Western Cape Government
Education
FOR YOU

WESTERN CAPE
EDUCATION DEPARTMENT

BUSINESS STUDIES
GRADE 12

TRIAL EXAMINATION

PAPER 1
2024

MEMO

MARKS: 150

TIME: 2 HOURS

This marking guideline consists of 25 pages.

NOTES TO MARKERS

PREAMBLE

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

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

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

Marker:	Red
Senior Marker:	Green
Deputy Chief Marker:	Orange
Chief Marker:	Pink
Internal Moderator:	Black/Blue
DBE Moderator:	Turquoise

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

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

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

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

4. Take note of other responses provided by candidates, that are relevant within the context of a particular question, 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 'Submax' 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 sub-totals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.

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

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

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

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

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

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

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

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

    Cognitive verbs, such as:

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

    12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, analyse, evaluate, 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 assessment 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.

14. **SECTION B**

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

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

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

14.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers and consult with the Internal Moderator 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 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, a body, and a conclusion?	**2**
Analysis and interpretation	Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked? Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	**2**
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Option 1: **Only relevant facts: 2 marks (No '-S')** Where a candidate answers 50% or more of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis. Option 2: **Some relevant facts: 1 mark (One '-S')** Where a candidate answers less than 50% of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 3: **Some relevant facts: 1 mark (One '-S')** Where a candidate answers FOUR sub-question,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 marks (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 synthesis.	**2**
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:	**8**
	TOTAL MARKS FOR FACTS:	**32**
	TOTAL MARKS FOR ESSAY (8 + 32):	**40**

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

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

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

15.5 Mark all relevant facts until the SUBMAX/MAX mark in a subsection has been attained. Write SUBMAX/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 submaximal indicated, especially if candidates do not make use of the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)

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

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

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

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

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

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

SECTION A

QUESTION 1

1.1

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

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

1.2

1.2.1 National Credit Act
1.2.2 threats
1.2.3 compulsory
1.2.4 selection
1.2.5 performance

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

1.3

1.3.1 H
1.3.2 F
1.3.3 J
1.3.4 A
1.3.5 G

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

TOTAL SECTION A: 30

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B

Mark the FIRST TWO answers only.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 **Types of business sectors**

- Primary sector ✓
- Secondary sector ✓
- Tertiary sector ✓

NOTE: Mark the first THREE (3) only.

(3 x 1) (3)

2.2 **Advantages of diversification strategies**

- Increases sales/revenue/income and business growth. ✓✓
- Improves the business brand/image/brand awareness of the business. ✓✓
- Reduces the risk of relying only on one product for sales/revenue/income. ✓✓
- Businesses gain more technological capabilities through product modification. ✓✓
- Sustained profitability from different product lines during times of fluctuating economic activities. ✓✓
- Businesses produce more output using less inputs as one factory may be used to manufacture more products. ✓✓
- Enables businesses to retain their competitive advantage by meeting the needs of current/new customers/expanding into new unexplored markets. ✓✓
- Allows businesses to remain relevant/functional/operational in a dynamic business environment. ✓✓
- Establish additional markets in unrelated markets/industries. ✓✓
- Any other relevant answer related to the advantages of diversification strategies.

Max (6)

2.3 **Porter's Five Forces model from the scenario**

PORTER'S FIVE FORCES MODEL	MOTIVATIONS
1. Bargaining power of buyers/ Power of buyers ✓✓	OH has assessed how clients who make bulk bookings can negotiate for lower prices. ✓
2. Threat of substitution/substitutes ✓✓	They also determined whether their hotel services can be easily replaced with cheaper alternatives. ✓
Submax (4)	Submax (2)

NOTE:
1. **Mark the first TWO (2) only.**
2. **The answer does not have to be in tabular format.**
3. **Award marks for the forces of Porter's Five Forces model even if the quotes are incomplete.**
4. **Do not award marks for motivations if the forces of Porter's Five Forces model were incorrectly identified.**

Max (6)

2.4 **Strategic management process**

OPTION 1

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

OR

OPTION 2

- Businesses should review/analyse/re-examine ✓ their vision/mission statement. ✓
- Conduct an environmental analysis ✓ using models such as SWOT/PESTLE/Porter's Five Forces. ✓
- Formulate a strategy, ✓ such as a defensive/retrenchment strategy. ✓
- Implement a strategy, ✓ using a template such as an action plan. ✓
- 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 (6)

2.5 **Ways in which businesses can deal with challenges posed by the social factors**

- Sell substitute products at lower prices due to low levels of income distribution/Employ people from the local community. ✓✓
- Learn local/indigenous languages/hire employees who are well conversant with the local/indigenous language of customers. ✓✓
- Work together with community police forums and improve security in the business. ✓✓
- Develop/produce/incorporate/innovate new products that aim to address the lifestyle attitudes/trends of customers. ✓✓
- Any other relevant answer related to ways in which businesses can deal with challenges posed by social factors of the PESTLE analysis.

