education

Department:
Education
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

PROVINCIAL ASSESSMENT

GRADE 12

BUSINESS STUDIES P2
JUNE 2025
MARKING GUIDELINE

MARKS: 150

This marking guideline consists of 33 pages.

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NOTES TO MARKERS

PREAMBLE

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

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

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

Marker	Red
Internal Moderator:	Green
External Moderator:	Black/Blue
Provincial Moderator:	Pink

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

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

   - Uses a different expression from that which appears in the marking guidelines.
   - Comes from another credible source.
   - Is 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 the work ‘max’ in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.

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

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

10. No additional credit must be given for repetition of facts. Indicate repetition 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**: *'The autocratic leadership style provides strong leadership ✓which makes new employees feel confident and safe.✓'*

    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. *'The autocratic leadership style provides strong leadership✓, which makes new employees feel confident and safe ✓as expectations/roles are clearly explained to avoid confusion. '✓*

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

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

    Cognitive verbs, such as:

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

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

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

14. SECTION B

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 school to finalise alternative answers.

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

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

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

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

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

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

15. SECTION C

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

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

15.2 Insight consists of the following components:

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

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

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 subsections has been attained. Write SUB MAX/MAX after maximum marks have been obtained, but continue reading for originality "O".

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

Content	Marks
Facts	**32 (max)**
L	**2**
A	**2**
S	**2**
O	**2**
TOTAL	**40**

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

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

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

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

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

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

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

SECTION A

1.1	1.1.1	D ✓✓		
	1.1.2	A ✓✓		
	1.1.3	C ✓✓		
	1.1.4	B ✓✓		
	1.1.5	D ✓✓	(5 × 2)	**(10)**
1.2	1.2.1	Unethical ✓✓		
	1.2.2	Non-compulsory ✓✓		
	1.2.3	Communication ✓✓		
	1.2.4	Founders✓✓		
	1.2.5	Force Field Analysis ✓✓	(5 × 2)	**(10)**
1.3	1.3.1	I ✓✓		
	1.3.2	H ✓✓		
	1.3.3	C ✓✓		
	1.3.4	G ✓✓		
	1.3.5	D ✓✓	(5 × 2)	**(10)**

TOTAL SECTION A: 30

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B

Mark the answers to the FIRST TWO questions only.

QUESTION 2: BUSINESS VENTURES

2.1 Examples of non-insurable risks

- Nuclear weapons/war. ✓
- Changes in fashion. ✓
- Improvement/changes in technology. ✓
- Irrecoverable debts. ✓
- Financial loss due to bad management. ✓
- Possible failure of a business. ✓
- Shoplifting during business hours . ✓
- Loss of income if stock is not received in time/Time that elapses between the ordering and delivery of goods. ✓

NOTE: Mark the first FOUR (4) only.

(4 × 1) (4)

2.2 The differences between insurance and assurance

INSURANCE	ASSURANCE
- Based on the principle of indemnity. ✓✓	- Based on the principle of security/certainty. ✓✓
- The insured transfers the cost of potential loss to the insurer at a premium. ✓✓	- The insurer undertakes to pay an agreed sum of money after a certain period has expired/on the death of the insured person, whichever occurred first. ✓✓
- It covers a specified event that may occur. ✓✓	- Specified event is certainty, but the time of the event is uncertain. ✓✓
- Applicable to short term insurance. ✓✓	- Applicable to long term insurance. ✓✓
- Any other relevant answer related to insurance.	- Any other relevant answer related to assurance.
Sub max (2)	**Sub max (2)**

NOTE:

1. **The answer does not have to be in tabular format.**
2. **The difference does not have to link but must be clear.**
3. **Award a maximum of TWO (2) marks if the differences are not clear./Mark either insurance or assurance.**

Max (4)

2.3 Insurance concepts from the scenario

2.3.1 Insurance concepts from the scenario

INSURANCE CONCEPTS	MOTIVATIONS
Excess ✓✓	Speedy Couriers had to pay R7 500 when their claim was lodged with AutoSure. ✓
Reinstatement ✓✓	Instead of reimbursing SC, Autosure repaired the damages to the vehicle. ✓
Sub max (4)	**Sub max (2)**

NOTE:

1. **Mark the first TWO (2) only.**
2. **The answer does not have to be in tabular form.**
3. **Award marks for the insurance concepts even if the quote is incomplete.**
4. **Do not award marks for motivations if the insurance concepts were incorrectly identified.**

