
| 2. Skills Development Act √√ | Sam also had to ensure that training in the workplace is structured. √ |
| Sub max (4) | Sub max (2) |

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

**Max (6)**

3.4 **Purpose of induction**

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

**Max (6)**

3.5 **Quality concepts from statements**

3.5.1 Quality control √√ **(2)**

3.5.2 Quality assurance √√ **(2)**

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3.6 **TQM elements from the scenario**

| TQM ELEMENTS | MOTIVATIONS |
|---|---|
| 1. Continuous improvement of processes and systems√√ | They attribute their success to the fact that they have more resources to check on quality performance in each unit. √ |
| 2.Total client/customer satisfaction√√ | However, they are challenged by the fact that employees who seldom come into contact with customers often do not have a clear idea of what will satisfy their needs. √ |
| Sub max (4) | Sub max (2) |
| **NOTE: 1. Mark the first TWO (2) only.**<br>**2. Award marks for acts even if the motivations are incomplete.**<br>**3. Do not award marks for motivations if the TQM elements were incorrectly identified.**<br>**4. Accept responses in any order.** | |

**Max (6)**

3.7 **TWO steps in PDCA model**

**PLAN** √√
- The business should identify the problem. √
- Develop a plan for improvement to processes and systems. √
- Answer the questions such as *'what to do'* and *'how to do it'*. √
- Plan the method and approach. √

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

**DO** √√
- The business should implement the change in small scale. √
- Implement the processes and systems. √

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

**CHECK/ANALYSE** √√
- Use data to analyse the results of change. √
- Determine whether it made a difference. √
- Check whether the processes are working effectively. √
- The business should assess, plan and establish if it is working/if things are going according to plan. √

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

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**ACT AS NEEDED** √√
- Institutionalise the improvement. √
- Devise strategies on how to continually improve. √
- If the change is successful, implement it on a wider scale. √
- Continuously revise the process. √

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

**NOTE: Mark the first TWO (2) only.** **Max (6)**

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

**Max (4)**
**[40]**

**BREAKDOWN OF MARKS**

| QUESTION 3 | MARKS |
|---|---|
| 3.1 | 4 |
| 3.2 | 4 |
| 3.3 | 6 |
| 3.4 | 6 |
| 3.5.1 | 2 |
| 3.5.2 | 2 |
| 3.6 | 6 |
| 3.7 | 6 |
| 3.8 | 4 |
| TOTAL | 40 |

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## QUESTION 4: MISCELLANEOUS TOPICS

## BUSINESS ENVIRONMENTS

4.1 **Business sectors**

- Primary sector √
- Secondary sector √
- Tertiary sector √

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

**(2)**

4.2 **Advantages of diversification strategies**

- Increase sales/√ revenue/income and business growth. √
- Improves the business brand √ and image. √
- Reduces the risk √ of relying only on one product.√
- More products can be sold√ to existing customers and additional new markets can be established.√
- Businesses gain more technological capabilities√ through product modification. √
- Diversification into a number of industries or product lines √ can help create a balance during economic fluctuations.√
- Businesses produce more output using fewer inputs√ as one factory may be used to manufacture more products.√
- Establish additional new markets√ in unrelated markets/industries.√
- Remain relevant/functional/operational√ in the context of ever-changing business environments. √
- Retain its competitive advantage √ by meeting the needs of current/new customers/expanding into new unexplored markets. √
- Any other relevant answer related to the Advantages of diversification strategies

**Max (4)**

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**4.3**

**4.3.1 Porters Five Forces model that are applicable to MPB. Motivate your answer by quoting from the scenario above.**

| PORTERS FIVE FORCES | MOTIVATION |
|---|---|
| Power of buyers√√ | Some of MPB customers buy in bulk to determine the prices in their favour. √ |
| Competitive rivalry/Power of competitors√√ | Simon Panel Beaters offer similar second hand cars at a lower price to drive MPB out of the market. √ |
| Sub max (4) | Sub max (2) |