Max (4)

2.6 **Pillars and non-compliance of BBBEE**

2.6.1 **Pillars of BBBEE from the scenario**

- Management control ✓
- Ownership ✓
- Skills Development ✓

NOTE: Mark the first THREE (3) only.

(3 x 1) (3)

2.6.2 **Actions regarded as non-compliance according to the BBBEE**

- Employers who incorrectly implement ✓ the means to achieve the requirements of the five BBBEE pillars. ✓
- Employers who fail to correctly implement affirmative action ✓ in the context of employment equity to meet BBBEE responsibilities. ✓
- Employers who promote unsuitable people into management positions ✓ at the expense of qualified previously disadvantaged people. ✓
- Employers who are deliberately involved in fronting/corruption/nepotism/cronyism, ✓ and because of this, certain individuals benefit at the expense of other individuals. ✓
- Refusing to award government tenders ✓ to BBBEE-compliant vendors. ✓
- Any other relevant answer related to actions regarded as non-compliance according to the BBBEE.

Max (4)

2.7 **Parental leave as a provision of the Basic Conditions of Employment Act/BCEA**

- An employee irrespective of gender, who is a parent, is entitled to 10 consecutive days parental leave ✓ after the birth of his/her child. ✓
- Parental leave is unpaid ✓ but the employee/parent may claim from the Unemployment Insurance Fund/UIF. ✓
- The employer must be informed/notified ✓ at least one month before the expected due date of birth. ✓
- Adoption leave applies to the adoption of a child ✓ below the age of 2 years. ✓
- One parent of the adopted child is entitled to 10 weeks of adoption leave to take care of the child, ✓ while the other parent is entitled to 10 consecutive days normal parental leave. ✓
- Commissioning parental leave is only applicable to surrogate motherhood ✓ where one parent is entitled to 10 weeks commissioning parental leave to take care of the child, / while the other parent is entitled to 10 consecutive days normal parental leave. ✓
- Any other relevant answer related to parental leave as a provision of the BCEA.

Max (4)

2.8 **Purpose of the Compensation for Occupational Injuries and Diseases Amendment Act/COIDA**

- Provides comprehensive protection to employees who get injured/contract diseases in the course of performing their duties. ✓✓
- COIDA applies to all casual/full-time workers who become ill/injured/ disabled/die due to a workplace accident/disease. ✓✓
- It excludes workers who are guilty of wilful misconduct/workers working outside South Africa for at least twelve months/members of the SA Defence Force/Police services. ✓✓
- It provides for the establishment of a Compensation Board whose function is to advise the Minister of Labour on the application/provisions of COIDA. ✓✓
- Medical expenses/Other types of compensation are paid to employees and/or their families depending on the type/severity of the injuries. ✓✓
- Employers have to pay a monthly amount to the Compensation Fund depending on the number of employees/the level of risk they are exposed to. ✓✓
- Provides compensation for employees/families for injuries or death occurred while carrying out their duties. ✓✓
- Any other relevant answer related to the purpose of COIDA.

Max (4)

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	3
2.2	6
2.3	6
2.4	6
2.5	4
2.6.1	3
2.6.2	4
2.7	4
2.8	4
TOTAL	40

QUESTION 3: BUSINESS OPERATIONS

3.1 **Salary determination methods**

- Piecemeal ✓
- Time-related ✓

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

3.2 **Reasons for the termination of an employment contract**

- The employer may dismiss an employee for a valid reason(s), such as unsatisfactory job performance/misconduct. ✓✓
- Employer may no longer have work for redundant employees/cannot fulfil the contract/is restructuring. ✓✓
- The employer may retrench some employees due to insolvency/may not be able to pay the employees. ✓✓
- Employees decided to leave/resign voluntarily for better job opportunities. ✓✓
- An employee may have reached the pre-determined age for retirement. ✓✓
- Incapacity to work due to illness/injuries. ✓✓
- By a mutual agreement between the employer and employee. ✓✓
- The duration of the employment contract expires/comes to an end. ✓✓
- Any other relevant answer related to the reasons for the termination of an employment contract.