Max (6)

2.3.2 The importance of insurance for businesses

- Transfers the risk from businesses/insured✓ to an insurance company/insurer. ✓
- Transfer of risk is subject to the terms and conditions✓ of the insurance contract. ✓
- Protects businesses against theft/loss of stock and/or damages✓ caused by natural disasters such as floods, storm damage, etc. ✓
- Businesses will be compensated for insurable losses, ✓ such as destruction of property through fire. ✓
- Businesses' assets such as vehicles/equipment/buildings need to be insured✓ against damage and/or theft. ✓
- Businesses are protected against the loss of earnings, ✓ strikes by employees which result in losses worth millions. ✓
- Protects businesses✓ 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 businesses/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 importance of insurance for businesses.

Max (4)

2.4 The functions of the JSE

- Gives opportunities to financial institutions✓ such as insurance companies to invest their surplus 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/selling of shares. ✓
- Venture capital market is made possible✓ on the open market. ✓
- Strict investment rules✓ ensure a disciplined/orderly market for securities. ✓
- Encourages short term investments✓ as shares can be sold at any time. ✓
- Mobilises the funds of insurance companies✓ and other institutions.✓
- Raises primary capital✓ by encouraging new investments in listed companies.✓
- Regulates the market✓ for trading in shares. ✓
- Plans, researches and advises✓ on investment possibilities. ✓
- Ensures that the market operates✓ in a transparent manner. ✓
- Provides protection for investors✓ through strict rules/regulation. ✓
- Facilitates electronic trading of shares./STRATE. ✓/Channels financial resources✓ into productive economic activities. ✓
- Enhances job creation✓ and increases economic growth or development. ✓
- Any other relevant answer related to the functions of JSE.

Max (6)

2.5 Form of investment

2.5.1 Form of investment from the scenario

Government/RSA retail savings bonds ✓✓ **(2)**

2.5.2 Advantages of Government/RSA retail savings bonds

- Guaranteed returns, as interest rate is fixed for the whole investment period. ✓✓
- Interest rates are market related and attract more investors.✓✓
- Interest can be received twice a year, making it a viable investment option. ✓✓
- Interest is usually higher than on fixed deposits. ✓✓
- Retail bonds are listed on the capital bond markets/on the JSE.✓✓
- Low risk/Safe investment, as it is invested with the South African Government which cannot be liquidated.✓✓
- No charges/costs/commissions payable on this type of investment. ✓✓
- Investment may be easily accessible, as cash may be withdrawn after the first twelve months. ✓✓
- It is an affordable type of investment for all levels of income earners including pensioners. ✓✓
- Retail bonds are easily/conveniently obtained electronically/from any Post Office/directly from National Treasury. ✓✓
- Investors younger than 18 years./Minors may invest with the help of a legal guardian, which encourages saving from a young age. ✓✓
- Any other relevant answer related to the advantages of Government/RSA retail savings bonds.

Max (4)

2.6 Differences between management and leadership

MANAGEMENT	LEADERSHIP
- Guides human behaviour.✓	- Influences human behaviour. ✓
- Communicates✓ through management functions, e.g. line function. ✓	- Communicates✓ by means of interaction/behaviour/vision/values/ charisma. ✓
- Administers plans/programs/ tasks ✓ to reach targets. ✓	- Innovates/Encourages new ideas✓ to increase productivity. ✓
- Controls systems and procedures✓ to get the job done. ✓	- Inspires staff to trust✓ and support each another. ✓
- Focuses on how✓ and when.✓	- Focuses on what ✓ and why. ✓
- Focuses on the bottom line/short/medium/long term. ✓	- Focuses on the horizon/long term.✓
- A person becomes a manager because of the position✓ in which he/she is appointed. ✓	- Leaders are born✓ with natural/ instinctive leadership skills. ✓

MANAGEMENT	LEADERSHIP
- Manages the process of getting things done ✓ by exercising responsibility. ✓	- Guides/Leads people ✓ to become active participants. ✓
- Managers have power because of the position of authority✓ into which they are appointed. ✓	- Leaders have power/influence✓ because of his/her knowledge/skills/ intelligence. ✓
- Enforce rules on subordinates✓/Ensure that tasks are completed. ✓	- Always trying to find more efficient ways✓ of completing tasks. ✓
- Instructional✓ in their approach. ✓	- Motivational/Inspirational ✓ in their approach.✓
- Any other relevant answer related to management.	- Any other relevant answer related to leadership.
Sub max (2)	**Sub max (2)**