**NOTE**

1. **Mark the first TWO (2) only.**
2. **Award marks for Porters Five Forces even if the motivations are incomplete.**
3. **Do not award marks for motivations if the Porters Five Forces were incorrectly identified.**
4. **Accept responses in any order.**

**Max (6)**

**4.4 The purpose of Basic Condition of Employment Act (BCEA), 1997 (Act 75 of 1997).**

- Outlines clear terms and conditions√ of employment for employers and employees. √
- Set minimum requirements/standards √ for the creation of employment contracts. √
- Advance economic development and social justice√ for employees. √
- Regulates the right to fair labour practices √ as set out in the Constitution. of South Africa. √
- Regulates the variations of basic conditions√ of employment. √
- Adheres to the rules and regulations√ set out by the International Labour Organisation (ILO). √
- Any other relevant answer related to the purpose of Basic Condition of Employment Act (BCEA), 1997 (Act 75 of 1997).

**Max (4)**

**4.5 Ways in which business can comply with the Compensation for Occupational Injuries and Diseases Amendment Act (COIDA), 1997 (Act 61 of 1997).**

- Display a summary of COIDA in the workplace where it is visible to all employees. √√
- Organise training on COIDA with all relevant stakeholders so that employees, know their rights in the context of COIDA, but also to protect and promote health and safety in the workplace. √√
- Provide and enhance the capacity to promote health and a safe working environment. √√
- Report all accidents, injuries, illnesses, and fatalities to the Compensation Commissioner as they occur. √√

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- Ensure that the premises/equipment/machinery is in good working condition. √√
- Register with the Compensation Commissioner and provide the particulars of the business. √√
- Report all incidents causing death/injury/illness of employees. √√
- Levies must be paid to the Compensation Fund. √√
- Keep records of employees' income and details of work for four years. √√
- Submit returns of earnings by no later than 1 March annually. √√
- Allow regular assessment of the workplace by inspectors in order to determine the level of risk their employees are exposed to. √√
- Employers may not make deductions for COIDA from employees' remuneration packages. √√
- Businesses must ensure that claims are lodged within twelve months of the date of the accident. 6 The Broad-Based. √√
- Any other relevant answer related to Ways in which business can comply with the Compensation for Occupational Injuries and Diseases Amendment Act (COIDA), 1997 (Act 61 of **1997).**

**Max (4)**

**BUSINESS OPERATIONS**

4.6 **Aspects included in employment contract**

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

- List of documents that form part of the contract e.g. appointment letter/code of conduct/ethics. √
- Disciplinary policy e.g. rules and disciplinary procedure for unacceptable behaviour. √
- Any other relevant answer related to aspects that should be included in an employment contract.

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

**(4x1) (4)**

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4.7 **Recruitment**

4.7.1 **Steps in recruitment procedure from scenario.**

- The human resource manager prepared a job analysis. √
- He chose to recruit externally by using recruitment agencies. √

**NOTE**
1. **Mark the first TWO (2) only.**
2. **Only award marks for responses from the scenario.**
3. **Accept answers in any order.**

**(4)**

4.7.2 **Other steps in the recruitment procedure.**

- HRM should indicate the job specification/description √ to attract suitable candidates. √
- Choose the method of recruitment e.g. internal/external, √ to reach/target the suitable applicants/candidates. √
- Vacancies can be internally advertised √ via internal email/word of mouth/posters/staff notice boards. √
- External recruitment should be considered √ if internal recruitment is unsuccessful. √
- The advertisement should be prepared with the relevant information, √ e.g. the name of the company, contact details, contact person, etc. √
- Place the advertisement in the appropriate media √that will ensure that the best candidates apply. √
- Any other relevant answer related to steps in the recruitment procedure.