Max (6)

3.3 **Human resources activities**

3.3.1 **Human resources activity from the scenario**

Induction ✓✓

NOTE: DO NOT award marks for any other human resources activity.

Max (2)

3.3.2 **Benefits of induction for businesses**

- Allows new employees to settle in quickly ✓ and work effectively. ✓
- Ensures that new employees understand rules ✓ and restrictions in the business. ✓
- New employees may establish relationships ✓ with fellow employees at different levels. ✓
- Make new employees feel at ease in the workplace, ✓ which reduces anxiety/ insecurity/fear. ✓
- The results obtained during the induction process ✓ provide a base for focussed training. ✓

- Increases quality of performance/productivity ✓ which promotes the effective use of working methods/resources. ✓
- Minimises/Decreases the need for on-going training ✓ and development. ✓
- Employees will be familiar with organisational structures, ✓ such as who are their supervisors/low level managers. ✓
- Opportunities are created for new employees ✓ to experience/explore different departments. ✓
- New employees will understand their role/responsibilities ✓concerning safety regulations and rules. ✓
- New employees will know the layout of the building/factory/offices/where everything is, ✓ which saves production time. ✓
- Learn more about the business so that new employees understand ✓ their roles/ responsibilities in order to be more efficient. ✓
- Company policies regarding conduct/procedures/safety and security/employment contract/conditions of employment/working hours/leave ✓ are communicated. ✓
- Realistic expectations for new employees ✓ as well as the business are created. ✓
- New employees may feel part of the team ✓ resulting in positive morale/motivation. ✓
- Employees may have a better understanding of business policies ✓ regarding ethical/professional conduct/procedures/CSR. ✓
- Reduces staff turnover ✓ as new employees have been inducted properly. ✓
- Any other relevant answer related to the benefits of induction for businesses.
- **NOTE: DO NOT allocate marks for quotations provided in the scenario.**

Max (4)

3.4 **Impact of external recruitment**

Positives/Advantages

- New candidates bring new talents/ideas/experiences/skills ✓ into the business. ✓
- There is a larger pool of candidates ✓ from which to choose. ✓
- It may help the business to meet ✓ affirmative action/BBBEE targets. ✓
- Minimises unhappiness/conflict amongst current employees ✓ who may have applied for the post. ✓
- There is a better chance of getting a suitable candidate with the required skills/ qualifications/competencies ✓ who does not need much training/development which reduce costs. ✓
- New employees may add value ✓ to the overall efficiency/productivity of the business. ✓
- Any other relevant answer related to the positive impact/advantages of external recruitment on businesses.

AND/OR

Negatives/Disadvantages

- Information on CV's/from referees ✓ may not be reliable. ✓
- Many unsuitable applications ✓ can slow down the selection process. ✓
- New candidates generally take longer to adjust ✓ to a new work environment. ✓
- External sources can be expensive, ✓ such as recruitment agencies' fees/ advertisements in newspapers/magazines. ✓
- The selection process may not be effective ✓ as an incompetent candidate may be chosen. ✓
- Recruitment process takes longer as background checks must be conducted/is time-consuming ✓ due to the lengthy process of finding a suitable candidate. ✓

- In-service training may be needed ✓ which decreases productivity during the time of training. ✓
- External recruitment may limit promotion/growth opportunities ✓ that could lead to resentment amongst employees. ✓
- Any other relevant answer related to the negative impact/disadvantages of external recruitment on businesses.

Max (6)

3.5 **Components of the PDCA model**

- Plan ✓
- Do ✓
- Check/Analyse ✓
- Act/Act is needed ✓

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

3.6 **Meaning of quality assurance**

- Checks carried out during ✓ and after the production process. ✓
- Ensure that required standards have been met ✓ at every stage of the process. ✓
- Processes put in place to ensure that the quality of products/services/systems adhere to pre-set standards ✓ with minimal defects/delays/short-comings. ✓
- Ensuring that every process is aimed to get the product "right the first time" ✓ and prevent mistakes from happening. ✓
- The 'building in' of quality ✓ as opposed to 'checking of' quality. ✓
- Any other relevant answer related to the meaning of quality assurance.