NOTE:

1. **The answer does not have to be in tabular format.**
2. **The difference does not have to link but must be clear.**
3. **Award a maximum of TWO (2) marks if the differences are not clear./Mark either leadership or management only.**

Max (4)

2.7 Situations in which the transactional leadership style can be used in the workplace

- The business wants to maximise employee performance. ✓✓
- Deadlines have to be met on short notice/under pressure. ✓✓
- Workers have a low morale. ✓✓
- The strategies/business structures do not have to change. ✓✓
- Productivity levels are very low/not according to targets. ✓✓
- Any other relevant answer related to situations in which the transactional leadership style can be used in the workplace.

Max (6)
[40]

BREAKDOWN OF MARKS

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

QUESTION 3: BUSINESS ROLES

3.1 Causes of conflict in the workplace.

- Differences in backgrounds/cultures/values/beliefs/language✓
- Limited business resources✓
- Different goals/objectives for group/individuals✓
- Personality differences between group/individuals✓
- Different opinions✓
- Unfair workload✓
- Ill-managed stress✓
- Unrealistic expectations✓
- Poor organisation/leadership/administrative procedures and systems✓
- Confusion about scheduling/deadlines✓
- Ignoring rules/procedures✓
- Misconduct/Unacceptable behaviour✓
- High/Intense competition/Competitiveness✓
- Poor communication✓
- Unclear responsibilities✓
- Distracted by personal objectives✓
- Constant changes in the workplace✓
- Unfair treatment of workers/Favouritism by management or discrimination✓
- Lack of trust amongst workers✓
- Any relevant answer related to the causes of conflict in the workplace.

NOTE: Mark the first THREE (3) only. **(3 × 1)** **(3)**

3.2 Characteristics of successful team performance

- Successful teams share a common goal as team members are part of the process of setting goals for the group. ✓✓
- There is a climate of respect/trust and honesty. ✓✓
- Share a set of team values and implement group decisions. ✓✓
- Successful teams have sound intra-team relations. ✓✓
- Teams value the contributions of individual members and reach consensus on differences. ✓✓
- Team members enjoy open communication and deal with items of conflict immediately. ✓✓
- Teams are accountable and members know the time frame for achieving their goals. ✓✓
- Teams pay attention to the needs of the individual team members.✓✓
- Creates an environment where team members are given opportunities to develop so that team members grow and learn from the experience of working in a team. ✓✓
- Regular reviews of team processes and progress may detect/solve problems sooner. ✓✓
- Balance the necessary skills/knowledge/experience/expertise to achieve the objectives. ✓✓
- Any relevant answer related to the characteristics of successful team performance.

Max **(6)**

3.3 Stages of team development from scenario

STAGES OF TEAM DEVELOPMENT	MOTIVATIONS
Storming ✓✓	Simon always questioned the other members' opinions as he wanted to be the team leader. ✓
Adjourning/Mourning ✓✓	The team members also know that all tasks must be completed before the team finally dissolves. ✓
Sub max (4)	**Sub max (2)**

NOTE:

1. **Mark the first TWO (2) only.**
2. **The answer does not have to be in tabular form.**
3. **Award marks for the stages of team development even if the quote is incomplete.**
4. **Do not award marks for the motivations if the stages of team development were incorrectly identified.**

Max (6)

3.4 King Code Principles

3.4.1 King Code principle from the scenario

- Responsibility ✓✓ **(2)**

3.4.2 Other King Code principle for good corporate governance

Accountability ✓✓

- There must be regular communication between management and the stakeholders such as shareholders. ✓
- Businesses should be accountable/responsible for their decisions/actions. ✓
- Company should appoint internal and external auditors to audit financial statements. ✓
- The board should ensure that the company's ethics are effectively implemented. ✓
- Businesses should present accurate annual reports to shareholders at the Annual General Meeting (AGM). ✓
- 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 accountability as a King Code principle for good corporate governance.

Principle (2)
Explanation (1)
Max (3)

OR

Transparency✓✓
- Decisions/Actions must be clear to all stakeholders. ✓
- Staffing and other processes should be open and transparent.✓
- Employees/Shareholders/Directors should be aware of the employment policies of the business. ✓
- Auditing and other reports must be accurate/available to shareholders/employees. ✓
- Regular audits should be done to determine the effectiveness of the business. ✓
- Business deals should be conducted openly so that there is no hint/sign of dishonesty/corruption. ✓
- Businesses should give details of shareholders' voting rights to them before/at the Annual General Meeting (AGM). ✓
- The board of directors must report on both the negative and positive impact of the business on the community or environment. ✓
- The board should ensure that the company's ethics are effectively implemented. ✓
- Any other relevant answer related to transparency as a King Code principle for good corporate governance.