**NOTE: 1. Accept steps in any order.**
**2. Do not award marks for responses that were quoted in QUESTION 4.7.1**

**Max (4)**

4.8 **How general management function contributes to the success of the business**

- Develop/Implement/Monitor√ effective strategic plans. √
- Efficient organisation/allocation of business resources√ to provide for the achievement of long term and short term plans. √
- Structured standards and norms should be in place √ so that control mechanisms can be implemented. √
- Learn about/Understand changes in the business environment √ on an ongoing basis. √
- Effectively communicate√ a shared vision, mission and values. √
- Set direction and establish priorities √ for their business. √
- Be prepared to set an example √ of the behaviour that is expected from employees in terms of s well as productivity. √√
- Be proactive and always seek to improve√ competitive advantage over competitors. √√
- Ensure that all departments√ /business meet their deadlines/targets. √
- Any other relevant answer related to how the general management function contributes to the success of the business.

**Max (4)**

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

- Effective customer services are rendered, resulting in increased customer satisfaction. √√
- Time and organisational resources such as finance/raw materials/ labour are used efficiently. √√
- Productivity increases through proper /effective time management/ using high quality resources. √√
- Products/Services are constantly improved resulting in increased levels of customer satisfaction. √√
- Enhances the ability of the business to achieve its vision/mission/ goals. √√
- The business improved its competitive advantage over its competitors. √√
- Regular training will continuously improve the quality of employees' skills/knowledge/competencies. √√
- Employers and employees will have a healthy working relationship resulting in happy/productive workers./Improves the employee morale/productivity within the business. √√
- Increased market share/more customers improve profitability. √√
- Improves business image as there are fewer defects/returns. √√
- Improves the financial sustainability of the business as customers are retained. √√
- Any other relevant answer related to the benefits of a good quality management system.

**Max (4)**
**[40]**

**TOTAL SECTION B: 80**

**BREAKDOWN OF MARKS**

| QUESTION 4 | MARKS |
|---|---|
| 4.1 | 2 |
| 4.2 | 4 |
| 4.3.1 | 6 |
| 4.4 | 4 |
| 4.5 | 4 |
| 4.6 | 4 |
| 4.7.1 | 4 |
| 4.7.2 | 4 |
| 4.8 | 4 |
| 4.9 | 4 |
| TOTAL | 40 |

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**SECTION C**

**Mark the FIRST question only.**

**QUESTION 5: BUSINESS ENVIRONMENTS**

5.1 **Introduction**

- A strategic plan is an ideal place to state a business's short and long term goals. √
- In business, defensive strategies are crucial for companies to protect their market position and profitability. √
- A PESTLE analysis is a framework or tool used by marketers to analyse and monitor the macro- environment (external marketing environment that have an impact on a business. √
- Businesses can address social, political and social factors within their micro environment by understanding and adapting to their immediate operating environment. √
- Any other relevant answer related to strategic management process, defensive strategies, how the following factors pose challenges for businesses and Ways in which businesses can address the challenges posed by the PESTLE factors above.

**Any (2 X 1) (2)**

5.2 **Strategic management process**.

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

**AND/OR**

**Option 2**

- Review /Analyse/Re-examine their vision/mission statements. √√
- Conduct an environmental analysis using models such as PESTLE analysis / PORTERFIVE FORCES MODEL/SWOT analysis. √√

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

**Max (10)**

5.3 **Types of defensive strategies**

**5.3.1 Diversification**√√

- The business disposes/sells some assets/divisions √ that are no longer profitable/ productive/functional/relevant. √
- Businesses may sell off divisions/product lines with slow growth potential/√ Pay off debts by selling unproductive assets. √
- The business sells ownership√ by decreasing the number of shareholders. √
- The process used to withdraw its investment√ in another business (divesting). √
- Any other relevant answer related to diversification strategy.