Max (4)

3.7 **Total Quality Management/TQM**

3.7.1 **TQM elements from the scenario**

TQM ELEMENTS	MOTIVATIONS
1. Adequate financing and capacity ✓✓	Rietfontein Manufacturing can afford to purchase high quality raw materials and equipment. ✓
2. Monitoring and evaluation of quality processes ✓✓	RM modifies their interventions to improve the efficient use of resources. ✓
Submax (4)	Submax (2)

NOTE:
1. **Mark the first TWO (2) only.**
2. **The answer does not have to be in tabular format.**
3. **Award marks for the steps of the TQM elements even if the motivations were incomplete.**
4. **Do not award marks for the motivations if the TQM elements were incorrectly identified.**

Max (6)

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

- Setting unrealistic deadlines ✓ that may not be achieved. ✓
- Employees may not be adequately trained ✓ resulting in poor quality products. ✓
- Decline in productivity, ✓ because of stoppages. ✓
- Businesses may not be able to make necessary changes of products/services ✓ to satisfy the needs of customers. ✓
- Businesses' reputation/image may suffer ✓ because of poor quality/defective goods. ✓

- Customers will have many alternatives to choose from ✓ and the impact could be devastating to businesses. ✓
- Investors might withdraw investment, ✓ if there is a decline in profits. ✓
- Decline in sales ✓ as more goods are returned by unhappy customers. ✓
- High staff turnover, ✓ because of poor skills development. ✓
- Undocumented/Uncontrolled quality control processes/systems ✓ could result in errors/deviations from pre-set quality standards. ✓
- Any other relevant answer related to the impact of TQM if poorly implemented by businesses.

Max (4)

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

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

Max (4)

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	2
3.2	6
3.3.1	2
3.3.2	4
3.4	6
3.5	2
3.6	4
3.7.1	6
3.7.2	4
3.8	4
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 **Consumer rights in terms of the Consumer Protection Act/CPA**

- Right to choose ✓
- Right to privacy ✓
- Right to fair and honest dealings ✓
- Right to disclosure and information ✓
- Right to fair and responsible marketing ✓
- Right to fair value/good quality and safety ✓
- Right to accountability by suppliers ✓
- Right to fair, just and reasonable terms and conditions ✓
- Right to equality in the consumer market ✓

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

4.2 **Difference between market development and product development**

MARKET DEVELOPMENT	PRODUCT DEVELOPMENT
- It is a growth strategy where a business aims to sell its existing/current products in new markets. ✓✓	- It is a growth strategy where a business aims to introduce new products into existing/current markets. ✓✓
- The business implements the idea of expanding/selling products in other geographical areas. ✓✓	- The business improves/enhances the product line by adding different types of related products/services. ✓✓
- The business finds new ways of distributing products. ✓✓	- The business conducts test marketing/ market research to establish whether new products will be accepted by existing customers. ✓✓
- Prices are restructured/reviewed to cater to customers/consumers of all income levels. ✓✓	- New products may be different/of a higher quality than those of competitors. ✓✓
- Any other relevant answer related to market development.	- Any other relevant answer related to product development.
Submax (2)	Submax (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 difference is not clear/Mark either market development or product development only.**

Max (4)

4.3 **Steps in strategy evaluation**

4.3.1 **Steps in strategy evaluation from the scenario**

- AA compared the expected performance with the actual performance. ✓
- AA also drew up a table of the advantages and disadvantages of their implemented strategy.✓

NOTE:
1. **Mark the first TWO (2) only.**
2. **DO NOT award marks for quotes that are incomplete.**

(2 x 1) (2)

4.3.2 **Steps in strategy evaluation**

- Examine the underlying basis ✓ of a business strategy. ✓
- Look forward and backwards ✓ into the implementation process. ✓
- Determine the reasons for deviations ✓ and analyse these reasons. ✓
- Take corrective action ✓ so that deviations may be corrected. ✓
- Set specific dates for control ✓ and follow up. ✓
- Decide on the desired outcome ✓ that will result in the achievement of business goals. ✓
- Consider the impact of the strategic implementation ✓ in the internal/external environments of the business. ✓
- Any other relevant answer related to the steps in strategy evaluation.

NOTE: DO NOT allocate marks for responses quoted in QUESTION 4.3.1.