Principle (2)
Explanation (1)
Max (3)

3.5 Ways in which businesses could deal with abuse of work time as a type of unprofessional business practice.
- Speak directly to those employees who abuse work time. ✓✓
- Monitor employees to ensure that tasks are completed on time. ✓✓
- Remind employees that profit will decrease resulting to less incentives/bonus pay-outs. ✓✓
- 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. ✓✓
- 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. ✓✓
- Any other relevant answer related to the ways in which businesses could deal with the abuse of work time as a type of unprofessional business practice.

Max (4)

3.6 How businesses can apply the Delphi technique to solve complex business problems

- Businesses must invite a panel of experts✓ to research the complaints from customers. ✓
- Experts do not have to be in one place✓ and will be contacted individually. ✓
- Design a questionnaire consisting of questions on how to improve the quality of their products✓ and distribute it to the panel members/experts. ✓
- Request the panel to individually respond✓ to the questionnaire/suggest improvements to the products and return it to the business. ✓
- Summarise the responses from the experts✓ in a feedback report. ✓
- Send the feedback report✓ and a second set of questions/questionnaire based on the feedback report to the panel members. ✓
- Request panel members to provide further input/ideas✓ on how to improve the quality of products after they have studied the results. ✓
- Distribute a third questionnaire✓ based on previous feedback from the second round. ✓
- Prepare a final summary/feedback report✓ with all the methods to improve the quality of the business's products. ✓
- The business should choose the best solution/proposal✓ after reaching consensus. ✓
- Any other relevant answer related to how businesses can apply the Delphi technique to solve complex business problems.

Max (6)

3.7 The benefits of creative thinking in the workplace

- Better/Unique/Unconventional ideas/solutions✓ are generated. ✓
- Complex business problems✓ may be solved. ✓
- Improves motivation✓ amongst staff members. ✓
- Management/employees may keep up with fast changing technology✓ which may lead to an increased market share. ✓
- Creativity may lead to new inventions✓ which improves the general standard of living/attract new investors. ✓
- May give the business a competitive advantage✓ if unusual/unique solutions/ ideas/strategies are implemented. ✓
- 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. ✓

- 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. ✓
- Stimulates initiative from employees/managers, ✓ as they are continuously pushed out of their comfort zone. ✓
- Businesses can continuously improve on product development✓ by exploring new ways to enhance growth ✓
- Any other relevant answer related to the benefits of creative thinking in the workplace.

Max (6)

3.8 Ways in which businesses can create an environment that promotes creative thinking.

- Encourage employees to develop/come up with new/unique ideas/alternative ways of working/doing things. ✓✓
- Reward creativity with reward schemes for teams/individuals that come up with creative ideas. ✓✓
- Provide a working environment conducive to creativity/free from distractions/high noise levels. ✓✓
- Respond enthusiastically to all ideas and never let anyone feel less important. ✓✓
- Place suggestion boxes around the workplace and keep communication channels open for new ideas. ✓✓
- Emphasise the importance of creative thinking to ensure that all staff know that management want to hear their ideas. ✓✓
- Make time for brainstorming sessions to generate new ideas such as regular workshops/generate more ideas/build on one another's ideas.✓✓
- Train staff in innovative techniques/creative problem-solving skills/mind-mapping/ lateral thinking. ✓✓
- Encourage job swops within the organisation/studying how other businesses are doing things.✓✓
- Any other relevant answer related to the ways in which businesses can create an environment that promotes creative thinking.

Max (4)
[40]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	3
3.2	6
3.3	6
3.4.1	2
3.4.2	3
3.5	4
3.6	6
3.7	6
3.8	4
TOTAL	40

QUESTION 4 – MISCELLANEOUS TOPICS

BUSINESS VENTURES

4.1 Factors that should be considered when making investment decisions

- Return of investment (ROI) ✓
- Risk ✓
- Investment term/period ✓
- Inflation rate ✓
- Taxation ✓
- Liquidity ✓

NOTE: Mark the first TWO (2) only.