Heading(2)
Facts(2)
Sub max(4)

5.3.2 **Retrenchment**√√

- The business terminates the employment contracts√ of employees for operational/structural/restructuring reasons. √
- Decreasing the number of product lines√ /Closing certain departments may result in some workers become redundant. √
- This is an aggressive strategy where management makes bold decisions√ by letting go of employees to reduce operational costs/expenses. √
- Through retrenchment, the business can reduce prices/offer discounts/incentives√ for customers/consumers. √
- Any other relevant answer related to retrenchment

Heading(2)
Facts(2)
Sub max(4)

5.3.3 **Liquidation**√√

- The business sells all assets√ to pay creditors due to a lack of capital/the inability to repay creditors/bankruptcy. √
- Selling the entire business√ in order to pay shareholders a fair price for their shares upon the closure of the business. √
- Companies in financial difficulty√ may apply for business rescue to avoid liquidation. √

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- The process of liquidation allows creditors to apply for forced liquidation√ to have their claims settled. √
- It is (an) unpleasant process√ of bringing business activities to an end/last resort to repay creditors. √
- Any other relevant answer related to liquidation

Heading(2)
Facts(2)
Sub
max(4)
**Max (12)**

5.4 **How the following factors pose challenges for businesses:**

5.4.1 **Political**

- Some government policies √ may affect businesses. √
- Consumer rights organisations may prevent businesses from selling products√ if they do not meet certain requirements. √
- Trade agreements may prevent businesses√ from importing some medicine/products. √
- Any other relevant answer related to

Sub max(4)

5.4.2 **Social**

- Decrease in foreign direct investment√ by important foreign investors. √
- Customers may not be able to afford products√ due to low-income levels/high unemployment. √
- Businesses may not be conversant√ with the language of their customers. √
- Some businesses may lose sales √ as customers may prefer to spend their money on medical bills/expenses. √
- A high crime rate may affect the trading hour's √of businesses resulting in decreased profit. √
- Any other relevant answer related to social.

Sub max (4)

5.4.3 **Technological**

- Businesses may not keep up with√ /be aware of the latest technology. √
- Employees may not be skilled√ to operate/maintain new technology/ equipment. √
- Businesses may not be able to afford√ new technology. √
- Business may not be able to cater for/√ afford online transactions/e-commerce. √
- Any other relevant answer related to technological.

Sub max(4)
**Max (12)**

5.5 **Ways in which businesses can address the challenges posed by the PESTLE factors above.**

5.5.1 **Political**

- Research recent government policies. √√
- Network and lobby with the NGOs and all consumer rights organisations. √√
- Trade only with countries that have favourable trade agreements with the government. √√
- Any other relevant answer related to political

Sub max ( 4)

5.5.2 **Social**

- Sell substitute/generic products at lower prices. √√
- Learn local languages/Hire employees who are well conversant with the local language. √√
- Develop/produce/incorporate/innovate new products that aim to address the lifestyle attitudes/trends of customers. √√
- Work together with community police forums and improve security in the business. √√
- Any other relevant answer related to social

Sub max ( 4)

5.5.3 **Technological**

- Continuous research on the latest available technology/equipment in the market. √√
- Train existing/appoint new employees to maintain/use new equipment. √√
- Compare prices/Select suitable suppliers for new equipment at reasonable prices. √√
- Businesses must be geared for online trading/e-commerce√√
- Any other relevant answer related to technological

Sub max ( 4)

**Max (12)**

5.6 **Conclusion**

- A strategy is the direction and scope of an organisation in a long run that assist the business to achieve over its competitors. √√
- The means used by companies in market leadership positions to defend their market share from attacks by challengers. √√
- An environment scanning framework for businesses to understand the external conditions and relations of a business in order to assist managers in strategic planning. √√
- Business can address political, social and technological factors through strategic planning. Adaption and innovation using tools like PESTLE, Porters Five Forces and SWOT analysis. √√
- Any other relevant answer related to strategic management process, defensive strategies, how the following factors pose challenges for businesses and Ways in which businesses can address the challenges posed by the PESTLE factors above.