Max (4)

4.4 **Impact of the Skills Development Act/SDA**

Positives/Advantages

- Increases the number of skilled employees in areas where these skills are scarce. ✓✓
- Improves productivity in the workplace. ✓✓
- Business could become globally more competitive. ✓✓
- Increases investment in education and training in the labour market. ✓✓
- Higher investment in education and training in the labour market increases profits/return on investment. ✓✓
- On-going skills development, learning and the acquisition of new skills are encouraged to sustain the improvement of skills development. ✓✓
- Any other relevant answer related to the positive impact/advantages of the SDA on businesses.

AND/OR

Negatives/Disadvantages

- The SDA process is prescriptive and requires a large amount of paperwork and administration which can cost time and money. ✓✓
- Skills Development Levy could be an extra burden to financially struggling businesses. ✓✓
- It may be monitored and controlled by government departments that do not have education and training as their key priorities. ✓✓
- The SETAs may not be well organised and many courses offered by companies may not have unit standards that relate to the course content. ✓✓
- Many service providers that offer training services are not SAQA accredited. ✓✓
- Many businesses may not support this government initiative. ✓✓
- Implementation of the SDA can be difficult to monitor and control. ✓✓
- Employees are expected to attend learnerships during work hours which could affect the production process/productivity. ✓✓
- Costly for businesses to employ a person to implement, manage and control learnerships. ✓✓
- The time and money spent on improving employee skills is wasted if they leave the business. ✓✓
- Any other relevant answer related to the negative impact/disadvantages of SDA on businesses.

Max (6)

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

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

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

4.6 **Placement procedure**

- Outline the specific responsibilities of the new position, including the expectations/skills required for this position. ✓✓
- Determine the successful candidate's strengths/weaknesses/interests/skills by subjecting him/her to a range of psychometric tests. ✓✓
- Determine the relationship between the position and the competencies of the new candidate. ✓✓
- Any other relevant answer related to the placement procedure as a human resources activity.

Max (4)

4.7 **Role of the interviewer during the interview**

- Allocate the same amount of time ✓ to each candidate. ✓
- Introduce members of the interviewing panel ✓ to each candidate/interviewee. ✓
- Make the interviewee ✓ feel at ease. ✓
- Explain the purpose of the interview ✓ to the panel and the candidate/interviewee. ✓
- Record responses of candidates/interviewees ✓ for future reference. ✓
- Do not misinform/mislead ✓ the candidate/interviewee. ✓
- Provide an opportunity ✓ for the interviewee to ask questions. ✓
- Close the interview ✓ by thanking the interviewee for attending the interview. ✓
- Pose the same set of questions ✓ to all candidates/interviewees. ✓
- Any other relevant answer related to role of the interviewer during the interview.

Max (4)

4.8 **Business functions that contributes to the success of the business and the benefits of a good quality management system**

4.8.1 **Business function that contributes to the success of the business from the scenario**

General management ✓✓

(2)

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

- Effective customer services are rendered ✓, resulting in increased customer satisfaction. ✓
- Time and resources ✓ are used efficiently. ✓
- Productivity increases ✓ through proper time management/using high quality resources. ✓
- Products/Services are constantly improved ✓ resulting in increased levels of customer satisfaction. ✓
- Vision/Mission/Business goals ✓ may be achieved. ✓
- A business has a competitive advantage ✓ over its competitors. ✓
- Regular training will continuously improve ✓ the quality of employees' skills/knowledge.✓
- Employers and employees will have a healthy working relationship ✓ resulting in happy/ productive workers. ✓
- Increased market share/financial sustainability ✓ as more customers improves profitability. ✓
- Improves business image ✓ as there are less defects/returns. ✓
- Any other relevant answer related to the benefits of a good quality management system.