(2 × 1) (2)

4.2 The rights of ordinary shareholders

Shareholders have a right to:

- Vote at the Annual General Meeting. ✓✓
- Attend the Annual General Meeting to learn about the company's performance. ✓✓
- Receive interim and annual reports./Full disclosure must be made to the shareholders by providing them with copies of all financial reports. ✓✓
- Claim on company assets in the event of bankruptcy after all other creditors and preferential shareholders have been paid. ✓✓
- Any other relevant rights of ordinary shareholders.

Max (4)

4.3 The advantages of fixed deposits as a form of investments

- Interest is earned at a fixed rate✓ regardless of changes in the economic climate. ✓
- The period of investment✓ can be over a short/medium/long term. ✓
- Investors can choose the investment period✓ that suits them. ✓
- Principal amount✓ plus interest earned is paid out on the maturity date. ✓
- Ensures financial discipline as investors cannot withdraw their funds✓ before the maturity date. ✓
- Investors earn a better return on investment✓ than on an ordinary savings account. ✓
- The higher the principal amount/the longer the investment period, ✓ the higher the interest rate offered by a financial institution. ✓
- Any other relevant answer related to the advantages of fixed deposits as a form of investments.

Max (4)

4.4 Principles of insurance

4.4.1 Utmost good faith ✓✓ **(2)**

4.4.2 Insurable interest ✓✓ **(2)**

4.5 Unemployment Insurance Fund as a type of compulsory insurance.

- The Unemployment Insurance Fund (UIF) was established to assist employees with financial aid should they become unemployed due to termination of the employment contract by the employer. ✓✓
- The UIF provided financial assistance for a limited period to the dependents of a deceased employee who was registered with the UIF. ✓✓
- The employer is required to register their employees with the UIF and to pay the levy of 2% of the employee's salary/remuneration to SARS every month.✓✓
- The employee contributes 1% of his/her salary/remuneration towards the UIF.✓✓
- Businesses contribute 1% of basic wages towards UIF, therefore reducing the expense of providing UIF benefits themselves. ✓✓
- The contribution of businesses towards UIF increases the amount paid out to employees that become unemployed. ✓✓
- Employees must work at least 24 hours a month before they are required to contribute towards the UIF fund. ✓✓
- Any relevant answer related to Unemployment Insurance Fund (UIF) as a type of compulsory insurance.

Max (6)

BUSINESS ROLES

4.6 Steps in problem-solving

- Identify the problem. ✓
- Define the problem. ✓
- Identify possible solutions to the problem. ✓
- Evaluate alternative solutions ✓
- Select the most appropriate solution. ✓
- Develop an action plan/solution. ✓
- Implement the suggested solution/action plan. ✓
- Monitor the implementation of the solution/action plan. ✓
- Evaluate the implemented solution/action plan. ✓
- Any other relevant answer related to the problem-solving steps.

NOTE: 1. Mark the first FOUR (4) only.
2. Accept the steps in any order.

(4 × 1) (4)

4.7 Problem-solving techniques

4.7.1 Problem-solving technique from the scenario

Brainstorming ✓✓ **(2)**

4.7.2 The impact of brainstorming

Positives/Advantages

- People get ideas from others✓ and build on them. ✓
- Stimulates creative thinking✓ in the workplace. ✓
- Better solutions are developed✓ through collective contributions. ✓
- Combinations of ideas/improvements can be chosen✓ after all the ideas have been written down. ✓
- Employees are motivated✓ as they are allowed to contribute to problem solving. ✓
- Any relevant answer related the positive impact of brainstorming.

AND/OR

Negatives/Disadvantages

- Some team members✓ may dominate discussion. ✓
- Discussion may result in conflict✓ due to differences in opinion. ✓
- Fear of criticism✓ may prevent full participation in brainstorming sessions. ✓
- It may lead to 'group think✓ as some individuals may not give their opinions. ✓
- Brainstorming is time consuming✓ as all stakeholders/employees may generate too many ideas which can delay decision making. ✓
- Any other relevant answer related the negative impact of brainstorming.