**Any (1x2) (2)**

**[40]**

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**QUESTION 5: BREAKDOWN OF MARK ALLOCATION**

| DETAILS | MAXIMUM | TOTAL |
|---|---|---|
| Introduction | **2** | **Max 32** |
| Describe the strategic management process. | **10** | |
| Explain THREE types of defensive strategies. | **12** | |
| Discuss how the following factors pose challenges for businesses:<br>○ Political.<br>○ Social.<br>○ Technological | **12** | |
| Recommend ways in which businesses can address the challenges posed by the PESTLE factors above. | **12** | |
| Conclusion | **2** | |
| **INSIGHT** | | **8** |
| Layout | **2** | |
| Analysis | **2** | |
| Synthesis | **2** | |
| Originality | **2** | |
| **TOTAL MARKS** | | **40** |

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

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## QUESTION 6: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)

6.1 **Introduction**

- Quality management involves overseeing activities and tasks to ensure products and services meet specified standards. √
- If TQM is poorly implemented, it can damage the company's reputation √
- The primary goal of quality circles is to improve quality and productivity by engaging employees in the problem-solving process. √
- Continuous skills development is an ongoing process of learning new skills and knowledge. √
- Any other relevant introduction related to the difference between quality management and quality performance, ways in which TQM can reduce the cost of quality, the role of quality circles as part of continuous improvement to processes and systems and the impact of continuous skills development and monitoring and evaluating of quality processes.

**Any (2 X 1) (2)**

6.2 **Differences between quality management and quality performance**

| QUALITY MANAGEMENT | QUALITY PERFORMANCE |
|---|---|
| Techniques/Tools used to design/ improve the quality of a product. √√ | The total performance of each department measured against the specific standards. √√ |
| Can be used for accountability within each of the business functions. √√ | Can be obtained if all the departments work together towards the same quality standards. √√ |
| Aims to ensure that the quality of goods/services is consistent/focuses on the means to achieve consistency. √√ | Quality is measured through physical product/statistical output of processes/surveys of the users and/or buyers of goods/services. √√ |
| **Sub max (6)** | **Sub max (6)** |

**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 SIX (6) marks if the distinction is not clear/ Mark either quality management or quality performance.**

**Max (12)**

6.3 **Impact if TQM is poorly implemented by a business**

- Setting unrealistic deadlines √ that may not be achieved. √
- Employees may not be adequately trained√ resulting in poor quality products. √
- Decline in productivity, √ because of stoppages. √
- Businesses may not be able to make necessary changes√ to products/services to satisfy the needs of customers. √
- Business reputation/image may suffer√ because of poor quality/defective goods. √
- Customers will have many alternatives√ to choose from and the impact could be devastating to businesses. √
- Investors might withdraw investment√ if there is a decline in profits. √

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- Decline in sales√ as more goods are returned by unhappy customers. √
- High staff turnover, because of poor skills development. √
- Undocumented/Uncontrolled quality control systems/processes√ could result in errors/deviations from pre-set quality standards. √
- Any other relevant answer related to the impact if TQM is poorly implemented.

**Max (12)**

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

- Solve problems related to quality √ and implement improvements. √
- Investigate problems√ and suggest management solutions. √
- Ensure that there is no duplication√ of activities/tasks in the workplace. √
- Make suggestions for improving systems √ and processes in the workplace. √
- Improve the quality of products/services/productivity√ through regular reviews of quality processes. √
- Monitor/Reinforce strategies√ to improve the smooth running of business operations. √
- Reduce cost of redundancy√ /wasteful efforts in the long run. √
- Increase employees'√ morale/motivation. √
- Quality circles discuss ways√ of improving the quality of work/workmanship.
- Contribute towards the improvement and development√ of the organisation. √
- Increase the demand√ for products/services of the business. √
- Create harmony and high performance in the workplace. √
- Build a healthy workplace relationship√ between employer and employee. √
- Improve employees' loyalty and commitment √ to the organisations and its goals. √
- Improve employees' communication at all levels of the business. √
- Develop a positive attitude√/sense of involvement in the decision-making process of the service offered. √
- Any other relevant answer related to the role of quality circles.