Max (4)

4.9 **Ways in which total quality management/TQM can reduce the cost of quality**

- Introduce quality circles to discuss ways of improving the quality of their work/workmanship. ✓✓
- Schedule activities to eliminate duplication of tasks. ✓✓
- Share responsibilities for quality output amongst management and workers.✓✓
- Train employees at all levels, so that everyone understands their roles in quality management. ✓✓
- Develop work systems that empower employees to find new ways of improving quality. ✓✓
- Work closely with suppliers to improve the quality of raw materials/inputs. ✓✓
- Improve communication about the quality challenges/deviations, so that everyone can learn from past experiences. ✓✓
- Reduce investment on expensive, but ineffective inspection procedures in the production process. ✓✓
- Implement pro-active 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)

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2	4
4.3.1	2
4.3.2	4
4.4	6
4.5	2
4.6	4
4.7	4
4.8.1	2
4.8.2	4
4.9	4
TOTAL	40

TOTAL SECTION B: 80

QUESTION 5: BUSINESS ENVIRONMENTS (LEGISLATION)

5.1 **Introduction**

- The Employment Equity Act was introduced to redress the economic imbalances of the past/enable greater transformation in the workplace. ✓
- Businesses need to make all the necessary efforts to gain the positive impact of this act, and reduce the negative impact of this act on their business operations. ✓
- Penalties for non-compliance refer to the legal charges businesses may face for not complying with the EEA. ✓
- Compliance refers to the ways/methods in which businesses can act in the legal accordance with the EEA. ✓
- Businesses often implement the EEA in the workplace in order to prevent/reduce the large penalties for non-compliance. ✓
- Any other relevant introduction related to the purpose of the EEA/impact of the EEA on businesses/consequences for non-compliance with the EEA/ways in which businesses can comply with the EEA.

Any (2 x 1) (2)

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

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

Max (8)

5.3 **Impact of the Employment Equity Act/EEA on businesses**

Positives/Advantages of the EEA

- Encourages consultation ✓ between employer and employees. ✓
- Promotes equal opportunity ✓ and fair treatment in the workplace. ✓
- Impacts positively ✓ on BEE ratings for businesses. ✓
- Appointment process is clearly defined, ✓ so all parties are well informed. ✓
- Motivates employees because the workforce ✓ is more diverse/representative/ inclusive. ✓
- Motivates employees because everyone has ✓ the same employment opportunities. ✓
- Promotes the implementation of affirmative action measures ✓ to redress the imbalances in employment. ✓
- Provides employees with legal recourse ✓ if they have been unfairly discriminated against. ✓
- Provides all employees with an equal opportunity ✓ to be selected/appointed/ promoted in a position. ✓
- Prevents unfair discrimination ✓ as it ensures that the workforce represents the demographics of the country. ✓
- Creates a framework ✓ of acceptable employment practices/affirmative action measures. ✓
- Encourages diversity in business ✓ by employing people from various racial backgrounds. ✓
- Businesses are in a better position ✓ to negotiate contracts with the government. ✓
- Certified psychometric tests may be used ✓ to assess applicants/employees to ensure that they are suitable for the vacancy. ✓
- Any other relevant answer related to the positive impact/advantages of the EEA on businesses.

AND/OR

Negatives/Disadvantages

- Increased administration burden, ✓ as businesses must compile/submit employment equity reports every two years. ✓
- Expensive to train/employ someone ✓ who knows little about the Act. ✓
- Other groups may not respect the knowledge/skills/experience of an EEA appointment ✓ and may lead to conflict. ✓
- Fines/Penalties for non-compliant businesses ✓ may be expensive for the business. ✓
- Employers have to appoint one or more senior managers to ensure the implementation of the plan, ✓ which increases salary expenditure. ✓
- Skilled people from designated groups may demand higher salaries ✓ which increase salary expenses. ✓
- Job hopping of skilled/trained EE appointees ✓ may increase staff turnover. ✓
- Diversity in the workplace ✓ may lead to conflict/unhappiness. ✓
- Businesses must submit a compliance certificate ✓ before they can conduct business with state businesses. ✓
- Businesses are sometimes pressurised to appoint an unsuitable person ✓ to meet EEA requirements. ✓
- Often positions go unfilled ✓ because there are no suitable EEA candidates. ✓
- Any other relevant answer related to the negative impact/disadvantages of the EEA on businesses.