Max (4)

4.8 Differences between grievance and conflict.

GRIEVANCE	CONFLICT
- When an employee is unhappy or has a problem/complaint in the workplace. ✓✓	- Clash of opinions/ideas/view points in the workplace. ✓✓
- It is when an individual/group has a work-related issue. ✓✓	- Disagreement between two or more parties in the workplace.✓✓
- It is a formal complaint which requires employee to follow a grievance procedure. ✓✓	- Can be resolved through following proper conflict resolution steps. ✓✓
- Examples: Discrimination, unfair treatment, poor working conditions. ✓	- Examples: A lack of trust, miscommunication, personality clashes OR different values.✓
- Any other relevant answer related to grievance.	- Any other relevant answer related to conflict.
Sub max (2)	**Sub max (2)**

NOTE:

1. **The answer does not have to be in tabular format.**
2. **The difference does not have to link but must be clear.**
3. **Award a maximum of TWO (2) marks if the differences are not clear./Mark either grievance or conflict only.**

Max (4)

4.9 The importance of team dynamic theories in improving team performance.

- Team dynamic theories explain how effective teams work/operate.✓✓
- Businesses are able to allocate tasks according to the roles of team members. ✓✓
- Team members can maximise performance as tasks are allocated according to their abilities/skills/attributes/personalities. ✓✓
- Team members with similar strengths may compete for team tasks/responsibilities that best suit their abilities/competencies. ✓✓
- Theories assist team leaders to understand the personality types of team members so that tasks are assigned more effectively. ✓✓
- Conflict may be minimised when team members perform different roles. ✓✓
- Any other relevant answer related to the importance of team dynamic theories in improving team performance.

Max (6)
[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	2
4.2	4
4.3	4
4.4	4
4.5	6
4.6	4
4.7.1	2
4.7.2	4
4.8	4
4.9	6
TOTAL	40

TOTAL SECTION B: 80

SECTION C

Mark the answers to the FIRST question only.

QUESTION 5: BUSINESS VENTURES (MANAGEMENT AND LEADERSHIP)

5.1 Introduction

- There is a clear difference between democratic and autocratic leadership styles. ✓
- The democratic leadership style enables employees to suggest divergent ideas that can be used to make better decisions. ✓
- The use of the autocratic leadership style may enable businesses to meet their daily targets resulting in increased profitability. ✓
- The Laissez faire leadership style can impact either positively or negatively on the business operations/way employees view the leader. ✓
- The situational leadership theory allows for leaders to change their leadership style to deal with different situations. ✓
- Leaders with a positive attitude inspire their followers to work hard and achieve set targets. ✓
- Any other relevant introduction related to the differences between democratic and autocratic leadership styles, impact of Laissez faire leadership style, the situational leadership theory and role of personal attitude in successful leadership.

Any (2 × 1) (2)

5.2 Differences between democratic and autocratic leadership styles

DEMOCRATIC	AUTOCRATIC
- The leader involves employees in the decision-making process.✓✓	- A leader takes all decisions alone without involving employees. ✓✓
- Clear/Two-way communication ensures group commitment to final decision(s). ✓✓	- Line of command or communication is clear as it is top-down/followers know exactly what to do. ✓✓
- People-oriented, as employee's feelings and opinions are considered. ✓✓	- Task-orientated, the opinions of employees aren't considered.✓✓
- Workers feel empowered as they are involved in the decision-making process. ✓✓	- New employees feel confident/safe as strong leadership is provided. ✓✓
- Useful when the leader depends on the inputs of experienced followers. ✓✓	- Useful in a crisis/urgent situation such as an accident, tight deadlines.✓✓
- Handles conflict situations by involving followers in finding the best solution. ✓✓	- Handles conflict situations by telling followers what they should do. ✓✓
- Any other relevant answer related to the democratic leadership style.	- Any other relevant answer related to the autocratic leadership style.
Sub max (4)	**Sub max (4)**

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

Max (8)

5.3 Impact of Laissez faire leadership style on businesses

Positives/ Advantages

- Workers/Followers are allowed to make decisions✓ on their own work/methods. ✓
- Subordinates have maximum freedom✓ and can work independently. ✓
- Leader motivates workers by trusting them✓ to do things themselves/on their own. ✓
- Authority is delegated, ✓ which can be motivating/empowering to competent workers/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/better things. ✓
- It can be empowering for competent followers✓ as they are completely trusted to do their job. ✓
- Individual team members✓ may improve/develop leadership skills.✓
- Any other relevant answer related to the positive impact of the Laissez faire/free reign leadership style on businesses.