**Max (10)**

6.5 **Impact of the following TQM elements on large businesses**

6.5.1 **Continuous skills development**

**Positives/advantages**

- Large businesses have a human resources department dedicated to skills training and development. √√
- Human resources experts ensure that training programmes are relevant to increased customer satisfaction. √√
- Ability to afford specialised/skilled employees. √√

- Large businesses could conduct skills audits to establish the competency/education levels of staff performing work which could affect the quality of products/processes positively. √√
- May be able to hire qualified trainers to train employees regularly.√√
- Any other relevant answer related to the positive impact of continuous skills development on large businesses.

**AND/OR**

**Negatives/Disadvantages**

- Poor communication systems in large businesses may prevent effective training from taking place. √√
- Trained employees may leave for better jobs after they gained more skills. √√
- Demotivates employees if they do not receive recognition for training. √√
- Employees who specialise in narrowly defined jobs √ may become frustrated/demotivated. √√
- Employees may not be aware of the level of competency they should meet to achieve their targets. √√
- It may be difficult to monitor/evaluate the effectiveness of training√√
- Any other relevant answer related to the negative impact of continuous skills development on large businesses.

Sub max (6)

6.5.2 **Monitoring and evaluating of quality processes**
**Positive/Advantages**

- Prevents product defects and minimises wastage/customer complaints. √√
- Good quality checks/procedures minimise the replacement/ breakdown of equipment/machinery regularly. √√
- May be equipped to get things done right the first time.√√
- Improved performance and maintain high quality standards.
- Improve current and future management of quality outputs/ outcomes/impact. √√
- Provide clear indication about quality aspects that are contributing to the achievement of goals/targets. √√
- Modify interventions that may improve the efficient use of resources. √√
- Support management to acquire information needed to make informed decisions about processes. √√
- The cost of production is reduced as deviations from set standards can be corrected. √√
- Strategies are revised to improve the quality of the product and services/business image. √√
- Allows for quality control checks and procedures at key points. √√
- Key performance indicators are carefully selected to monitor and evaluate the outcome. √√
- Benchmarking is used to find best practices to determine the competitive position of the business. √√

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- Quality circles meet regularly to evaluate the progress in terms of quality. √√
- Continuous research is conducted on the latest developments to ensure that TQM planning is up to date. √√
- Any other relevant answer related to the positive impact of monitoring and evaluating of quality processes on large businesses.

**AND/OR**

**Negatives/Disadvantages**

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

Sub max (6)
**Max (12)**

6.6 **Conclusion**

- Quality performance refers to the degree which an outcome meets established quality standards. √√
- Poorly implemented TQM can result in missed opportunities for improvement and wasted resources √√
- Quality circles is a powerful tool for organisations to enhance their product quality and engage employees in a culture of continuous improvement. √√
- Monitoring and evaluating a quality process involves consistently checking progress against plans. √√
- Any other relevant conclusion related to the difference between quality management and quality performance, ways in which TQM can reduce the cost of quality, the role of quality circles as part of continuous improvement to processes and systems and the impact of continuous skills development and monitoring and evaluating of quality processes.

**Any (1 X 2) (2)**
**[40]**

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| DETAILS | MAXIMUM | TOTAL |
|---|---|---|
| Introduction | 2 | Max 32 |
| Difference between quality management and quality performance. | 12 | |
| Ways in which TQM can reduce the cost of quality. | 12 | |
| Role of quality circles. | 10 | |
| Impact of continuous skills development and monitoring and evaluating of quality process. | 12 | |
| Conclusion | 2 | |
| **INSIGHT** | | 8 |
| Layout | 2 | |
| Analysis | 2 | |
| Synthesis | 2 | |
| Originality | 2 | |
| **TOTAL MARKS** | | **40** |

**QUESTION 6 BREAKDOWN OF MARKS ALLOCATION**

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

**TOTAL SECTION C: 40**
**GRAND TOTAL: 150**

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