Max (16)

5.4 **Consequences for non-compliance**

- Businesses that do not comply with the EEA may receive a compliance order ✓ from the Labour Court that forces the business to comply with the EEA. ✓
- Businesses that do still not comply after the compliance order has been issued ✓ may then be charged/prosecuted by the Labour Court for non-compliance. ✓/ Businesses may be brought before the Labour Court ✓ if compliance orders are not adhered to/no efforts made to reach targets. ✓
- Businesses who neglect to comply with the EEA may receive large fines, ✓ which will be dependent on the degree of non-compliance, especially in the context of fronting. ✓
- The Department of Labour may prevent non-compliant businesses from conducting business with the government, ✓ especially in the context of government tenders. ✓
- Labour inspectors may conduct onsite visits, ✓ to interview employees which can create a bad image for the business. ✓
- Labour inspectors can visit the business and conduct interviews with employees ✓ to determine whether the information supplied on the employment equity plans is true or has been falsified. ✓/Labour inspectors may investigate/inspect/ask questions ✓ about complaints. ✓
- The business can be ordered to pay ✓ compensation and damages to the employee. ✓
- Any other relevant answer related to the consequences for non-compliance with the EEA.

Max (10)

5.5 **Ways in which businesses can comply with the Employment Equity Act/EEA**

- Businesses should guard against discriminatory appointments. ✓✓
- Assess the racial composition of all employees, including senior management. ✓✓
- Ensure that there is equal representation of all racial groups/demographics in every level of employment. ✓✓
- Clearly define the appointment process, so that all parties are well informed. ✓✓
- Ensure that diversity/inclusivity is achieved in the workplace. ✓✓
- Prepare an employment equity plan in consultation with employees. ✓✓
- Compile employment equity plans that indicate how they will implement affirmative action. ✓✓
- Ensure that affirmative action measures promote diversity in the workplace. ✓✓
- Implement the employment equity plan. ✓✓
- Implement affirmative action measures to redress disadvantages experienced by designated groups. ✓✓
- Submit the employment equity plan to the Department of Labour. ✓✓
- Assign one or more senior managers to ensure implementation and monitoring of the employment equity plan. ✓✓
- Eliminate barriers that have an adverse impact on designated groups. ✓✓
- Regularly report to the Department of Labour on progress in implementing the plan. ✓✓
- Display a summary of the Act where employees can clearly see/have access to the document. ✓✓
- Conduct medical/psychological tests fairly to employees/when deemed necessary/ ✓✓ Use certified psychometric tests to assess applicants/employeesto ensure that suitable candidates are appointed. ✓✓
- Ensure that the workplace represents the demographics of the country at all levels. ✓✓

- Restructure/Analyse current employment policies/practices/procedures to accommodate designated groups. ✓✓
- Retrain/Develop/Train designated groupsthrough skills development programmes. ✓✓
- Employees must be paid equal for work of equal value. ✓✓
- Any other relevant answer related to ways in which businesses can comply with the EEA.

Max (12)

5.6 **Conclusion**

- The EEA promotes/regulates affirmative action and provides guidance in conducting fair appointment processes. ✓✓
- Businesses benefit from the EEA by providing access to workplace opportunities for individuals of previously disadvantaged communities. ✓✓
- Penalties for non-compliance with the EEA may have a negative financial implication for businesses as it causes cash flow problems. ✓✓
- Businesses need to ensure that employment policies and procedures are aligned with the requirements of the EEA. ✓✓
- Any other relevant conclusion related to the purpose of the EEA/impact of the EEA on businesses/consequences for non-compliance with the EEA/ways in which businesses can comply with the EEA.

Any (1 x 2) (2)

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	**2**	**Max 32**
Purpose of the EEA	**8**	
Impact of the EEA on businesses	**16**	
Consequences for non-compliance with the EEA	**10**	
Ways in which businesses can comply with the EEA	**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 some requirements are met.
Allocate 0 marks where requirements are not met at all.

QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCES FUNCTION)

6.1 **Introduction**

- The success of a business is strongly influenced by sound recruitment processes applied by the human resources function. ✓
- Interviews are a critical human resources activity within the selection process as it provides the opportunity to determine/assess the suitability of the applicant/candidate for the available post. ✓
- Businesses are required to implement the necessary means in the workplace in order to improve the positive impact and reduce the negative impact of fringe benefits on their operations. ✓
- Businesses are required to employ human resources managers and legal experts with
- sound knowledge/experience of legislation such as the LRA. ✓
- Any other relevant introduction related to the recruitment procedure as a human resources activity/purpose of an interview/impact of fringe benefits on businesses/implication of the LRA on the human resources function.