AND/OR

Negatives/Disadvantages

- Lack of clear direction/leadership✓ may be demotivating to employees. ✓
- Employees can be held responsible for their own work ✓ which may lead to underperformance. ✓
- This could lead to conflict when some team members act as leaders✓ and dictate to other team members. ✓
- Workers are expected to solve✓ their own conflict situations. ✓
- Productivity may be compromised✓ with a lack of tight control over workers not meeting deadlines. ✓
- Productivity might be low✓ if employees lack the necessary knowledge or skills. ✓
- Any other relevant answer related to the negative impact of the Laissez faire/free reign style on businesses.

Max (14)

5.4 Situational leadership theory

- Different leadership characteristics are used✓ for different situations.✓
- The task/situation dictates the leadership style that should be applied✓, so leaders are adaptable/flexible/self-assured. ✓
- Effective application of this theory✓ may enable leaders to accomplish their goals. ✓
- Relationships between leaders and employees✓ are based on mutual trust/respect/loyalty/integrity/honesty. ✓
- Leaders have the ability to analyse the situation/get the most suitable people✓ in the right positions to complete tasks successfully. ✓
- Leaders analyse group members/objectives/time constraints✓, to adopt a suitable/relevant leadership style. ✓
- May lead to conflict✓ when leaders use different leadership styles/when managing employees in different situations. ✓
- The success of this theory depends on the kind of relationship✓ that exists between the leader and followers/subordinates/employees. ✓
- Any relevant answer related to the situational leadership theory.

Max (12)

5.5 The role of personal attitude in successful leadership

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

Max (12)

5.6 Conclusion

- The democratic leadership style is beneficial to both leaders and followers as they learn from one another. ✓✓
- The use of the autocratic leadership style enables businesses to develop effective turn-around strategies aimed at maximising profitability. ✓✓
- Leaders with a positive attitude may experience less staff turnover as employees may be happy in the workplace. ✓✓
- Any other relevant conclusion related to the differences between democratic and autocratic leadership styles, impact of Laissez faire leadership style, the situational leadership theory and role of personal attitude in successful leadership.

Any (1 x 2) (2)

[40]

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	**2**	**Max 32**
Differences between democratic and autocratic leadership styles.	**8**	
Impact of the Laissez Faire leadership style on businesses	**14**	
Situational leadership theory.	**12**	
Role of personal attitude in successful leadership.	**12**	
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 requirements are met.
Allocate 0 marks where requirements are not met at all.

QUESTION 6: BUSINESS ROLES (PROFESSIONALISM AND ETHICS)

6.1 Introduction

- Employees are expected to project a professional image by applying the principles of professionalism. ✓
- Unethical business practices can result in a negative business image and hamper business growth. ✓
- Businesses need to develop suitable and progressive ways to deal with challenges posed by each type of unethical business practice.✓
- Professional, responsible, ethical and effective business practice ensures good corporate governance and attract investors. ✓
- Any other relevant introduction related to the meaning of professional behaviour/challenges posed by unethical business practices/dealing with unethical business practices/ways in which professional, responsible, ethical and effective business practice should be conducted.

Any (2 × 1) (2)

6.2 Differences between ethical and professional behaviour

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

NOTE:

1. **The answer does not have to be in tabular format.**
2. **The difference does not have to link but must be clear.**
3. **Award a maximum of FOUR (4) marks if the differences are not clear./Mark either ethical behaviour or professional behaviour only.**

Max (8)

6.3 Types of unethical business practices that pose challenges to the business

6.3.1 Pricing of goods in rural areas

- Some businesses in the rural areas exploit their customers✓ by adding much more than necessary to their prices. ✓
- Some consumers in rural areas have little economic power✓ and are vulnerable to exploitation. ✓
- Business may form monopolies in rural areas✓ and increase their prices unilaterally. ✓
- It may be common practice to pay higher prices✓ for goods of inferior quality in rural areas. ✓
- Any other relevant answer how prices of goods in rural areas, as a type of unethical business practice, pose a challenge to the business.

Sub max (6)

6.3.2 Tax evasion

- Businesses may pay heavy fines✓ for evading tax. ✓
- Tax evasion may negatively impact ✓ on the business image. ✓
- The accountant may be charged high fees✓ for falsifying financial statements. ✓
- Businesses may lose key stakeholders✓ if the act of tax evasion is reported. ✓
- Some businesses submit fraudulent/incorrect returns✓ to SARS resulting in penalties. ✓
- Businesses may not be familiar✓ with the latest changes in tax legislation. ✓
- Any other relevant answer how tax evasion, as a type of unethical business practice, pose a challenge to the business.