Any (2 x 1) (2)

6.2 **Recruitment procedure as a human resources activity**

- The human resource manager (HRM) should evaluate the job/prepare a job analysis, that includes the job specification/job description/in order to identify recruitment needs. ✓✓
- HRM should indicate the job specification/key performance areas to attract suitable candidates. ✓✓
- Choose the method of recruitment, such as internal/external, to reach/target the suitable applicants/candidates. ✓✓
- If the external recruitment is chosen, the relevant recruitment sources should be selected, such as recruitment agencies/tertiary institutions/newspapers. ✓✓
- Vacancies can be internally advertised via internal email/word of mouth/posters/staff notices. ✓✓
- External recruitment should be considered if internal recruitment was unsuccessful.✓✓
- The advertisement should be prepared with the relevant information, such as the name of the company, contact details, contact person. ✓✓
- Place the advertisement in the selected media that will ensure that the best candidates apply. ✓✓
- Any other relevant answer related to the recruitment procedure as a human resources activity.

  NOTE: The procedure may be in any order.

Max (12)

6.3 **Purpose of an interview**

- Creates an opportunity where information about the business and applicant ✓ can be exchanged. ✓
- Gathers information about the strengths and weaknesses ✓ of each candidate. ✓
- Determines a candidate's suitability ✓ for the job. ✓/Determines whether the candidate would add value ✓ to the business. ✓
- Helps the employer in choosing/making an informed decision ✓ about the most
- suitable candidate for the job. ✓
- Matches information provided by the applicant ✓ to the job requirements. ✓
- Evaluates the skills/personal characteristics/qualities ✓ of the applicant. ✓

- Verifies to a certain degree, ✓ the accuracy regarding the information presented on the CV. ✓
- Any other relevant answer related to the purpose of an interview.

Max (12)

6.4 **Impact of fringe benefits**

Positives/Advantages

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

AND/OR

Negatives/Disadvantages

- Businesses which cannot offer fringe benefits, ✓ fail to attract skilled workers. ✓
- Businesses which offer employees different benefit plans ✓ may create resentment. ✓/ Employees who receive less benefit may not be motivated ✓ resulting in lower productivity. ✓
- It can create conflict/lead to corruption ✓ if allocated unfairly. ✓
- Fringe benefits are additional costs ✓ that may result in cash flow problems. ✓
- Decreases business profits, ✓ as incentive/package/remuneration costs are higher. ✓
- Administrative costs increase, ✓ as benefits need to be correctly recorded for tax purposes. ✓
- Workers only stay with the business for fringe benefits, ✓ and may not be committed/loyal to the tasks/business. ✓
- Businesses have to pay advisors/attorneys ✓ to help them create benefit plans that comply with legislation. ✓
- Errors in benefit plans ✓ may lead to costly lawsuits/regulatory fines. ✓
- Any other relevant answer related to the negative impact/disadvantages of fringe benefits on businesses.

Max (12)

6.5 **Implication of the LRA on the human resources function**

- Allows for the establishment of trade unions/collective bargaining/bargaining councils, which may directly influence operations within human resources/the business. ✓✓
- Employees cannot be easily dismissed as bargaining council/CCMA processes need to be correctly followed. ✓✓
- Provides a framework for bilateral meetings/collective bargaining/bargaining councils where employees, trade unions, and employers discuss matters relating to employment. ✓✓
- Promotes orderly negotiations and employee participation in decision-making in the workplace. ✓✓

- Protects the rights of employees/employers as outlined in the Constitution. ✓✓
- Advances economic development/social justice/labour peace. ✓✓
- Any other relevant answer related to the implication of the LRA on the human resources function.

Max (10)

6.6 **Conclusion**

- The human resources department must make use of reliable recruitment procedures/processes/systems to achieve specific human resources goals. ✓✓
- Candidates/applicants aim to make a strong impression of themselves in the interview in order to secure the available post/employment. ✓✓
- Businesses use fringe benefits as a supplement to the regular salaries of employees, which makes employment packages seem more attractive. ✓✓
- Human resources managers have to be continually trained on the LRA in order to keep abreast of current/new legislations/labour legislation that may influence operations within the human resources function. ✓✓
- Any other relevant conclusion related to the recruitment procedure as a human resources activity/purpose of an interview/impact of fringe benefits on businesses/implication of the LRA on the human resources function.

Any (1 x 2) (2)

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Recruitment procedure as a human resources activity	12	
Purpose of an interview	12	
Impact of fringe benefits on businesses	12	
Implication of the LRA on the human resources function	10	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		**40**

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

TOTAL SECTION C: 40

GRAND TOTAL: 150

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