Sub max (6)
Max (12

6.4 Ways in which businesses could deal with types of unethical business practices in the workplace

6.4.1 Pricing of goods in rural areas

- Work together with suppliers✓ to share delivery costs to remote rural areas. ✓
- Businesses can buy in bulk✓ to get a discount to avoid charging high prices. ✓
- Charge market related/fair/affordable prices✓ for goods and services. ✓
- Avoid unethical business practices✓ to attract customer loyalty. ✓
- A business may lobby with other businesses in the area✓ to convince government to improve infrastructure in the rural area✓
- Investigate cost-effective ways✓ of transporting products✓/Hire a large truck to combine deliveries✓ to shop-owners in the same area.✓
- Any other relevant answer related to ways in which businesses could deal with prices of goods in rural areas, as an unethical business practice, in the workplace.

Sub max (6)

6.4.2 Tax evasion

- Value Added Tax/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. ✓
- Disclose all sources of income✓ for tax payment purposes. ✓
- 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. ✓
- Businesses should keep accurate records✓ of income statements/financial transactions. ✓
- The employees' payroll needs to reflect accurate deductions ✓ according to the progressive tax system. ✓
- Make sure that all financial records are checked ✓and audited. ✓
- Any other relevant answer related to ways in which businesses could deal with tax evasion, as an unethical business practice, in the workplace.

Sub max (8)
Max (14)

6.5 Ways in which professional, responsible, ethical and effective business practice should be conducted

- Mission statement should include the values of equality/respect. ✓✓
- Businesses should develop equity programmes/promote strategies to ensure that all employees are treated equally regardless of status/rank/power. ✓✓
- Treat workers with respect/dignity by recognising work well done/the value of human capital. ✓✓
- Plan properly and put preventative measures in place. ✓✓
- Pay fair wages/salaries which are in line with the minimum requirements of the BCEA/Remunerate employees for working overtime/during public holidays. ✓✓
- Engage in environmental awareness programmes/Refrain from polluting the environment such as legally disposing of toxic waste. ✓✓
- Refrain from starting a venture using other businesses' ideas that are protected by law. ✓✓
- Business decisions and actions must be clear/transparent to all stakeholders. ✓✓
- Businesses should be accountable /responsible for their decisions and actions/patent rights. ✓✓
- Hire honest/trustworthy accountants/financial officers with good credentials. ✓✓
- Regular/Timeous payment of taxes. ✓✓
- All workers should have access to equal opportunities/positions/ resources. ✓✓

- Ensure that employees work in a work environment that is conducive to safety/ fairness/free of embarrassment. ✓✓
- Employers and employees need to comply with legislation with regard to equal opportunities/human rights in the workplace. ✓✓
- Training/ Information/Business policies should include issues such as diversity/discrimination/harassment. ✓✓
- Employers should respond swiftly and fairly to reported incidents of discrimination in the workplace. ✓✓
- Orders/Tasks should be given respectfully and allow the recipient/employee to have a say in the way that task should be performed. ✓✓
- Draw up a code of ethics/conduct. ✓✓
- On-going development and training for all employees. ✓✓
- Performance management systems/Appraisals should be in place.✓✓
- Adequate internal controls/monitoring/evaluation. ✓✓
- Any other relevant answer related to the ways in which professional, responsible, ethical and effective business practice should be conducted.

Max (12)

6.6 Conclusion

- Businesses should develop a simple and clear code of conduct that will easily be implemented in the workplace. ✓✓
- Awareness of the types of unethical business practices may enable businesses to take precautionary measures and prevent negative publicity. ✓✓
- Dealing with each type of unethical business practice may increase market share resulting in business sustainability and profitability. ✓✓
- Businesses must continuously conduct research on how they should act professionally, responsibly, ethically and effectively. ✓✓
- Any other relevant conclusion related to the meaning of professional behaviour/challenges posed by unethical business practices/dealing with unethical business practices/ways in which professional, responsible, ethical and effective business practice should be conducted.

Any (1 × 2) (2)
[40]

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	**2**	**Max 32**
Ethical and professional behaviour	**8**	
Types of unethical business practices – prices of goods in rural areas and tax evasion	**12**	
Ways in which businesses could deal with the types of unethical business practices	**14**	
Ways in which professional, responsible, ethical and effective business practice should be conducted	**12**	
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 requirements are met.
Allocate 0 marks where requirements are not met at all.

TOTAL SECTION C: 40
GRAND TOTAL: 150

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